UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2003

Commission File Number 0-16914

THE E. W. SCRIPPS COMPANY
(Exact name of registrant as specified in its charter)

Ohio **(State or other jurisdiction of incorporation or organization)**	**31-1223339** **(IRS Employer Identification Number)**
312 Walnut Street **Cincinnati, Ohio** **(Address of principal executive offices)**	**45202** **(Zip Code)**

Registrant's telephone number, including area code: (513) 977-3000

Title of each class	Name of each exchange on which registered
Securities registered pursuant to Section 12(b) of the Act: Class A Common Shares, $.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
Not applicable

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

Yes ☒ No ☐

The aggregate market value of Class A Common Shares of the Registrant held by non-affiliates of the Registrant, based on the $88.72 per share closing price for such stock on June 30, 2003, was approximately $3,530,000,000. All Class A Common Shares beneficially held by executives and directors of the registrant and The Edward W. Scripps Trust have been deemed, solely for the purpose of the foregoing calculation, to be held by affiliates of the registrant. There is no active market for our common voting shares.

As of January 31, 2004, there were 62,646,538 of the Registrant's Class A Common Shares, $.01 par value per share, outstanding and 18,369,113 of the Registrant's Common Voting Shares, $.01 par value per share, outstanding.

Certain information required for Part III of this report is incorporated herein by reference to the proxy statement for the 2004 annual meeting of shareholders.

INDEX TO THE E. W. SCRIPPS COMPANY

ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2003

As used in this Annual Report on Form 10-K, the terms "Scripps," "we," "our" or "us" may, depending on the context, refer to The E. W. Scripps Company, to one or more of its consolidated subsidiary companies, or to all of them taken as a whole.

ADDITIONAL INFORMATION

You can inspect and copy, at prescribed rates, our annual, quarterly and current reports, proxy statements and other information filed with the Securities and Exchange Commission ("SEC") at the public reference facilities of the SEC at Room 1024, 450 Fifth Street N.W., Washington D.C., 20549. You can obtain information on the operation of the public reference facilities by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site (www.sec.gov) containing reports, proxy statements and other information. You can also inspect and copy the reports we file at the offices of the New York Stock Exchange, on which our Class A Common Shares are listed, at 20 Broad Street, New York, New York, 10005.

Our Company website is www.scripps.com. Copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge on this website as soon as reasonably practicable after we electronically file the material with, or furnish it to, the SEC. Our website also includes copies of the charters for our Compensation, Nominating & Governance and Audit Committees, our Corporate Governance Principles, our Insider Trading Policy and our Code of Ethics. All of these documents are also available to shareholders in print upon request.

FORWARD-LOOKING STATEMENTS

Our Annual Report on Form 10-K contains certain forward-looking statements that are based on our current expectations. Forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from the expectations expressed in the forward-looking statements. Such risks, trends and uncertainties, which in most instances are beyond our control, include changes in advertising demand and other economic conditions; consumers' taste; newsprint prices; program costs; labor relations; technological developments; competitive pressures; interest rates; regulatory rulings; and reliance on third-party vendors for various products and services. The words "believe," "expect," "anticipate," "estimate," "intend" and similar expressions identify forward-looking statements. All forward-looking statements, which are as of the date of this filing, should be evaluated with the understanding of their inherent uncertainty.

PART I

ITEM 1. BUSINESS

We are a diverse media concern with interests in newspapers, national television networks ("Scripps Networks"), broadcast television and television retailing ("Shop At Home"). We also operate United Media, which is the worldwide licensing and syndication home of "Peanuts" and "Dilbert."

Financial information for each of our business segments can be found under "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page F-12 of this Form 10-K and in Note 1 on page F-33 and Note 17 on page F-57 of this Form 10-K.

NEWSPAPERS

We operate 21 daily newspapers in 19 markets in the United States. We solely operate and manage 17 of the newspapers. Each of the other four newspapers is operated pursuant to the terms of a joint operating agreement ("JOA"). We also own and operate the Scripps Howard News Service, a supplemental wire service covering stories in the capital, other parts of the United States and abroad. All of our newspapers subscribe to the wire service.

Newspaper operations are expanded into new markets primarily through the acquisition of daily newspapers. During the five years ended December 31, 2003, we acquired several newspapers, all during 2000. They are as follows:

- The Ft. Pierce, Florida, daily newspaper in exchange for our Destin, Florida, newspaper and cash.
- The Henderson, Kentucky, daily newspaper for cash.
- The Marco Island, Florida, weekly newspaper for cash.

Our newspapers contributed approximately 37% of our company's total operating revenues in 2003, down from 49% in 2001.

Newspapers managed solely by us - Information regarding the markets in which we publish and solely manage daily newspapers and the circulation of our daily newspapers is as follows:

(in thousands) [1] **Newspaper**	**2003**	**2002**	**2001**	**2000**	**1999**
Abilene (TX) Reporter-News	33	34	35	36	38
Anderson (SC) Independent-Mail	38	39	39	39	40
Boulder (CO) Daily Camera	33	33	34	34	33
Bremerton (WA) Sun	30	31	33	34	35
Corpus Christi (TX) Caller-Times	61	63	63	63	65
Evansville (IN) Courier & Press	69	69	70	71	72
Henderson (KY) Gleaner	10	11	10	11	11
Knoxville (TN) News-Sentinel	121	118	121	123	122
Memphis (TN) Commercial Appeal	173	172	170	175	173
Naples (FL) Daily News	57	56	55	53	52
Redding (CA) Record-Searchlight	35	35	34	34	34
San Angelo (TX) Standard-Times	27	28	28	29	30
Treasure Coast (FL) News/Press-Tribune [2]	100	98	98	97	96
Ventura County (CA) Star	93	94	92	97	93
Wichita Falls (TX) Times Record News	32	32	34	36	37
Total Daily Circulation	911	912	914	931	930

Circulation information for the Sunday edition of our newspapers is as follows:

(in thousands) [1] **Newspaper**	**2003**	**2002**	**2001**	**2000**	**1999**
Abilene (TX) Reporter-News	42	44	44	45	47
Anderson (SC) Independent-Mail	44	44	45	45	45
Boulder (CO) Daily Camera	40	41	41	41	40
Bremerton (WA) Sun	34	36	37	37	39
Corpus Christi (TX) Caller-Times	78	80	81	81	85
Evansville (IN) Courier & Press	97	97	98	101	105
Henderson (KY) Gleaner	12	12	12	13	13
Knoxville (TN) News-Sentinel	155	154	156	158	159
Memphis (TN) Commercial Appeal	235	234	232	237	238
Naples (FL) Daily News	69	68	67	66	65
Redding (CA) Record-Searchlight	40	40	39	39	38
San Angelo (TX) Standard-Times	32	33	34	35	36
Treasure Coast (FL) News/Press-Tribune [2]	113	111	110	110	110
Ventura County (CA) Star	107	107	105	110	108
Wichita Falls (TX) Times Record News	36	37	39	41	42
Total Sunday Circulation	1,133	1,137	1,142	1,158	1,171

(1) *Based on Audit Bureau of Circulation Publisher's Statements ("Statements") for the six-month periods ended September 30, except figures for the Naples Daily News, and the Treasure Coast News/Press-Tribune which are from the Statements for the twelve-month periods ended September 30.*

(2) *Represents the combined Sunday circulation of the Stuart News, the Vero Beach Press Journal and the Ft. Pierce Tribune.*

Each newspaper publishes a daily newspaper, operates an Internet site and distributes a wide range of niche publications. These niche publications include community newspapers, lifestyle magazines and other publications aimed at both younger readers and classified categories such as real estate, employment and autos. In many of our markets we also offer direct marketing, commercial printing and other related products. Our product offerings allow existing advertisers to reach their target audience in multiple ways, while also giving us an attractive portfolio of products with which to acquire new clients, particularly small and mid-sized advertisers. To protect and enhance our market position we must continually launch new products, offer good, relevant local content, ensure quality service, invest in new technology and cross-brand our newspapers, Internet sites and niche publications.

Advertising provided 78% of newspaper segment operating revenues in 2003. Declines in advertising spending, particularly in recessionary periods, adversely affect our business.

Newspaper advertising includes ("ROP") advertising, preprinted inserts, advertising on our Internet sites, advertising in niche publications, and direct mail. ROP advertisements, located throughout the newspaper, are classified into one of three categories: local, classified or national. Local ROP refers to any advertising purchased by in-market advertisers that is not included in the paper's classified section. Classified ROP refers to advertising that is organized by product and service categories within its own self-contained section of the paper. Classified sections are typically found in the back of the paper. While various categories exist within the paper's classified sections, a substantial amount of classified revenue comes from three categories: real estate, automotive and help wanted. National ROP refers to any advertising purchased by businesses that operate beyond our local market and who typically procure advertising from numerous newspapers by using advertising agency services. Preprint advertisements are generally printed by advertisers and inserted into the newspaper. Internet advertising ranges from simple static banners appearing on a web page to more complex, interactive and animated advertisements.

Advertising is generally sold based upon audience size, demographics, price and effectiveness. Advertising rates and revenues vary among our newspapers depending on circulation, type of advertising, local market conditions and competition. Advertising revenues on a given volume of local and national ROP advertisements are generally greater than the revenues earned on the same volume of preprinted and other advertisements. Typically, because it generates the largest circulation and readership numbers of the week, advertising rates and volume are higher on Sundays. Due to increased demand in the spring and Christmas seasons, the first and third quarters have lower advertising revenues than the second and fourth quarters.

Our newspapers compete for advertising revenues primarily with other local media, including other newspapers, television stations, radio stations, cable television systems, Internet sites and direct mail. In recent years, competition from electronic communication companies, primarily the Internet, has increased in classified categories such as help wanted, real estate and automotive advertising.

Circulation provided approximately 20% of newspaper segment operating revenues in 2003. Circulation revenues are produced from selling home-delivery subscriptions of our newspapers and single-copy sales sold at retail outlets and vending machines. Our newspapers seek to provide quality, relevant local news and information to their readers. Newspapers compete with other news and information sources, such as television stations, radio stations and other print and Internet publications as a source of local news and information. We believe our newspapers are the leading source of local news and information in each of their respective markets. To maintain their competitive position, our newspapers have introduced a number of publications aimed at both younger readers and focused upon the classified advertising categories of real estate, employment and autos.

Labor costs accounted for approximately 54% of our newspapers segment costs and expenses in 2003. A substantial number of our newspaper employees are represented by labor unions. See "Employees."

We use computer systems to write, edit, compose and produce the papers.

Our newspapers are printed in 50-inch web format using offset and flexographic presses. We consumed approximately 142,000 metric tons of newsprint in 2003. Newsprint is a basic commodity and its price is subject to changes in the balance of world-wide supply and demand. Newsprint market prices published by Resource Information Systems, Inc. (a company that provides economic analysis of the printing and writing paper markets) have ranged from $423 per ton to $740 per ton over the past ten years. Consolidation in the North American newsprint industry has reduced the number of suppliers and led to paper mill closures. Mill closures have decreased overall newsprint capacity and increased the likelihood of price increases in the future.

During 2002 we established Media Procurement Services ("MPS"), a wholly-owned subsidiary company. MPS provides newsprint and other paper procurement services for both our newspapers and other non-affiliated newspapers and printers. By combining the purchasing requirements of several companies for newsprint and other services, MPS is able to negotiate more favorable pricing with newsprint producers. MPS purchases newsprint from various suppliers, many of which are Canadian. Based on our expected newsprint consumption, we believe our supply sources are sufficient.

Newspapers operated under JOAs - The Newspaper Preservation Act of 1970 provides a limited exemption from anti-trust laws, permitting competing newspapers in a market to combine their sales, production and business operations in order to reduce aggregate expenses and take advantage of economies of scale, thereby allowing the continuing operation of both newspapers in that market.

Each newspaper maintains a separate and independent editorial operation.

Information regarding the markets in which we publish a daily newspaper pursuant to the terms of a JOA and the daily circulation of our newspaper are as follows:

(in thousands) (1)

Newspaper	2003	2002	2001	2000	1999
Albuquerque (NM) Tribune	15	16	17	19	21
Birmingham (AL) Post-Herald	10	10	12	15	18
Cincinnati (OH) Post	45	49	53	60	65
Denver (CO) Rocky Mountain News (2)	289	305	323	427	396
Total Daily Circulation	358	380	406	520	501

Sunday circulation information is as follows:

(in thousands) (1)

Newspaper	2003	2002	2001	2000	1999
Denver (CO) Rocky Mountain News (2)	786	789	801	530	505

(1) Based on Audit Bureau of Circulation Publisher’s Statements (“Statements”) for the six-month periods ended September 30.

(2) The Denver JOA publishes the Rocky Mountain News and the Denver Post Monday through Friday, and a joint newspaper on Saturday and Sunday. Reported daily circulation in 2003, 2002 and 2001 represents the Monday through Friday circulation of the Rocky Mountain News. Reported circulation prior to 2001 represents the Monday through Saturday circulation of the Rocky Mountain News. Reported circulation prior to 2001 represents the Sunday circulation of the Rocky Mountain News.

The table below provides certain information about our JOAs.

Newspaper	Publisher of Other Newspaper	Year JOA Entered Into	Year of JOA Expiration
The Albuquerque Tribune	Journal Publishing Company	1933	2022
Birmingham Post-Herald	Newhouse Newspapers	1950	2015
The Cincinnati Post	Gannett Newspapers	1977	2007
Denver Rocky Mountain News	MediaNews Group, Inc.	2001	2051

The JOAs generally provide for automatic renewals unless an advance termination notice ranging from two to five years is given by either party. Gannett Newspapers has notified us of its intent to terminate the Cincinnati JOA upon its expiration in 2007. We intend to continue publishing the Cincinnati Post and Kentucky Post newspapers for the duration of the agreement.

The combined sales, production and business operations of the newspapers are either jointly managed or are solely managed by one of the newspapers. The combined operations of the Denver newspapers are jointly managed by each of the newspapers. We have no management responsibilities for the combined operations in the other three markets.

The operating profits earned from the combined operations of the two newspapers are distributed to the partners in accordance with the terms of the joint operating agreement. We receive a 50% share of the Denver JOA profits and between 20% and 40% of the profits from the other three JOAs.

Our share of the operating profits of the combined newspaper operations in each market is impacted by similar operational, economic and competitive factors in the discussion of newspapers managed solely by us.

SCRIPPS NETWORKS

Scripps Networks includes four national television networks: Home & Garden Television (“HGTV”), Food Network, DIY – Do It Yourself Network (“DIY”), and Fine Living. Our networks have been internally developed, with the exception of Food Network. We acquired controlling interest in Food Network in 1997. Scripps Networks produced approximately 29% of our total operating revenues in 2003, up from 24% in 2001.

Scripps Networks also includes our 12% interest in FOX Sports Net South, a regional television network. We own an approximate 70% residual interest in Food Network and an approximate 90% residual interest in Fine Living. The Food Network partnership agreement terminates on December 31, 2012, unless amended or extended prior to that date. Upon termination, the partnership assets are to be liquidated and distributed to the partners in proportion to their partnership interests. The minority owners of Fine Living have the right to require us to repurchase their interests, while we have an option to acquire their interests. The put and call options become exercisable at various dates through 2016. The minority interests will receive fair market value for their interest at the time their option is exercised. Put options on an approximate 6% interest in Fine Living are currently exercisable. The remaining put options become exercisable in 2006.

All of our national television networks are targeted, lifestyle-oriented networks. HGTV began telecasting in 1994 and features programming focused on home repair, remodeling, gardening, decorating and other activities linked with the home. Food Network began telecasting in 1993 and features programming focused on food and entertaining. DIY began telecasting in 1999 and features step-by-step instructions, in-depth demonstrations and tips on various topics associated with home improvement, gardening and crafts. Fine Living, which began telecasting in March 2002, targets an upper demographic audience and advertisers in the luxury consumer goods and services markets.

Our initial focus in launching a network is to gain distribution on cable and satellite television systems. We also create new and original programming and promote the networks’ programming to cable and satellite television subscribers. We expect to incur operating losses until our network distribution and audience size are large enough to attract national advertisers. As the distribution of our networks increases we make additional investments in the quality and variety of programming and in the number of original programming hours offered on the network. Such investments are expected to increase viewership, and consequently yield higher advertising revenues due to improved ratings. Prime time (Monday through Sunday from 8:00 p.m. to 11:00 p.m.) viewership of HGTV and Food Network has increased more than five-fold in the past five years.

While we have employed similar development strategies with each of our networks, there can be no assurance DIY and Fine Living will achieve distribution levels similar to HGTV and Food Network. There has been considerable consolidation among cable and satellite television operators, with the eight largest providing services to approximately 90% of the homes that receive cable and satellite television programming. At the same time there has been an expansion in the number of programming services seeking distribution on those systems, with the number of networks more than doubling since 1996.

Advertising provided approximately 81% of Scripps Networks segment operating revenues in 2003. Declines in advertising spending, particularly in recessionary periods, adversely affect our business.

Advertising purchased on our networks usually seeks to promote nationally recognized consumer products and brands. We sell advertising time in both the up-front and scatter markets. The mix between the up-front and scatter markets is based upon a number of factors, including the demand for advertising time, economic conditions and pricing. The first and third quarters normally have lower advertising revenues than our second and fourth quarters.

Advertising is sold on the basis of audience size and demographics, price and effectiveness. We compete for advertising revenues with other local and national media, including other television networks, television stations, radio stations, newspapers, Internet sites and direct mail. Audience size and demographics are directly related to the number of homes in which our networks can be viewed and our success in producing and promoting programming that is popular with our target audience. In reaching our target audience, we compete for consumers’ discretionary time with all other information and entertainment media.

Our networks are distributed by cable and satellite television systems under the terms of long-term distribution contracts. In exchange for the right to distribute our programming, cable and satellite television systems generally pay a per-subscriber fee. Network affiliate fees provided 17% of Scripps Networks segment operating revenues in 2003.

We compete with other national television networks for distribution on cable and satellite televisions. Several of those networks are owned by cable and satellite television system operators. To obtain long-term contracts, we may make cash payments to cable and satellite television systems, provide an initial period in which a system's affiliate fee payments are waived or do both. Network affiliate fee revenues are reported net of the cost of incentives granted in exchange for long-term distribution contracts.

The four largest cable and satellite television systems provide service to more than 60% of homes receiving HGTV and Food Network, while the eight largest provide service to more than 90% of such homes. The loss of distribution by any of these cable and satellite television systems could adversely affect our business. While no assurance can be given regarding renewal of our distribution contracts, we have historically renewed expiring distribution agreements for HGTV and Food Network.

In a continuing effort to protect and extend our brands, we partnered with Time Warner Cable in November 2001 to launch a joint video-on-demand ("VOD") trial based in Cincinnati, Ohio. The initial VOD package included a total of 60 hours of programming from HGTV, Food Network and DIY. In October 2002, we announced plans to expand our VOD agreement to cover 30 Time Warner cable television systems across the United States. At December 31, 2003, our programming can be viewed on demand in about 84 markets across the United States.

We both own and license the programming that airs on our networks. Programming accounted for approximately 39% of our networks segment costs and expenses in 2003. We believe there are adequate sources of creative and original programming to meet the needs of our networks.

Our networks require traffic systems to schedule programs and to insert advertisements within programs. We transmit our programming to cable and satellite television systems via satellite. Transponder rights are acquired under the terms of long-term contracts with satellite owners.

Labor costs accounted for approximately 26% of segment costs and expenses in 2003.

BROADCAST TELEVISION

Broadcast television includes 10 television stations. Our broadcast television stations are located in nine of the 60 largest television markets in the United States. Our television stations reach approximately 10% of the nation's television households, calculated using the multiple ownership rules of the Federal Communications Commission ("FCC"). Nine of our television stations are affiliated with national broadcast television networks. Six are ABC affiliates and three are NBC affiliates.

We expand our broadcast television operations into new markets primarily through the acquisition of television stations currently in operation. We acquired independent television station KMCI in Lawrence, Kansas, in 2000. We had operated KMCI since 1996 under a Local Marketing Agreement ("LMA").

Our broadcast television stations provided approximately 16% of our total operating revenues in 2003, down from 20% in 2001.

Information concerning our broadcast television stations, their network affiliations and the markets in which they operate is as follows:

Station and Market	Network Affiliation/ DTV Channel	Affiliation Expires in/ DTV Service Commenced	FCC License Expires in	Rank of Mkt (1)	Stations in Mkt (3)	Percentage of U.S. Television Households in Mkt (5)	2003	2002	2001	2000	1999
WXYZ-TV, Detroit, Ch. 7	ABC	2004	2005	10	9	1.8%					
Digital Service Status	41	1998									
Average Audience Share (2)							15	15	15	15	16
Station Rank in Market (4)							1	1	1	2	1
WFTS-TV, Tampa, Ch. 28	ABC	2004	2005	13	12	1.5%					
Digital Service Status	29	1999									
Average Audience Share (2)							6	6	7	8	8
Station Rank in Market (4)							4	4	4	4	4
KNXV-TV, Phoenix, Ch. 15	ABC	2005	2006	15	14	1.4%					
Digital Service Status	56	2000									
Average Audience Share (2)							6	6	6	7	9
Station Rank in Market (4)							5	5	5	5	6
WEWS-TV, Cleveland, Ch. 5	ABC	2004	2005	16	11	1.4%					
Digital Service Status	15	1999									
Average Audience Share (2)							12	12	13	14	14
Station Rank in Market (4)							1	1	1	1	1
WMAR-TV, Baltimore, Ch. 2	ABC	2005	2004	23	6	1.0%					
Digital Service Status	52	1999									
Average Audience Share (2)							7	7	7	8	9
Station Rank in Market (4)							3	3	3	3	3
KSHB-TV, Kansas City, Ch. 41	NBC	2010	2006	31	8	0.8%					
Digital Service Status	42	2003									
Average Audience Share (2)							8	7	7	8	7
Station Rank in Market (4)							4	4	4	4	4
KMCI-TV, Lawrence, Ch. 38	Ind.		2006	31	8	0.8%					
Digital Service Status	36	2003									
Average Audience Share (2)							2	1	2	1	2
Station Rank in Market (4)							7	7	7	8	8
WCPO-TV, Cincinnati, Ch. 9	ABC	2006	2005	32	6	0.8%					
Digital Service Status	10	1998									
Average Audience Share (2)							13	12	12	14	14
Station Rank in Market (4)							2	2	2	2	2
WPTV-TV, W. Palm Beach, Ch. 5	NBC	2010	2005	39	9	0.7%					
Digital Service Status	55	2003									
Average Audience Share (2)							16	17	16	15	15
Station Rank in Market (4)							1	1	1	1	1
KJRH-TV, Tulsa, Ch. 2	NBC	2010	2006	60	10	0.5%					
Digital Service Status	56	2002									
Average Audience Share (2)							10	11	11	11	12
Station Rank in Market (4)							3	3	3	3	3

All market and audience data is based on the November Nielsen survey.

(1) Rank of Market represents the relative size of the television market in the United States.

(2) Represents the number of television households tuned to a specific station from 6 a.m. to 2 a.m. each day, as a percentage of total viewing households in the Designated Market Area.

(3) Stations in Market does not include public broadcasting stations, satellite stations, or translators which rebroadcast signals from distant stations.

(4) Station Rank in Market is based on Average Audience Share as described in (2).

(5) Represents the number of U.S. television households in Designated Market Area as a percentage of total U.S. television households.

The sale of local, national and political commercial spots accounted for 95% of broadcast television segment operating revenues in 2003. Advertising is generally sold based upon audience size, demographics, price and effectiveness. Declines in advertising spending, particularly in recessionary periods, adversely affect our business. Automotive advertising accounts for approximately one-fourth of our local and national advertising revenues.

Advertising revenues are also influenced by various cyclical factors, particularly the political cycle. Advertising revenues dramatically increase during even-numbered years, when congressional and presidential elections occur. Advertising revenues also are affected by whether our stations are affiliated with the national networks broadcasting major events, such as the Olympics or the Super Bowl. The first and third quarters of each year generally have lower advertising revenues than the second and fourth quarters.

Our television stations compete for advertising revenues primarily with other local media, including other television stations, radio stations, cable television systems, newspapers, other Internet sites and direct mail. Competition for advertising revenue is based upon market share, audience size, demographics, price and effectiveness. Channel capacities of satellite television and cable television systems have increased as a result of digital technologies, resulting in an increase in the number of available viewing choices. Broadcast television also faces increased competition from Internet services and other electronic entertainment services, resulting in fragmentation of the viewing audience. Audience fragmentation could adversely affect our broadcast television stations.

National television networks offer a variety of programs to affiliated stations, which have a limited right of first refusal before such programming may be offered to other television stations in the same market. Networks sell most of the advertising within the programs and may compensate affiliated stations for carrying network programming. Affiliated television stations may share in the cost of certain network programming, which is deducted from such compensation. In 2001, we renegotiated and extended our NBC network affiliation agreements, originally scheduled to expire in 2004, through 2010. Network compensation was sharply reduced under the renegotiated agreements. Our various ABC affiliation agreements expire between 2004 and 2006. We are currently negotiating renewal of our ABC affiliation agreements. While we expect network compensation will be reduced under the new agreements, we are unable to predict the amount of network compensation we may receive upon renewal of the agreements with ABC.

In addition to network programming, our broadcast television stations produce their own programming and air programming licensed from a number of different independent program producers and syndicators. News is the focus of our locally-produced programming. To differentiate our programming from that of national networks available on cable and satellite television and other entertainment media, our stations have emphasized and increased hours dedicated to local news and entertainment. Advertising aired during our local news programs accounts for approximately 30% of broadcast television segments operating revenues.

The price of syndicated programming is directly correlated to the programming demands of other television stations within our markets. Syndicated programming costs were 21% of total segment costs and expenses in 2003.

Our broadcast television stations require studios to produce local programming and traffic systems to schedule programs and to insert advertisements within programs. Our stations also require towers upon which broadcasting transmitters and antenna equipment are located.

Labor costs accounted for approximately 53% of segment costs and expenses in 2003.

Federal Regulation of Broadcasting - Broadcast television is subject to the jurisdiction of the Federal Communications Commission ("FCC") pursuant to the Communications Act of 1934, as amended ("Communications Act"). The Communications Act prohibits the operation of broadcast television stations except in accordance with a license issued by the FCC and empowers the FCC to revoke, modify and renew broadcast television licenses, approve the transfer of control of any entity holding such licenses, determine the location of stations, regulate the equipment used by stations and adopt and enforce necessary regulations. The FCC also enforces regulations concerning programming, including children's and political programming, and it recently adopted new rules affecting stations' employment practices.

The Telecommunications Act of 1996 (the "1996 Act") significantly relaxed the regulatory environment applicable to broadcasters. Under the 1996 Act, broadcast television licenses may be granted for a term of eight years, rather than five, and they remain renewable upon request. While there can be no assurance regarding the renewal of our broadcast television licenses, we have never had a license revoked, have never been denied a renewal and all previous renewals have been for the maximum term.

FCC regulations govern the multiple ownership of television stations and other media. Under the FCC's current rule (as recently modified by Congress with respect to national audience reach), a license for a television station will generally not be granted or renewed if the grant of the license would result in (i) the applicant owning more than one television station, or in some markets under certain conditions, more than two television stations in the same market, or (ii) the grant of the license would result in the applicant's owning, operating, controlling, or having an interest in television stations whose total national audience reach exceeds 39% of all television households. The FCC rules also generally prohibit "cross-ownership" of a television station and a daily newspaper in the same community. Our television station and daily newspaper in Cincinnati were owned by us at the time the cross-ownership rule was enacted and enjoy "grandfathered" status. These properties would become subject to the cross-ownership rule upon their sale. The 1996 Act directed the FCC to review all its media ownership rules biennially. The FCC concluded the 2002 biennial review of its media ownership rules by amending the rules that would generally permit entities to own more television stations in some markets and allow a single entity to own television stations that in the aggregate reach a larger percentage of the total national audience. However, after several parties appealed the FCC's rule changes, the effectiveness of the new rules has been stayed by a federal court order. It is not possible to predict the timing or outcome of the appeals or their effect on us.

The FCC has adopted a series of orders to implement a transition from the current analog system of broadcast television to a digital transmission system. It granted each television station a second channel on which to begin offering digital service and it set out a timetable for completing the transition by 2006, when it is expected that one of these channels would be returned. Most observers believe that this deadline will be extended.

A substantial number of technical, regulatory and market-related issues remain unresolved regarding the transition to digital television. These issues include uncertainty as to the timing of the transition, what rules the FCC may adopt affecting broadcasters' use of their spectrum, cable operators' obligation to carry broadcasters' digital offerings, equipment manufacturers' obligation to offer digital tuners on new television receivers, and the level of consumer demand for the new services. We cannot predict the effect of these uncertainties on our offering of digital service or our business.

Under the Cable Television Consumer Protection and Competition Act of 1992, broadcast television stations gained "must-carry" rights on any cable television system defined as "local" with respect to the station. Stations may waive their must-carry rights and instead negotiate retransmission consent agreements with local cable companies. Our stations have generally elected to negotiate retransmission consent agreements with cable companies. Under the Satellite Home Improvement Act, satellite carriers are permitted to retransmit a local television station's signal into its local market with the consent of the local television station. Satellite carriers, upon request, are required to carry the signal of all local television stations located in markets in which the satellite carrier retransmits at least one local station. While the FCC has announced that a station's primary video transmission will enjoy must-carry rights after the transition to digital broadcasting, the FCC has so far declined to require carriage of a digital signal in addition to the station's analog signal.

SHOP AT HOME

Shop At Home sells a range of consumer goods directly to television viewers and visitors to its website. We acquired a 70% controlling interest in Shop At Home from Summit America Television, Inc. ("Summit America," formerly Shop At Home, Inc.) in October 2002. In December 2003, we announced a definitive agreement to acquire Summit America, including its 30% minority interest in Shop At Home and five Shop At Home-affiliated broadcast television stations. The Shop At Home acquisition gives us the ability to quickly gain scale in a growing television retailing industry. It also permits us to sell a video commerce platform to our existing advertisers. We continue to integrate the management of Shop At Home with that of Scripps Networks.

Shop At Home produced approximately 13% of our company's total operating revenues in 2003.

Shop At Home is distributed by broadcast television and cable and satellite television affiliates, and can be viewed in more than 147 television markets, including 91 of the 100 largest television markets in the United States.

Sales of merchandise to network viewers and website visitors provide substantially all of Shop At Home's operating revenues. Television retail sales can be adversely affected during recessionary periods and when other television programming events attract large audiences. Sales made in the fourth quarter are typically higher than in other quarters.

We market products for the home, cookware, jewelry, electronics, beauty, fitness, collectibles and other products to consumers. A show-host approach is used with the host conveying information about the products and demonstrating use of the products.

The mix of products offered depends on a variety of factors including price, availability and customer response. We continue to transition the Shop At Home product mix to better match the consumer categories targeted by our lifestyle-oriented national television networks. For example, in the fourth quarter of 2003, we broadcast live for three days from the High Point, North Carolina, furniture show. We introduced new products, experimented with different product demonstrations and promoted the event on our programming networks, our televisions stations and in our newspapers. We are also experimenting with using Scripps Networks talent to anchor broadcasts.

Viewers can order any product offered by us, subject to availability, 24 hours a day, seven days a week, over the Shop At Home website, directly from our telephone representatives or through a toll-free automated touch-tone system. Products are shipped from our warehouse facility or are drop-shipped by selected vendors from their facilities. We offer our customers a full refund for merchandise returned within 30 days of purchase. A majority of customers pay for their purchases by credit card; however, we also accept money orders, checks, debit cards, electronic funds transfers and offer extended credit terms to our customers.

We compete with three other large public companies (QVC, HSN and ShopNBC) and many smaller television retailers. QVC, HSN and ShopNBC are in nearly all of the television markets that our programming is available. QVC and HSN are the revenue leaders in the industry and each reaches a larger percentage of U.S. television households than Shop At Home. We also compete with store, catalog and Internet retailers.

Merchandise and network distribution costs are the primary operating expenses for the segment. We purchase merchandise from numerous vendors and sources. We monitor product sales and revise our product offerings to maintain an attractive merchandising mix while continually evaluating new products and sources to broaden and enhance our product selection. While a variety of sources are available for most products we sell, two vendors in two different product categories supply us with merchandise that accounts for 22% and 13% of total merchandise costs. Our business could be adversely affected if these vendors ceased supplying merchandise.

Programming is distributed on a full or part-time basis under the terms of affiliation agreements with broadcast television stations and cable and satellite television systems. Distribution agreements are typically for one-year terms, with automatic renewal unless either party provides a 30-day notice before the end of the term. Affiliates are generally paid a negotiated fee based on the number of cable and direct broadcast satellite households reached by the affiliate. We constantly evaluate distribution levels and effectiveness. We plan to expand our full-time carriage on cable and satellite television systems, while also eliminating low-yielding homes.

Programming is transmitted to network affiliates via satellite. Satellite transmission is obtained under long-term contracts with satellite owners.

LICENSING AND OTHER MEDIA

Licensing and other media aggregates operating segments that are too small to report separately, and primarily includes syndication and licensing of news features and comics. Under the trade name United Media, we distribute news columns, comics and other features for the newspaper industry. Newspapers typically pay a weekly fee for their use of the features. Included among these features is “Peanuts,” one of the most successful strips in the history of comic art.

United Media owns and licenses worldwide copyrights relating to “Peanuts,” “Dilbert” and other properties for use on numerous products, including plush toys, greeting cards and apparel, for promotional purposes and for exhibit on television and other media. Charles Schulz, the creator of “Peanuts,” died in February 2000. We continue syndication of previously published “Peanuts” strips, and retain the rights to license the characters. “Peanuts” provides approximately 87% of our licensing revenues. Licensing of comic characters in Japan provides approximately 50% of our international revenues, which are less than $60 million annually.

Merchandise, literary and exhibition licensing revenues are generally a negotiated percentage of the licensee’s sales. We generally negotiate a fixed fee for the use of our copyrighted characters for promotional and advertising purposes. We generally pay a percentage of gross syndication and licensing royalties to the creators of these properties.

We also represent the owners of other copyrights and trademarks, including Raggedy Ann and Precious Moments, in the U.S. and international markets. Services offered include negotiation of licensing agreements, enforcement of licensing agreements and collection of royalties. We typically retain a percentage of the licensing royalties.

EMPLOYEES

As of December 31, 2003, we had approximately 7,800 full-time employees, of whom approximately 4,900 were with newspapers, 800 with Scripps Networks, 1,400 with broadcast television, 500 with Shop At Home and 100 with licensing and other media. Various labor unions represent approximately 1,300 employees, primarily in newspapers. We have not experienced any work stoppages at our current operations since 1985. We consider our relationships with our employees to be generally satisfactory.

ITEM 2. PROPERTIES

We own substantially all of the facilities and equipment used in our newspaper operations. In 2002, we completed construction of a new production facility for our Knoxville newspaper and are currently constructing a new production facility for our Treasure Coast newspapers.

Scripps Networks operates from a production facility in Knoxville and leased facilities in New York and California. Substantially all other facilities and equipment are owned by Scripps Networks.

We own substantially all of the facilities and equipment used by our broadcast television stations. We own, or co-own with other broadcast television stations, the towers used to transmit our television signal. We completed construction of a new facility for our West Palm Beach station in 2001 and began construction of a new facility for our Cincinnati station in 2003.

Shop At Home operates from facilities in Nashville, Tennessee. We own substantially all of the technical and television production facilities, offices and studios used by Shop At Home. Warehouse facilities are generally leased. We expect to expand Shop At Home’s warehouse facilities.

ITEM 3. LEGAL PROCEEDINGS

We are involved in litigation arising in the ordinary course of business, such as defamation actions and various governmental and administrative proceedings primarily relating to renewal of broadcast licenses, none of which is expected to result in material loss.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of 2003.

Executive Officers of the Company - Executive officers serve at the pleasure of the Board of Directors.

Name	Age	Position
Kenneth W. Lowe	53	President, Chief Executive Officer and Director (since October 2000); President and Chief Operating Officer (January 2000 to October 2000); Chairman and Chief Executive Officer, Scripps Networks (1994 to 2000)
Richard A. Boehne	47	Executive Vice President (since 1999); Vice President/Communications and Investor Relations (1995 to 1999)
Frank Gardner	61	Senior Vice President and Chairman, Scripps Networks (since 2001); Senior Vice President/Interactive Media (2000 to 2001); Senior Vice President/Television (1993 to 2000)
Alan M. Horton	60	Senior Vice President/Newspapers (since 1994)
John F. Lansing	46	Senior Vice President/Television (since May 2002); Vice President/Television (2001 to 2002); Vice President/General Manager, WEWS-TV (1997 to 2001)
Joseph G. NeCastro	47	Senior Vice President and Chief Financial Officer (since May 2002); Chief Financial Officer, Penton Media, Inc. (1998 to 2002)
B. Jeff Craig	45	Vice President and Chief Technology Officer (since 2001); Senior Vice President, Interactive Technology and New Media Development, Discovery Communications (1998 to 2000)
Gregory L. Ebel	48	Vice President/Human Resources (since 1994)
Lori A. Hickok	40	Vice President and Controller (since June 2002); Corporate Development Analyst (2001 to 2002); Controller/New Media (1999 to 2001)
M. Denise Kuprionis	47	Vice President, Corporate Secretary and Director of Legal Affairs (since 2001), Corporate Secretary and Director of Legal Affairs (2000 to 2001); Corporate Secretary (1987 to 2000)
Tim A. Peterman	36	Vice President/Corporate Development (since March 2002); Chief Financial Officer/Broadcast Division, Chief Financial Officer/Cable Television Network Division, USA Networks (1999 to 2002); Director of Finance for the Television Station Group, Sinclair Communications (1998 to 1999)
William B. Peterson	60	Vice President/Station Operations (since January 2004); Vice President/General Manager, WPTV-TV (2001 to 2004); Vice President/General Manager, WRAL-TV (1999 to 2001)
Timothy E. Stautberg	41	Vice President/Communications and Investor Relations (since 1999); General Manager, Redding Record Searchlight (1997 to 1999)
Stephen W. Sullivan	57	Vice President/Newspaper Operations (since August 2000); Vice President/Newspapers (1997 to 2000)
E. John Wolfzorn	58	Vice President and Treasurer (since July 2002); Treasurer (1979 to 2002)

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our Class A Common shares are traded on the New York Stock Exchange ("NYSE") under the symbol "SSP." There are approximately 23,000 owners of our Class A Common shares, based on security position listings, and 18 owners of our Common Voting shares (which do not have a public market). We have declared cash dividends in every year since our incorporation in 1922. Future dividends are, however, subject to our earnings, financial condition and capital requirements.

The range of market prices of our Class A Common shares, which represents the high and low sales prices for each full quarterly period, and quarterly cash dividends are as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
2003					
Market price of common stock:					
High	$ 83.64	$ 90.65	$ 90.05	$ 95.15	
Low	74.39	73.90	80.75	85.30	
Cash dividends per share of common stock	$ .15	$ .15	$ .15	$ .15	$ .60
2002					
Market price of common stock:					
High	$ 82.50	$ 87.50	$ 78.30	$ 80.10	
Low	66.20	73.80	68.06	65.13	
Cash dividends per share of common stock	$ .15	$ .15	$ .15	$ .15	$ .60

ITEM 6. SELECTED FINANCIAL DATA

The Selected Financial Data required by this item is filed as part of this Form 10-K. See Index to Consolidated Financial Statement Information at page F-1 of this Form 10-K.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations required by this item is filed as part of this Form 10-K. See Index to Consolidated Financial Statement Information at page F-1 of this Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market risk information required by this item is filed as part of this Form 10-K. See Index to Consolidated Financial Statement Information at page F-1 of this Form 10-K.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Financial Statements and Supplementary Data required by this item is filed as part of this Form 10-K. See Index to Consolidated Financial Statement Information at page F-1 of this Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

The Controls and Procedures required by this item is filed as part of this Form 10-K. See Index to Consolidated Financial Statement Information at page F-1 of this Form 10-K.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information regarding executive officers is included in Part I of this Form 10-K as permitted by General Instruction G(3).

Information required by Item 10 of Form 10-K relating to directors is incorporated by reference to the material captioned “Election of Directors” in our definitive proxy statement for the Annual Meeting of Shareholders (“Proxy Statement”). Information regarding Section 16(a) compliance is incorporated by reference to the material captioned “Report on Section 16(a) Beneficial Ownership Compliance” in the Proxy Statement.

We have adopted a code of ethics that applies to all employees, officers and directors of Scripps. The code of ethics meets the requirements defined by Item 406 of Regulation S-K and the requirement of a code of business conduct and ethics under NYSE listing standards. A copy of our code of ethics is posted on our website at www.scripps.com.

Information regarding our audit committee financial expert is incorporated by reference to the material captioned “Report of the Audit Committee of the Board of Directors” in the Proxy Statement.

The Proxy Statement will be filed with the Securities and Exchange Commission on or before March 31, 2004.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 of Form 10-K is incorporated by reference to the material captioned “Executive Compensation” in the Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by Item 12 of Form 10-K is incorporated by reference to the material captioned “Security Ownership of Certain Beneficial Owners and Management” in the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by Item 13 of Form 10-K is incorporated by reference to the material captioned “Certain Transactions” in the Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 of Form 10-K is incorporated by reference to the material captioned “Report of the Audit Committee of the Board of Directors” in the Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

Financial Statements and Supplemental Schedules

(a) The consolidated financial statements of Scripps are filed as part of this Form 10-K. See Index to Consolidated Financial Statement Information at page F-1.

The report of Deloitte & Touche LLP, Independent Auditors, dated March 3, 2004, is filed as part of this Form 10-K. See Index to Consolidated Financial Statement Information at page F-1.

(b) The consolidated supplemental schedules of Scripps are filed as part of this Form 10-K. See Index to Consolidated Financial Statement Schedules at page S-1.

Exhibits

The information required by this item appears at page E-1 of this Form 10-K.

Reports on Form 8-K

A Current Report on Form 8-K reporting the release of information regarding the results of operations for the quarter ended September 30, 2003, was filed on October 14, 2003.

A Current Report on Form 8-K reporting that we had reached a definitive agreement to acquire Summit America Television was filed on December 19, 2003.

A Current Report on Form 8-K reporting the release of information regarding the results of operations for the quarter ended December 31, 2003, was filed on January 22, 2004.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE E. W. SCRIPPS COMPANY

Dated: March 11, 2004

By: /s/ Kenneth W. Lowe

Kenneth W. Lowe
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities indicated, on March 11, 2004.

Signature	Title
/s/ Kenneth W. Lowe Kenneth W. Lowe	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Joseph G. NeCastro Joseph G. NeCastro	Senior Vice President and Chief Financial Officer
/s/ William R. Burleigh William R. Burleigh	Chairman of the Board of Directors
/s/ John H. Burlingame John H. Burlingame	Director
/s/ David A. Galloway David A. Galloway	Director
/s/ Jarl Mohn Jarl Mohn	Director
/s/ Nicholas B. Paumgarten Nicholas B. Paumgarten	Director
/s/ Jeffrey Sagansky Jeffrey Sagansky	Director
/s/ Nackey E. Scagliotti Nackey E. Scagliotti	Director
/s/ Edward W. Scripps Edward W. Scripps	Director
/s/ Paul K. Scripps Paul K. Scripps	Director
/s/ Ronald W. Tysoe Ronald W. Tysoe	Director
/s/ Julie A. Wrigley Julie A. Wrigley	Director

THE E. W. SCRIPPS COMPANY

INDEX TO CONSOLIDATED FINANCIAL STATEMENT INFORMATION

SELECTED FINANCIAL DATA

ELEVEN-YEAR FINANCIAL HIGHLIGHTS

(in millions, except per share data)	2003 (1)	2002 (1)	2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995 (1)	1994 (1)	1993 (1)
Summary of Operations											
Operating revenues:											
Newspapers	$ 692	$ 682	$ 677	$ 687	$ 654	$ 623	$ 483	$ 415	$ 387	$ 363	$ 335
Scripps Networks	535	415	337	296	213	133	57	30	19	5	
Broadcast television	304	305	278	343	312	331	331	323	295	288	255
Shop At Home	238	42									
Licensing and other media	105	90	89	97	93	89	80	75	68	68	85
Total segment operating revenues	1,875	1,536	1,380	1,423	1,272	1,175	952	843	769	724	675
Divested operating units (2)				11	23	25	44	61	44	37	88
RMN pre-JOA operating revenues (3)			12	221	210	200	197	183	184	170	154
Total operating revenues	$ 1,875	$ 1,536	$ 1,392	$ 1,654	$ 1,505	$ 1,401	$ 1,193	$ 1,086	$ 997	$ 931	$ 917
Segment profit (loss):											
Newspapers managed solely by us	$ 227	$ 232	$ 222	$ 238	$ 241	$ 227	$ 186	$ 145	$ 138	$ 128	$ 92
Newspapers operated pursuant to JOAs	42	38	15	31	35	33	31	21	20	22	17
Total newspapers	269	270	238	269	276	260	217	166	158	150	109
Scripps Networks	204	125	76	69	34	6	(9)	(14)	(17)	(8)	(1)
Broadcast television	85	98	80	129	96	118	128	126	113	116	89
Shop At Home	(22)	(2)									
Licensing and other media	19	17	15	16	13	12	10	10	8	6	6
Corporate	(32)	(28)	(19)	(20)	(18)	(16)	(16)	(17)	(16)	(15)	(13)
Total segment profit	523	481	389	464	400	379	331	270	247	249	190
Divested operating units (2)					1	1	(1)	5	4	3	14
Depreciation	(64)	(58)	(56)	(69)	(65)	(64)	(54)	(50)	(46)	(40)	(42)
Amortization of other intangible assets	(5)	(4)	(5)	(4)	(4)	(5)	(2)	(3)	(5)	(5)	(6)
Amortization of goodwill and other intangible assets with indefinite lives (4)			(38)	(36)	(35)	(35)	(22)	(17)	(15)	(14)	(14)
Restructuring charges, including share of JOA restructurings (5)	(2)	4	(16)	(10)	(2)			(4)		(11)	(5)
Disputed music license royalties (6)											4
Interest expense	(32)	(28)	(39)	(52)	(45)	(47)	(19)	(10)	(11)	(16)	(26)
Interest and dividend income	5	2	1	1	1	2	3	1	3	1	3
Other investment results, net of expenses (7)	(3)	(86)	5	(25)	1		(3)	37			
Gains on divested operations (1)				6			48				92
Gain on sale of Garfield copyrights (8)										32	
Other gains (losses) (9)								(15)		(14)	3
Miscellaneous, net		(1)			3	(2)	1		(1)	(2)	(5)
Income taxes (10)	(138)	(114)	(100)	(108)	(104)	(93)	(118)	(84)	(76)	(81)	(86)
Minority interests	(14)	(6)	(4)	(4)	(4)	(5)	(5)	(3)	(3)	(8)	(16)
Income from continuing operations	$ 271	$ 188	$ 138	$ 163	$ 146	$ 131	$ 158	$ 127	$ 96	$ 93	$ 105
Per Share Data											
Income from continuing operations	$ 3.32	$ 2.34	$ 1.73	$ 2.06	$ 1.85	$ 1.62	$ 1.94	$ 1.58	$ 1.19	$ 1.22	$ 1.40

Cash dividends	.60	.60	.60	.56	.56	.54	.52	.52	.50	.44	.44
Market value of proceeds from Cable Transaction (11)								19.83			
Market Value of Common Shares at December 31											
Per share	$ 94.14	$ 76.95	$ 66.00	$ 62.88	$ 44.81	$ 49.75	$ 48.44	$ 35.00	$ 39.38	$ 30.25	$ 27.50
Total	7,622	6,159	5,227	4,951	3,502	3,908	3,906	2,827	3,153	2,415	2,056
Scripps Cable Financial Data (11)											
Segment operating revenues								$ 270	$ 280	$ 255	$ 252
Segment profit								109	119	101	106
Depreciation and amortization								48	54	57	60
Net income								40	40	30	24
Net income per share of common stock								.49	.50	.39	.32
Capital expenditures								(58)	(48)	(42)	(67)

Note: Certain amounts may not foot since each is rounded independently.

ELEVEN-YEAR FINANCIAL HIGHLIGHTS

(in millions, except per share data)	2003 (1)	2002 (1)	2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995 (1)	1994 (1)	1993 (1)
Cash Flow Statement Data											
Net cash provided by continuing operations	$ 327	$ 213	$ 206	$ 256	$ 194	$ 239	$ 193	$ 176	$ 114	$ 170	$ 142
Investing activity:											
Capital expenditures	(89)	(88)	(68)	(75)	(80)	(67)	(57)	(53)	(57)	(54)	(37)
Business acquisitions and investments	(5)	(118)	(102)	(139)	(70)	(29)	(745)	(128)	(12)	(32)	(42)
Other (investing)/divesting activity, net	7	15	16	62	33	10	31	35	(19)	51	147
Financing activity:											
Increase (decrease) in long-term debt, net	(216)	1	9	(54)	(1)	(4)	651	41	(30)	(138)	(194)
Dividends paid	(50)	(51)	(51)	(47)	(47)	(47)	(46)	(45)	(43)	(37)	(37)
Common stock issued (retired)			(22)	(5)	(35)	(108)	(26)				
Other financing activity	29	27	16	6	1	6	4	9	6	1	2
Balance Sheet Data											
Total assets	3,009	2,870	2,642	2,588	2,535	2,376	2,304	1,479	1,362	1,302	1,260
Long-term debt (including current portion) (12)	509	725	724	715	769	771	773	122	81	110	248
Shareholders' equity (12)	1,823	1,515	1,352	1,278	1,164	1,070	1,050	945	1,194	1,084	860

Note: Certain amounts may not foot since each is rounded independently.

Notes to Selected Financial Data

As used herein and in Management's Discussion and Analysis of Financial Condition and Results of Operations, the terms "Scripps," "we," "our," or "us" may, depending on the context, refer to The E. W. Scripps Company, to one or more of its consolidated subsidiary companies, or to all of them taken as a whole.

The income statement and cash flow data for the eleven years ended December 31, 2003, and the balance sheet data as of the same dates have been derived from our audited consolidated financial statements. All per share amounts are presented on a diluted basis. The eleven-year financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and notes thereto included elsewhere herein.

Operating revenues and segment profit (loss) represent the revenues and the profitability measures used to evaluate the operating performance of our business segments in accordance with FAS 131. See page F-12.

(1) In the periods presented we acquired and divested the following:

Acquisitions

2003- *An additional interest of less than one percent in our Memphis newspaper.*

2002- *A 70% controlling interest in the Shop At Home television-retailing network. Additional 1.0% interest in Food Network and an additional interest of less than one percent in our Evansville newspaper.*

2001- *Additional 4.0% interest in Food Network and an additional interest of less than one percent in our Evansville newspaper.*

2000- *Daily newspapers in Ft. Pierce, Florida (in exchange for our newspaper in Destin, Florida, and cash) and Henderson, Kentucky; weekly newspaper in Marco Island, Florida; and television station KMCI in Lawrence, Kansas.*

1999- *Additional 7.0% interest in Food Network.*

1998- *Independent telephone directories in Memphis, Tennessee; Kansas City, Missouri; North Palm Beach, Florida; and New Orleans, Louisiana. Additional 1.0% interest in Food Network.*

1997- *Daily newspapers in Abilene, Corpus Christi, Plano, San Angelo and Wichita Falls, Texas; Anderson, South Carolina; and Boulder, Colorado (in exchange for our daily newspapers in Monterey and San Luis Obispo, California); community newspapers in the Dallas, Texas, market and an approximate 56% controlling interest in Food Network.*

1996- *Vero Beach, Florida, daily newspaper.*

1994- *The remaining 13.9% minority interest in Scripps Howard Broadcasting Company ("SHB") in exchange for 4,952,659 Class A Common Shares. Cinetel Productions (an independent producer of programs for cable television).*

1993- *The remaining 2.7% minority interest in the Knoxville News-Sentinel and 5.7% of the outstanding shares of SHB.*

Divestitures

2000- *Destin, Florida, newspaper (in exchange for Ft. Pierce, Florida, newspaper) and the independent yellow page directories. The divestitures resulted in net pre-tax gains of $6.2 million, increasing income from continuing operations by $4.0 million, $.05 per share.*

1998- *Dallas community newspapers, including the Plano daily, and Scripps Howard Productions, our television program production operation based in Los Angeles, California. No material gain or loss was realized as proceeds approximated the book value of net assets sold.*

1997- *Monterey and San Luis Obispo, California, daily newspapers (in exchange for Boulder, Colorado, daily newspaper). Terminated joint operating agency ("JOA") and ceased operations of El Paso, Texas, daily newspaper. The JOA termination and the newspaper trade resulted in pre-tax gains totaling $47.6 million, increasing income from continuing operations by $26.2 million, $.32 per share.*

1995- *Watsonville, California, daily newspaper. No material gain or loss was realized as proceeds approximated the book value of net assets sold.*

1993- *Book publishing operations; newspapers in Tulare, California, and San Juan; Memphis television station; radio stations. The divestitures resulted in net pre-tax gains of $91.9 million, increasing income from continuing operations by $46.8 million, $.63 per* *share.*

(2) Operating units other than cable television systems sold prior to December 31, 2003.

(3) *The Denver JOA commenced operations on January 22, 2001. Our 50% share of the operating profit (loss) of the Denver JOA is reported as "Equity in earnings of JOAs and other joint ventures" in our financial statements. The related editorial costs and expenses associated with the Rocky Mountain News ("RMN") are included in "JOA editorial costs and expenses." Our financial statements do not include the advertising and other operating revenues of the Denver JOA, the costs to produce, distribute and market the newspapers or related depreciation. To enhance comparability of year-over-year operating results, we have removed the operating revenues of the RMN prior to the formation of the Denver JOA from our newspaper operating revenues and separately reported those revenues.*

(4) *We adopted Financial Accounting Standard No. ("FAS") 142—Goodwill and Other Intangible Assets effective January 1, 2002. Recorded goodwill and intangible assets with indefinite lives are no longer amortized, but instead are tested for impairment at least annually. Other intangible assets are reviewed for impairment in accordance with FAS 144. We have determined that there was no impairment of goodwill or other intangible assets on the date of adoption of FAS 142. Amortization of goodwill and other intangible assets with indefinite lives, primarily FCC licenses and broadcast television station network affiliation agreements, was as follows:*

2001- $38.1 million, $28.1 million after tax, $.35 per share.
2000- $35.8 million, $26.5 million after tax, $.33 per share.
1999- $34.7 million, $25.7 million after tax, $.33 per share.
1998- $35.0 million, $25.9 million after tax, $.32 per share.
1997- $21.8 million, $17.5 million after tax, $.21 per share.
1996- $17.3 million, $15.0 million after tax, $.19 per share.
1995- $15.1 million, $13.5 million after tax, $.17 per share.
1994- $14.0 million, $11.7 million after tax, $.15 per share
1993- $14.0 million, $11.5 million after tax, $.15 per share.

(5) *Restructuring charges include our proportionate share of JOA restructuring activities. Our proportionate share of JOA restructuring activities is included in "Equity in earnings of JOAs and other joint ventures" in our financial statements. Restructuring charges consisted of the following:*

2003- A $1.8 million charge for estimated severance costs to Post union-represented editorial employees was recorded as a result of Gannett notifying us that the Cincinnati JOA will not be renewed when it expires on December 31, 2007. The charge reduced income from continuing operations $1.2 million, $.01 per share.
2002- The Denver JOA consolidated its office space and sold its excess real estate. The $3.9 million gain on the sale increased income from continuing operations by $2.4 million, $.03 per share.
2001- Costs of $16.1 million associated with workforce reductions, including our $5.9 million share of such costs at the Denver JOA, reduced income from continuing operations by $10.1 million, $.13 per share.
2000- Expenses of $9.5 million associated with formation of the Denver JOA reduced income from continuing operations by $6.2 million, $.08 per share.
1999- Severance payments of $1.2 million to certain television station employees and $0.8 million of costs incurred to move Food Network's operations to a different location in Manhattan reduced income from continuing operations by $1.2 million, $.02 per share.
1996- A $4.0 million charge for our share of certain costs associated with restructuring portions of the distribution system of the Cincinnati JOA reduced income from continuing operations by $2.6 million, $.03 per share.
1994- We changed the network affiliation of our former FOX-affiliated television stations to one of the three primary national television networks, reducing our reliance on syndicated programming at those stations and requiring the construction of new production facilities to accommodate expanded local news programming. A $7.9 million loss on program rights and a $2.8 million loss on real estate expected to be sold as a result of the affiliation changes reduced income from continuing operations by $6.6 million, $.09 per share.
1993- Severance and other charges totaling $5.2 million at i) the RMN and ii) the newspaper feature and licensing operations of United Media reduced income from continuing operations by $2.9 million, $.04 per share.

(6) *A $4.3 million change in estimated costs to settle disputed music license fees increased income from continuing operations in 1993 by $2.3 million, $.03 per share.*

(7) *Investment results include i) gains and losses from the sale or write-down of investments and ii) accrued incentive compensation and other expenses associated with the management of the Scripps Ventures investment portfolios. Investment results include the following:*

2003- Net realized losses of $3.2 million. Net investment results decreased income from continuing operations by $2.1 million, $.03 per share.
2002- Net realized losses of $79.7 million. Charges associated with winding down the Scripps Ventures investment funds were $3.6 million. Net investment results decreased income from continuing operations by $55.6 million, $.69 per share.
2001- Net realized losses of $2.9 million. Accrued incentive compensation was decreased $11.5 million, to zero, in connection with the decline in value of the Scripps Ventures I investment portfolio. Net investment results increased income from continuing operations by $3.8 million, $.05 per share.
2000- Net realized losses of $17.5 million. Accrued incentive compensation was increased $4.5 million, to $11.5 million. Net investment results reduced income from continuing operations by $15.8 million, $.20 per share.
1999- Net realized gains of $8.6 million. Accrued incentive compensation was increased $7.0 million, to $7.0 million. Net investment results increased income from continuing operations by $0.4 million, $.00 per share.
1997- Net realized losses of $2.7 million. Net investment results reduced income from continuing operations by $1.7 million, $.02 per share.
1996- Net realized gains of $37.0 million. Net investment results increased income from continuing operations by $24.3 million, $.30 per share.

(8) *In 1994 we sold our worldwide GARFIELD and U.S. ACRES copyrights. The sale resulted in a pre-tax gain of $31.6 million, which increased income from continuing operations by $17.4 million, $.23 per share.*

(9) Other gains (losses) included the following:

1996- A $15.5 million contribution of appreciated Time Warner stock to a charitable foundation decreased income from continuing operations by $5.2 million, $.07 per share.

1994- An $8.0 million contribution of appreciated stock to a charitable foundation and a $6.1 million accrual for lawsuits associated with a divested operating unit reduced income from continuing operations by $8.1 million, $.11 per share.

1993- A $2.5 million fee received in connection with the change in ownership of the Ogden, Utah, newspaper increased income from continuing operations by $1.6 million, $.02 per share.

(10) The provision for income taxes includes the following items which affect the comparability of the year-over-year effective income tax rate:

2003- Changes in the estimated tax liability for prior years and our estimate of unrealizable state net operating loss carryforwards reduced the tax provision, increasing income from continuing operations by $27.1 million, $.33 per share.

2002- A change in the estimated tax liability for prior years reduced the tax provision, increasing income from continuing operations by $9.8 million, $.12 per share.

2000- A change in the estimated tax liability for prior years reduced the tax provision, increasing income from continuing operations by $7.2 million, $.09 per share.

1994- A change in the estimated tax liability for prior years increased the tax provision, reducing income from continuing operations by $5.3 million, $.07 per share.

1993- A change in the estimated tax liability for prior years decreased the tax provision, increasing income from continuing operations by $5.4 million, $.07 per share; the effect of the increase in the federal income tax rate to 35% from 34% on the beginning of the year deferred tax liabilities increased the tax provision, reducing income from continuing operations by $2.3 million, $.03 per share.

(11) Our cable television systems ("Scripps Cable") were acquired by Comcast Corporation ("Comcast") on November 13, 1996, (the "Cable Transaction") through a merger whereby our shareholders received, tax-free, a total of 93 million shares of Comcast's Class A Special Common Stock. The aggregate market value of the Comcast shares was $1.593 billion and the net book value of Scripps Cable was $356 million, yielding an economic gain of $1.237 billion to our shareholders. This gain is not reflected in our financial statements as accounting rules required us to record the transaction at book value. Unless otherwise noted, the data excludes the cable television segment, which is reported as a discontinued business operation.

(12) Includes effect of discontinued cable television operations prior to completion of the Cable Transaction.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis of financial condition and results of operations is based upon the consolidated financial statements and the notes thereto. You should read this discussion in conjunction with those financial statements.

FORWARD-LOOKING STATEMENTS

This discussion and the information contained in the notes to the consolidated financial statements contain certain forward-looking statements that are based on our current expectations. Forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from the expectations expressed in the forward-looking statements. Such risks, trends and uncertainties, which in most instances are beyond our control, include changes in advertising demand and other economic conditions; consumers' taste; newsprint prices; program costs; labor relations; technological developments; competitive pressures; interest rates; regulatory rulings; and reliance on third-party vendors for various products and services. The words "believe," "expect," "anticipate," "estimate," "intend" and similar expressions identify forward-looking statements. All forward-looking statements, which are as of the date of this filing, should be evaluated with the understanding of their inherent uncertainty.

EXECUTIVE OVERVIEW

We are a diverse media concern with interests in newspapers, national television networks ("Scripps Networks"), broadcast television and television-retailing ("Shop At Home"). Scripps Networks includes four cable and satellite television programming services, Home & Garden Television ("HGTV"), Food Network, DIY – Do It Yourself Network ("DIY") and Fine Living. Our media businesses provide high quality news, information and entertainment content to readers and viewers.

We place the highest priority on wisely allocating our capital and operate under a value-creation strategy. Consequently, so we can create new businesses or acquire businesses that are expected to significantly increase shareholder value, we efficiently operate our core media businesses to maximize cash flow. We have used a portion of the cash produced by our newspapers and broadcast television stations to develop HGTV, DIY and Fine Living and to acquire Food Network and Shop At Home.

We are currently focused on several value-creation objectives. The first objective is the continued development of our network brands. Secondly, we are concentrating on the integration of Shop At Home's management with that of Scripps Networks. We also remain focused on strengthening the competitive positions of our strong local media franchises. Our newspapers and television stations continue to expand editorial products and programming designed to reach underserved audiences and sales programs designed to attract new advertisers. Four of our newspaper operations are managed under joint operating agreements. We believe our joint operating agreement in the Denver market (the "Denver JOA") presents a great growth opportunity for the company. Accordingly, one of our objectives is capitalizing in this growth opportunity.

HGTV and Food Network are widely distributed on cable and satellite systems across the country. In December 2003, HGTV was available in 85 million households while Food Network reached 83 million households. We continue to invest in high quality, original programming and to undertake marketing campaigns designed to increase awareness of the networks. We expect such investments will lead to increased viewership of the networks. Primetime viewership of HGTV increased 23% and primetime viewership of Food Network increased 17% year-over-year in 2003. We are increasing household distribution of DIY and Fine Living. In December 2003, DIY reached about 26 million subscribers and Fine Living was available in about 20 million households.

During 2003, we have continued to shift the mix of retail products offered by Shop At Home to parallel the consumer categories targeted by Scripps Networks. We are also using Scripps Networks talent to anchor Shop At Home programs. In the fourth quarter of 2003, we broadcast live for three days from the High Point, North Carolina, furniture show. We introduced new products, experimented with different product demonstrations and promoted the event on our national television networks, our televisions stations and in our newspapers.

The Denver JOA between our Denver Rocky Mountain News ("RMN") and MediaNews Group Inc.'s Denver Post was approved by the U.S. Attorney General in January 2001, leading to a significant improvement in RMN operating results. To date, the improved operating performance of the Rocky Mountain News has primarily been driven by substantial cost savings resulting from the combination of the production and business operations of the two newspapers, as the local economy continues to struggle.

A number of trends and uncertainties may affect our operating results and cash flow from operating activities. These include changes in the demand for advertising, changes in the price of newsprint and our ability to gain distribution of our networks on cable and satellite television systems.

Approximately 70% of our total operating revenues are derived from the sale of advertising. Advertising revenues are susceptible to swings in the national and local market economies and are difficult to predict.

Newsprint prices published by Resource Information Systems, Inc. (a provider of analysis of the printing and paper markets) have ranged from $423 per ton to $740 per ton over the past ten years. Consolidation in the newsprint industry has reduced the number of suppliers and led to mill closures. Decreased overall newsprint capacity increases the likelihood of future price increases.

There has been considerable consolidation among cable and satellite television operators in recent years. The eight largest cable and television system operators provide service to approximately 90% of the homes that receive cable and satellite television programming. At the same time, there has been an expansion in the number of programming services seeking distribution on those systems, with the number of networks more than doubling since 1996, and the acquisition of programming services by cable and satellite television operators. There can be no assurance DIY and Fine Living will reach distribution levels achieved by HGTV and Food Network.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires us to make a variety of decisions which affect reported amounts and related disclosures, including the selection of appropriate accounting principles and the assumptions on which to base accounting estimates. In reaching such decisions, we apply judgment based on our understanding and analysis of the relevant circumstances, including our historical experience, actuarial studies and other assumptions. We are committed to preparing financial statements incorporating accounting principles, assumptions and estimates that promote the representational faithfulness, verifiability, neutrality and transparency of the accounting information included in the financial statements.

Note 1 to the Consolidated Financial Statements describes the significant accounting policies we have selected for use in the preparation of our financial statements and related disclosures. We believe the following to be the most critical accounting policies, estimates and assumptions affecting our reported amounts and related disclosures.

Network Affiliate Fees - Cable and satellite television systems generally pay a per-subscriber fee ("network affiliate fees") for the right to distribute our programming under the terms of long-term distribution contracts. Network affiliate fees are reported net of discounts earned by cable and satellite television system operators based upon the number of subscribers that receive our programming and net of the costs of incentives offered to system operators in exchange for initial long-term distribution contracts. Such incentives may include an initial period in which the payment of network affiliate fees by the system is waived ("free period"), cash payments ("network launch incentives"), or both. We recognize network affiliate fees as revenue over the terms of the contracts, including any free periods. Network launch incentives are capitalized as assets upon launch of our programming on the cable or satellite television system and are amortized against network affiliate fees over the terms of the contracts based upon the ratio of each period's revenue to expected total revenue over the terms of the contracts.

The amount of network affiliate fees due to us, net of applicable discounts, are reported to us by cable and satellite television systems. Such information is generally not received until substantially after the close of the reporting period. Therefore, reported network affiliate fee revenues are based upon our estimates of the number of the subscribers receiving our programming and the amount of volume-based discounts each cable and satellite television provider is entitled to receive. In addition, cable television systems acquired by a multiple system operator ("MSO") may carry our programming under contracts with different rates, discounts or other terms than the MSO. The MSO may have the right to continue to apply the contract terms of the acquired system, to apply its contract term to the acquired system, or to apply the contract terms of the acquired systems to all of its systems. Agreements with cable television systems also typically permit the system to carry our programming while we negotiate volume discounts, rebates or other incentives, requiring us to estimate such amounts. We adjust the recorded amounts and our estimate of any remaining unreported periods based upon the actual amounts of network affiliate fees received.

Investments - We hold investments in several companies, including publicly-traded securities and other securities that do not trade in an active market. Future adverse changes in market conditions, poor operating results, or the inability of certain development-stage companies to find additional financing could result in losses that may not be reflected in an investment's current carrying value, thereby requiring an impairment charge in the future. We regularly review our investments to determine if there has been any other-than-temporary decline in value. These reviews require management judgments that often include estimating the outcome of future events and determining whether factors exist that indicate impairment has occurred. We evaluate, among other factors, the extent to which cost exceeds fair value; the duration of the decline in fair value below cost; and the current cash position, earnings and cash forecasts and near term prospects of the investee.

We recognized other-than-temporary impairment charges related to write-downs associated with declines in value of certain investments in development-stage businesses of $3.2 million in 2003, $80.1 million in 2002 and $80.2 million in 2001. As of December 31, 2003, there were no unrealized losses on any of our publicly-traded investments and we found no indications of impairment of securities that do not trade in an active market. The carrying value of our investments in securities that do not trade in an active market was $9.2 million at December 31, 2003. We estimate the fair value of these securities approximates their carrying value, however there can be no assurance we would realize the carrying value of these securities upon their sale.

Income Taxes - Accounting for income taxes is sensitive to interpretation of various laws and regulations. As a matter of course, our consolidated federal income tax returns and various state income tax returns are regularly audited by federal and state authorities. While we believe the tax positions we take on tax returns comply with applicable tax laws, these audits may result in proposed adjustments that challenge these positions taken on our tax returns. We regularly review the adjustments proposed by federal and state tax authorities to our tax returns and the positions taken on tax returns that are not currently under examination. We record a provision for additional taxes that we believe are probable of payment. However, the ultimate resolution of these issues may differ from the amounts currently estimated, in which case an adjustment would be made to the tax provisions in that period.

In 2002, we settled the audit of our 1992 through 1995 consolidated federal income tax returns with the Internal Revenue Service ("IRS") and received several proposed adjustments to our 1996 through 2001 tax returns. In 2003, we reached agreement with the IRS on proposed adjustments to our 1996 through 2001 consolidated federal income tax returns. In addition, several open state tax years were closed without audit in 2003. As a result of reaching agreement on the proposed adjustment with the IRS and the closing of open state tax years, we reduced our provision for open tax years by $21.0 million in 2003 and $9.8 million in 2002. The audit of our 1996 through 2001 federal income tax returns will remain open until two remaining issues are settled with the IRS. If the IRS accepts our positions on those issues, we will reduce our provision for income taxes by $2.0 million in the period those positions are accepted.

We have deferred tax assets primarily related to state net operating loss carryforwards and capital loss carryforwards. We record a tax valuation allowance to reduce such deferred tax assets to the amount that is more likely than not to be realized. We consider ongoing prudent and feasible tax planning strategies in assessing the need for a valuation allowance. In the event we determine the deferred tax asset we would realize would be greater or less than the net amount recorded, an adjustment would be made to the tax provision in that period. We reduced our estimates of state operating loss carryforwards that would not be realized by $6.1 million in 2003 based upon the closing of several open state tax years and our projections of taxable income in the carryforward periods.

Pension Plans - We sponsor various noncontributory defined benefit pension plans covering substantially all full-time employees. Pension expense for those plans was $25.4 million in 2003, $13.4 million in 2002 and $6.6 million in 2001. The measurement of our pension obligations and related expense is dependent on a variety of estimates, including: discount rates; expected long-term rate of return on plan assets; expected increase in compensation levels; and employee turnover, mortality and retirement ages. We consider the most critical of these estimates to be our discount rate and the expected long-term rate of return on plan assets. We review these assumptions on an annual basis and make modifications to the assumptions based on current rates and trends when appropriate. In accordance with accounting principles generally accepted in the United States of America, the effects of these modifications are recorded currently or amortized over future periods.

The discount rate used to determine our future pension obligations is based upon an index of securities with various maturities rated Aa or better. The rate is determined each year at the plan measurement date and affects the succeeding year's pension cost. At December 31, 2003, the discount rate was 6.25%. Discount rates can change from year to year based on economic market conditions that impact corporate bond yields. A decrease in the discount rate increases pension expense. A 0.5% change in the discount rate as of December 31, 2003, to either 5.75% or 6.75%, would increase or decrease our pension obligations as of December 31, 2003, by approximately $29.5 million and increase or decrease 2004 pension expense by approximately $4.0 million.

The expected long-term rate of return on plan assets is based primarily upon the target asset allocation for plan assets and capital markets forecasts for each asset class employed. Our expected rate of return on plan assets also considers our compound rate of return on plan assets for 10 and 15 year periods. At December 31, 2003, the expected long-term rate of return on plan assets was 8.25%. A decrease in the expected rate of return on plan assets increases pension expense. A 0.5% change in the expected long-term rate of return on plan assets, to either 8.75% or 7.75%, would increase or decrease our 2004 pension expense by approximately $1.5 million.

We had cumulative unrecognized actuarial losses for our pension plans of $93 million at December 31, 2003. Unrealized actuarial gains and losses result from deferred recognition of differences between our actuarial assumptions and actual results. The unrecognized losses are primarily due to declines in corporate bond yields and the unfavorable performance of the equity markets between 2000 and 2002. Amortization of unrecognized actuarial losses may result in an increase in our pension expense in future periods. Based on our current assumptions, we anticipate that 2004 pension expense will include $4.5 million in amortization of unrecognized actuarial losses.

RESULTS OF OPERATIONS

The trends and underlying economic conditions affecting the operating performance and future prospects differ for each of our four business segments. Accordingly, we believe the following discussion of our consolidated results of operations should be read in conjunction with the discussion of the operating performance of our business segments that follows on pages F-12 through F-21.

Consolidated Results of Operations – Consolidated results of operations were as follows:

(in thousands)	For the years ended December 31, 2003	Change	2002	Change	2001
Operating revenues	$ 1,874,845	22.1%	$ 1,535,664	10.3%	$ 1,391,956
Costs and expenses	(1,439,575)	(26.9)%	(1,134,288)	(7.5)%	(1,054,858)
Depreciation and amortization of intangibles	(68,087)	(8.5)%	(62,768)	36.4%	(98,653)
Restructuring charges	(1,847)				(10,198)
Operating income	365,336	7.9%	338,608	48.4%	228,247
Interest expense	(31,593)	(11.6)%	(28,301)	27.8%	(39,197)
Equity in earnings of JOAs and other joint ventures	87,954	5.7%	83,245	80.2%	46,190
Interest and dividend income	5,062		1,860		802
Other investment results, net of expenses	(3,200)		(85,667)		5,063
Miscellaneous, net	(497)		(823)		277
Income before income taxes and minority interests	423,062		308,922		241,382
Provision for income taxes	137,974		114,287		99,622
Income before minority interests	285,088		194,635		141,760
Minority interests	14,273		6,338		3,797
Net income	$ 270,815	43.8%	$ 188,297	36.5%	$ 137,963
Net income per diluted share of common stock	$ 3.32	41.9%	$ 2.34	35.3%	$ 1.73

<u>2003 compared to 2002</u>

Operating revenues increased 22.1%. The increase was primarily attributed to the continued growth in advertising and network affiliate fee revenues at our national television networks and the October 2002 acquisition of Shop At Home. The growth in advertising and affiliate fee revenues at Scripps Networks was primarily driven by increased viewership of our networks.

Costs and expenses increased 26.9%. Cost and expenses were impacted by the October 2002 acquisition of Shop At Home and expanded hours of original programming and costs to promote our national networks. In addition, pension expense increased $12.0 million year-over-year due to the combined effects of lower expected returns on plan assets, lower discount rates and amortization of actuarial losses.

Depreciation and amortization increased year-over-year primarily as a result of depreciation and amortization attributable to the acquisition of Shop At Home.

Restructuring charges reflect a $1.8 million charge for estimated severance costs to Cincinnati Post and Kentucky Post editorial employees as stipulated by the terms of a collective bargaining agreement. The charge was recorded as a result of Gannett notifying us that the Cincinnati JOA will not be renewed when it expires on December 31, 2007.

Interest expense increased primarily due to our decision to replace $200 million of borrowings under our variable-rate credit facilities with fixed-rate notes. Average fixed-rate borrowings for the year-to-date periods were $398 million in 2003 and $275 million in 2002. The weighted-average effective interest rate on the fixed-rate notes was 5.6% in 2003 and 6.1% in 2002. Average variable-rate borrowings, including the $50 million notes converted to variable-rate borrowings under the provisions of our interest rate swap, were $193 million in 2003 and $373 million in 2002. The weighted-average effective interest rate on the variable-rate borrowings was 1.2% in 2003 and 1.8% in 2002.

Equity in earnings of JOAs and other joint ventures increased primarily due to improved results of the joint newspaper operations in Denver.

Interest and dividend income increased year-over-year primarily as a result of $4.6 million of interest income earned on the $47.5 million note issued to Summit America upon acquisition of the controlling interest in Shop At Home in the fourth quarter of 2002. Interest income on the Summit America note was $0.7 million in 2002.

Other investment results include (i) net realized gains and losses on the sale of investments, (ii) investment impairments resulting from other-than-temporary declines in the fair value of investments and (iii) accrued performance-based compensation and other expenses associated with the management of our investments in development-stage businesses. Other investment results reduced net income by $2.1 million, $.03 per share, in 2003 and $55.6 million, $.69 per share, in 2002. Investment impairment charges in 2002 include a $35.1 million write-down of our investment in AOL Time Warner and $45.0 million of write-downs associated with declines in value of investments in development-stage businesses. Also included in 2002 other investment results were $3.6 million of costs associated with winding down active management of our investment portfolio in development-stage businesses.

The effective income tax rate was 32.6% in 2003 and 37.0% in 2002. The changes in estimated liabilities for open tax years and estimated unrealizable foreign tax credits and state net operating loss carryforwards reduced the tax provision by $27.1 million in 2003 and by $9.8 million in 2002. Theses changes in estimates reduced the effective income tax rate by 6.4% in 2003 and by 3.2% in 2002. In addition, our effective income tax rate is affected by the growing profitability of Food Network. Food Network is operated pursuant to the terms of a general partnership, in which we own an approximate 70% residual interest. Income taxes on partnership income accrue to the individual partners. While the income before income tax reported in our financial statements includes all of the income before tax of the partnership, our income tax provision does not include income taxes on the portion of Food Network income that is attributable to the non-controlling interest. Income before income tax attributable to the non-controlling interest in Food Network was approximately $13 million in 2003 and $3 million in 2002. We expect the effective income tax rate to be approximately 37% in 2004.

Minority interest increased year-over-year primarily due to the operating performance of Food Network. Prior to the fourth quarter of 2003, Food Network profits were allocated solely to Class A partnership interests, of which we own approximately 87%. During the fourth quarter of 2003, Food Network profits began to be allocated in proportion to each partner’s residual interests in the partnership. In 2004, we expect minority interest will be $35 to $40 million due to the increasing profitability of the Food Network and because the profits will be allocated based upon residual interests for the full year.

2002 compared to 2001

Operating revenues increased 10.3%. The increase was primarily attributed to the growth in advertising and network affiliate fee revenues at our national television networks, increases in political advertising at our broadcast television stations and the October 2002 acquisition of Shop At Home.

Costs and expenses increased 7.5%. Costs and expenses were impacted by the Shop At Home acquisition and higher employee costs and programming costs at Scripps Networks attributed to the networks' continued growth and expanded hours of programming. In addition, pension expense increased $6.9 million year-over-year due primarily to lower than expected returns on plan assets.

Depreciation and amortization decreased year-over-year as a result of the January 1, 2002 adoption of SFAS No. 142, Goodwill and Other Intangible Assets. The accounting standard required that we cease the amortization of goodwill and intangible assets with indefinite lives. Amortization of goodwill and intangible assets with indefinite lives was $38.1 million in 2001.

The restructuring charges recorded in 2001 relate to costs that were incurred for workforce reductions at newspapers managed solely by us. The reductions were initiated as a result of the advertising recession that began in 2001.

Interest expense decreased in 2002 primarily due to lower rates on variable rate credit facilities. The weighted-average interest rate on such facilities was 1.8% in 2002 and 4.2% in 2001. Average daily borrowings under short-term credit facilities were $373 million in 2002 and $504 million in 2001. The average balance of all interest bearing obligations was $706 million in 2002 and $741 million in 2001.

Equity in earnings of JOAs and other joint ventures increased primarily due to improved results of the joint newspaper operations in Denver.

Interest and dividend income increased year-over-year primarily as a result of $0.7 million of interest income earned on the Summit America note.

Other investment results include (i) net realized gains and losses on the sale of investments, (ii) investment impairments resulting from other-than-temporary declines in the fair value of investments and (iii) accrued performance-based compensation and other expenses associated with the management of our investments in development-stage businesses. Other investment results reduced net income by $55.6 million, $.69 per share, in 2002 and increased net income by $3.8 million, $.05 per share, in 2001. Investment impairment charges in 2002 include a $35.1 million write-down of our investment in AOL Time Warner and $45.0 million of write-downs associated with declines in value of investments in development-stage businesses. Other investment results in 2001 include a $65.9 million gain on our investment in Time Warner when AOL acquired Time Warner in the first quarter of 2001 and an $11.7 million gain on the sale of a portion of our investment in Centra Software. Other investment results in 2001 also include a $29.0 million write-down of our investment in AOL Time Warner in the fourth quarter and $51.2 million of write-downs associated with declines in value of investments in development-stage businesses. Due to the declines in value of investments in development-stage businesses, accrued performance-based compensation was reduced by $11.5 million, to zero, at December 31, 2001.

The effective income tax rate was 37.0% in 2002 and 41.3% in 2001. The 2002 year-to-date income tax provision was reduced by $9.8 million upon the settlement of the audits of our 1992 through 1995 consolidated federal income tax returns with the IRS and proposed adjustments in the IRS examination of our 1996 through 2001 tax returns.

Minority interest increased year-over-year primarily due to improved operating performance of Food Network. Prior to 2002, Food Network profits were not allocated to minority owners as cumulative losses exceeded the basis in the partnership.

Business Segment Results - As discussed in Note 17 to the Consolidated Financial Statements our chief operating decision maker (as defined by FAS 131 – Segment Reporting) evaluates the operating performance of our business segments using a measure we call segment profits. Segment profits excludes interest, income taxes, depreciation and amortization, divested operating units, restructuring activities (including our proportionate share of JOA restructuring activities), investment results and certain other items that are included in net income determined in accordance with accounting principles generally accepted in the United States of America.

Items excluded from segment profits generally result from prior decisions or from decisions made by corporate executives rather than the managers of the business segments. Depreciation and amortization charges are the result of past decisions regarding the allocation of resources and are therefore excluded from the measure. Financing, tax structure and divestiture decisions are generally made by corporate executives. Excluding these items from our business segment performance measure enables us to evaluate business segment operating performance for the current period based upon current economic conditions and decisions made by the managers of those business segments in the current period.

Information regarding the operating performance of our business segments determined in accordance with FAS 131 and a reconciliation of such information to the consolidated financial statements is as follows:

(in thousands)	For the years ended December 31,				
	2003	Change	2002	Change	2001
Segment operating revenues:					
Newspapers managed solely by us	$ 691,591	1.4%	$ 682,219	(0.9)%	$ 688,282
Newspapers operated pursuant to JOAs	267	16.1%	230	147.5%	93
Total newspapers	691,858	1.4%	682,449	(0.9)%	688,375
Scripps Networks	535,013	28.8%	415,402	23.2%	337,195
Broadcast television	304,162	(0.3)%	305,154	9.9%	277,601
Shop At Home	238,484		42,345		
Licensing and other media	105,328	16.6%	90,314	1.7%	88,785
Total operating revenues	$1,874,845	22.1%	$1,535,664	10.3%	$1,391,956
Segment profit (loss):					
Newspapers managed solely by us	$ 227,132	(2.2)%	$ 232,148	4.4%	$ 222,367
Newspapers operated pursuant to JOAs	41,573	9.1%	38,120	148.8%	15,319
Total newspapers	268,705	(0.6)%	270,268	13.7%	237,686
Scripps Networks	204,263	63.9%	124,596	64.9%	75,547
Broadcast television	85,218	(13.1)%	98,109	23.2%	79,651
Shop At Home	(22,075)		(1,682)		
Licensing and other media	19,238	11.3%	17,284	16.1%	14,881
Corporate	(32,125)	(15.5)%	(27,810)	(49.5)%	(18,596)
Total segment profit	523,224	8.8%	480,765	23.5%	389,169
Depreciation and amortization of intangibles	(68,087)	(8.5)%	(62,768)	36.4%	(98,653)
Restructuring charges, including share of JOA restructurings	(1,847)		3,856		(16,079)
Interest expense	(31,593)	(11.6)%	(28,301)	27.8%	(39,197)
Interest and dividend income	5,062		1,860		802
Other investment results, net of expenses	(3,200)		(85,667)		5,063
Miscellaneous, net	(497)		(823)		277
Income before income taxes and minority interests	$ 423,062		$ 308,922		$ 241,382

Discussions of the operating performance of each of our reportable business segments begin on page F-14.

Corporate expenses in 2003 increased in part due to costs associated with compliance with the Sarbanes-Oxley Act. Such costs are expected to increase corporate expenses by approximately $2 million in 2004. Corporate expenses in the 2003 and 2002 periods also include the accrual of performance bonuses, which were not earned in 2001, and expenses resulting from the vesting of performance-based restricted stock awards. Expense of $3.3 million was recorded in 2002 when 40,000 shares were earned. Expense of $1.7 million was recorded in 2003 when the remaining 20,000 shares under the award were earned.

Segment profits include our share of the earnings of JOAs and certain other investments included in our consolidated operating results using the equity method of accounting. Newspaper segment profits include equity in earnings of JOAs and other joint ventures. Scripps Networks segment profits include equity in earnings of FOX Sports Net South and other joint ventures.

A reconciliation of equity in earnings of JOAs and other joint ventures included in segment profits to the amounts reported in our Consolidated Statements of Income is as follows:

(in thousands)	For the years ended December 31,				
	2003	**Change**	**2002**	**Change**	**2001**
Newspapers:					
Equity in earnings of JOAs	$78,682	7.5%	$73,202	45.3%	$50,387
Equity in earnings (loss) of joint ventures	(61)				(2,970)
Scripps Networks:					
Equity in earnings of joint ventures	9,333	50.8%	6,187	32.9%	4,654
Equity in earnings of JOAs and other joint ventures included in segment profit	87,954	10.8%	79,389	52.5%	52,071
Newspapers:					
Share of JOA restructuring activities excluded from segment profit			3,856		(5,881)
Total equity in earnings of JOAs and other joint ventures	$87,954	5.7%	$83,245	80.2%	$46,190

Certain of the items required to reconcile segment profitability to consolidated results of operations determined in accordance with accounting principles generally accepted in the United States of America are attributed to particular business segments. Significant reconciling items attributable to each business segment are as follows:

(in thousands)	For the years ended December 31,				
	2003	**Change**	**2002**	**Change**	**2001**
Depreciation and amortization:					
Newspapers managed solely by us	$23,560	(6.2)%	$25,125	1.0%	$24,874
Newspapers operated pursuant to JOAs	1,568	12.7%	1,391	(16.9)%	1,674
Total newspapers	25,128	(5.2)%	26,516	(0.1)%	26,548
Scripps Networks	12,715	2.3%	12,435	0.1%	12,420
Broadcast television	19,994	1.3%	19,745	(0.2)%	19,777
Shop At Home	7,354		1,882		
Licensing and other media	630	(26.4)%	856	3.0%	831
Corporate	2,266	69.9%	1,334	40.6%	949
Amortization of goodwill and intangible assets with indefinite lives					38,128
Total depreciation and amortization	$68,087	8.5%	$62,768	(36.4)%	$98,653
Interest and dividend income:					
Newspapers managed solely by us	$ 340		$ 727		$ 757
Newspapers operated pursuant to JOAs	21		20		7
Total newspapers	361		747		764
Summit America note	4,591		725		
Other	110		388		38
Total interest and dividend income	$ 5,062		$ 1,860		$ 802

Newspapers - We operate 21 daily newspapers in 19 markets in the United States. We solely operate and manage 17 of the newspapers. Each of the other four newspapers is operated pursuant to the terms of a joint operating agreement (“JOA”).

Newspapers managed solely by us: The newspapers managed solely by us operate in mid-size markets, focusing on news coverage within their local markets. Advertising and circulation revenues provide substantially all of each newspaper’s operating revenues and employee and newsprint costs are the primary expenses at each newspaper. The trends and underlying economic conditions affecting the operating performance of any of our newspapers are substantially the same as those affecting all of our newspapers. Our newspaper operating performance is most affected by newsprint prices and the health of the national economy, particularly conditions within the retail, labor, housing and auto markets. Changes in daily and Sunday circulation have not had a significant effect on the operating performance of our newspaper segment. While an individual newspaper may perform better or worse than our newspaper group as a whole due to specific conditions at that newspaper or within its local economy, such variances generally do not significantly affect the overall operating performance of the newspaper segment.

The Denver JOA commenced in January 2001. Our financial statements do not include the advertising and other operating revenues of the Denver JOA or the costs to produce, distribute and market the newspapers. To enhance comparability of year-over-year segment results, we have removed the operating revenues and costs and expenses of the RMN for the portion of 2001 that preceded the formation of the Denver JOA and reported such amounts separately.

Operating results for newspapers managed solely by us were as follows:

(in thousands)	For the years ended December 31,				
	2003	**Change**	**2002**	**Change**	**2001**
Segment operating revenues:					
Local	$ 167,343	(3.4)%	$ 173,205	(1.7)%	$ 176,281
Classified	209,724	0.9%	207,950	(0.5)%	208,995
National	39,225	13.1%	34,683	2.1%	33,968
Preprint and other	125,815	8.5%	115,931	9.3%	106,075
Newspaper advertising	542,107	1.9%	531,769	1.2%	525,319
Circulation	135,503	(1.9)%	138,138	(0.9)%	139,358
Other	13,981	13.6%	12,312	3.0%	11,955
Total excluding RMN pre-JOA operating revenues	691,591	1.4%	682,219	0.8%	676,632
RMN pre-JOA operating revenues					11,650
Total operating revenues	691,591		682,219		688,282
Segment costs and expenses:					
Employee compensation and benefits	250,468	2.8%	243,558	5.8%	230,159
Newsprint and ink	72,803	7.4%	67,798	(20.1)%	84,814
Other segment costs and expenses	141,127	1.7%	138,715	2.4%	135,428
Total excluding RMN pre-JOA costs and expenses	464,398	3.2%	450,071	(0.1)%	450,401
RMN pre-JOA costs and expenses					12,544
Total costs and expenses	464,398		450,071		462,945
Contribution to segment profit excluding RMN pre-JOA	227,193	(2.1)%	232,148	2.6%	226,231
RMN pre-JOA contribution to segment profit					(894)
Equity in earnings of joint ventures	(61)				(2,970)
Contribution to segment profit	$ 227,132	(2.2)%	$ 232,148	4.4%	$ 222,367
Supplemental Information:					
Depreciation and amortization	$ 23,560		$ 25,125		$ 24,874
Capital expenditures	37,550		38,308		33,697
Business acquisitions and other additions to long-lived assets	3,904		330		1,779

Newspaper advertising revenues increased in 2003 as increased real estate and automotive advertising offset declines in local retail and help wanted classified advertising. We expect newspaper advertising revenue to increase between 4% and 6% in 2004.

Increases in preprint and other advertising reflect the development of new print and electronic products and services. These products include niche publications such as community newspapers, lifestyle magazines, publications focused upon the classified advertising categories of real estate, employment and auto, and other publications aimed at younger readers.

Continued improvements in on-line advertising also contributed to the increase in preprint and other advertising. Our Internet sites, which have been profitable for the past two years, had advertising revenues of $11.5 million in 2003, $8.3 million in 2002 and $6.5 million in 2001. We expect continued growth in advertising on our Internet sites as we continue to leverage our local franchise in help wanted, automobile and real estate advertising.

The increases in employee compensation and benefit expenses in 2003 and 2002 are primarily due to increases in retirement plan costs. Retirement plan expense was $15.3 million in 2003, $12.6 million in 2002, and $7.3 million in 2001. Retirement plan expense increased primarily due to lower expected returns on plan assets and lower discount rates. Employee costs are expected to increase 5% to 6% in 2004 due primarily to higher benefits costs and additional hiring to support the continued development of new product initiatives.

The average price of newsprint increased 7% in 2003, after decreasing 22% in 2002. Newsprint prices have fluctuated between $420 and $590 per metric ton from 1998 through 2003. We expect newsprint costs to increase approximately 12% to 14% in 2004, depending upon the timing and magnitude of price increases.

Other segment costs and expenses are expected to increase 4% to 6% in 2004 as we expect to undertake additional sales training and marketing efforts across all our newspapers.

Capital expenditures in 2003 include costs for the construction of a new production facility for our Treasure Coast, Florida newspapers. Capital expenditures in 2002 and 2001 include construction of a new production facility for our Knoxville newspaper. Capital expenditures in 2004 are expected to be $29 million, including costs to complete the construction of the Treasure Coast production facility.

Newspapers operated under Joint Operating Agreements ("JOAs"): Four of our newspapers are operated pursuant to the terms of joint operating agreements (JOAs). The table below provides certain information about our JOAs.

Newspaper	Publisher of Other Newspaper	Year JOA Entered Into	Year of JOA Expiration
The Albuquerque Tribune	Journal Publishing Company	1933	2022
Birmingham Post-Herald	Newhouse Newspapers	1950	2015
The Cincinnati Post	Gannett Newspapers	1977	2007
Denver Rocky Mountain News	MediaNews Group, Inc.	2001	2051

The JOAs generally provide for automatic renewals unless an advance termination notice ranging from two to five years is given by either party. Gannett Newspapers has notified us of its intent to terminate the Cincinnati JOA upon its expiration in 2007. We intend to continue publishing the Cincinnati Post and Kentucky Post newspapers for the duration of the agreement.

The operating profits earned from the combined operations of the two newspapers are distributed to the partners in accordance with the terms of the joint operating agreement. We receive a 50% share of the Denver JOA profits and between 20% and 40% of the profits from the other three JOAs.

Operating results for our newspapers operated under JOAs were as follows:

(in thousands)	For the years ended December 31,				
	2003	Change	2002	Change	2001
Equity in earnings of JOAs included in segment profit:					
Denver	$37,854	25.5%	$30,157		$ 7,771
Cincinnati	22,246	(11.3)%	25,069	0.9%	24,855
Other	18,582	3.4%	17,976	1.2%	17,761
Total equity in earnings of JOAs included in segment profit	78,682	7.5%	73,202	45.3%	50,387
Operating revenues	267		230		93
Total	78,949	7.5%	73,432	45.5%	50,480
JOA editorial costs and expenses:					
Denver	22,692	8.6%	20,896	4.3%	20,035
Cincinnati	7,887	1.0%	7,812	(8.9)%	8,572
Other	6,797	2.9%	6,604	0.8%	6,554
Total JOA editorial costs and expenses	37,376	5.8%	35,312	0.4%	35,161
JOAs contribution to segment profit:					
Denver	15,303	62.5%	9,418		(12,243)
Cincinnati	14,359	(16.8)%	17,258	6.0%	16,283
Other	11,911	4.1%	11,444	1.5%	11,279
Total JOA contribution to segment profit	$41,573	9.1%	$38,120	148.8%	$ 15,319
Supplemental Information:					
Depreciation and amortization	$ 1,568		$ 1,391		$ 1,674
Capital expenditures	567		308		666
Business acquisitions and other additions to long-lived assets	160		204		61,420

Our equity in earnings of the combined newspaper operations in Denver have improved despite ongoing weakness in the local economy. The improvement is attributed primarily to continued cost containment at the Denver JOA. In 2004, we expect a year-over-year high single-digit gain in Denver's contribution to segment profit.

Declines in our equity in earnings of the Cincinnati JOA reflect the weakness in the economy and the soft newspaper advertising market.

Scripps Networks - Scripps Networks includes four national television networks distributed by cable and satellite television systems: Home & Garden Television ("HGTV"), Food Network, DIY– Do It Yourself Network ("DIY"), and Fine Living. Programming from our networks can be viewed on demand ("VOD") on cable television systems in about 84 markets across the United States. Scripps Networks also includes our 12% interest in FOX Sports Net South, a regional television network.

We launched HGTV in 1994. Food Network launched in 1993, and we acquired our controlling interest in 1997. We launched DIY in the fourth quarter of 1999 and Fine Living in the first quarter of 2002. We have used a similar strategy in developing each of our networks. Our initial focus is to gain distribution on cable and satellite television systems. We may offer incentives in the form of cash payments or an initial period in which payment of affiliate fees by the systems is waived in exchange for long-term distribution contracts. We create new and original programming and undertake promotion and marketing campaigns designed to increase viewer awareness. We expect to incur operating losses until network distribution and audience size are sufficient to attract national advertisers. As distribution of the networks increases, we make additional investments in the quality and variety of programming and increase the number of hours of original programming offered on the network. Such investments are expected to result in increases in viewership, yielding higher advertising revenues.

While we have employed similar development strategies with each of our networks, there can be no assurance DIY and Fine Living will achieve operating performances similar to HGTV and Food Network. There has been considerable consolidation among cable and satellite television operators, with the eight largest providing services to approximately 90% of the homes that receive cable and satellite television programming. At the same time, there has been an expansion in the number of programming services seeking distribution on those systems, with the number of networks more than doubling since 1996. DIY, Fine Living and our VOD and broadband initiatives are expected to reduce segment profit by approximately $34 million to $38 million in 2004.

Operating results for each of our four national networks were as follows:

(in thousands)	For the years ended December 31, 2003	Change	2002	Change	2001
Operating revenues:					
HGTV	$ 298,998	21.7%	$ 245,721	14.7%	$ 214,280
Food Network	207,260	31.2%	157,956	33.8%	118,069
DIY	20,305	102.0%	10,053	126.8%	4,433
Fine Living	8,308		1,344		
Other	142	(56.7)%	328	(20.6)%	413
Total segment operating revenues	$ 535,013	28.8%	$ 415,402	23.2%	$ 337,195
Contribution to segment profit (loss):					
HGTV	$ 152,785	37.4%	$ 111,201	34.6%	$ 82,597
Food Network	87,497	66.4%	52,580		16,249
DIY	(10,430)	21.4%	(13,275)	(4.2)%	(12,746)
Fine Living	(25,784)	(4.2)%	(24,737)	(165.3)%	(9,324)
Other	195	116.6%	(1,173)	4.6%	(1,229)
Total segment profit	$ 204,263	63.9%	$ 124,596	64.9%	$ 75,547
Homes reached in December (1):					
HGTV	84,500	5.1%	80,400	5.2%	76,400
Food Network	83,000	6.1%	78,200	9.4%	71,500
DIY	26,000	100.0%	13,000	44.4%	9,000
Fine Living	20,000	53.8%	13,000		

(1) Approximately 87 million homes in the United States receive cable or satellite television. Homes reached are according to the Nielsen Homevideo Index ("Nielsen"), with the exception of DIY and Fine Living which are not yet rated by Nielsen and represent comparable amounts estimated by us.

Each of our four national television networks is a targeted lifestyle-oriented network. Advertising and network affiliate fees provide substantially all of each network's operating revenues and employee costs and programming costs are the primary expenses. The trends and underlying economic conditions affecting each of our networks are substantially the same as those affecting all of our networks, primarily the demand for national advertising.

Operating results for Scripps Networks were as follows:

(in thousands)	For the years ended December 31, 2003	Change	2002	Change	2001
Segment operating revenues:					
Advertising	$ 434,175	31.2%	$ 330,806	21.5%	$ 272,299
Network affiliate fees, net	92,907	18.1%	78,662	32.9%	59,175
Other	7,931	33.7%	5,934	3.7%	5,721
Total segment operating revenues	535,013	28.8%	415,402	23.2%	337,195
Segment costs and expenses:					
Employee compensation and benefits	87,346	9.3%	79,912	22.1%	65,459
Programs and program licenses	133,691	19.5%	111,903	21.1%	92,386
Other segment costs and expenses	119,046	13.2%	105,178	(3.0)%	108,457
Total segment costs and expenses	340,083	14.5%	296,993	11.5%	266,302
Segment profit before joint ventures	194,930	64.6%	118,409	67.0%	70,893
Equity in earnings of joint ventures	9,333	50.8%	6,187	32.9%	4,654
Segment profit	$ 204,263	63.9%	$ 124,596	64.9%	$ 75,547
Supplemental Information:					
Billed network affiliate fees	$ 103,749	12.4%	$ 92,278	16.7%	$ 79,061
Network launch incentive payments	25,105		92,394		66,202
Payments for programming (greater) less than program cost amortization	(34,314)		(23,024)		(42,290)
Depreciation and amortization	12,715		12,435		12,420
Capital expenditures	9,364		14,545		14,114
Business acquisitions and investments			5,235		20,934

Increased viewership of our networks over each of the last three years has led to increased demand for advertising time and higher advertising rates. Prime-time household viewership of HGTV increased 23% year-over-year in 2003. Prime-time household viewership of Food Network increased 17% in that same period. Increases in viewership have been driven by increased household distribution of the networks, investments in the quality and hours of original programming, and marketing campaigns to promote consumer awareness of the networks. Advertising revenues are expected to increase approximately 20% to 30% for the full year of 2004.

The increase in network affiliate fees reflects wider distribution of the networks, as well as both scheduled rate increases and rate increases resulting from the renewal of distribution agreements. Network affiliate fees are expected to increase approximately 30% to 40% in 2004.

Employee compensation and benefits increases are primarily due to additional hiring to support the launch and development of Fine Living and DIY and due to increased costs of retirement plans. Retirement plan expense was $4.0 million in 2003, $3.3 million in 2002, and $2.3 million in 2001. Retirement plan expense has increased primarily due to lower expected returns on plan assets and lower discount rates.

Programs and program licenses have increased due to the improved quality and variety of programming and expanded hours of original programming. Our continued investment in quality, original programming is expected to increase programming expenses 25% to 30% in 2004.

Other costs and expenses have increased in 2003 due to continued efforts to improve and promote the programming on our networks in order to attract a larger audience. Other costs and expenses are expected to increase approximately 25% to 30% in 2004 as we continue to strengthen our network brands and increase our investment in video-on-demand and broadband content services.

Capital expenditures in 2004 are expected to be approximately $19 million.

Broadcast Television – We operate 10 broadcast television stations, in nine of the 60 largest markets in the U.S. Nine of our broadcast television stations are affiliated with national broadcast television networks. Six are ABC affiliates and three are NBC affiliates.

National broadcast television networks offer affiliates a variety of programs and sell the majority of advertising within those programs. We may receive compensation from the network for carrying its programming. In addition to network programs, we broadcast locally produced programs, syndicated programs, sporting events, and other programs of interest in each station's market. News is the primary focus of our locally-produced programming.

Advertising provides substantially all of each station's operating revenues and employee and programming costs are the primary expenses. The trends and underlying economic conditions affecting the operating performance of any of our broadcast television stations are substantially the same as those affecting all of our stations. The operating performance of our broadcast television group is most affected by the health of the economy, particularly conditions within the retail and auto markets, and by the volume of advertising time purchased by campaigns for elective office and for political issues. The demand for political advertising is significantly higher in even-numbered years, when congressional and presidential elections occur, than in odd-numbered years. While an individual television station may perform better or worse than our station group as a whole due to specific conditions at that station or within its local economy, such variances generally do not significantly affect the overall operating performance of the broadcast television segment.

Channel capacities of satellite television and cable television systems have increased as a result of digital technologies, resulting in an increase in the number of available viewing choices. Broadcast television also faces increased competition from Internet services and other electronic entertainment services, resulting in fragmentation of the viewing audience. Audience fragmentation could adversely affect our broadcast television stations.

Operating results for broadcast television were as follows:

(in thousands)	For the years ended December 31,				
	2003	**Change**	**2002**	**Change**	**2001**
Segment operating revenues:					
Local	$ 184,395	7.6%	$ 171,301	5.2%	$ 162,761
National	100,757	5.5%	95,497	(1.4)%	96,866
Political	3,356		23,703		2,400
Network compensation	8,905	10.7%	8,044	(13.3)%	9,279
Other	6,749	2.1%	6,609	5.0%	6,295
Total segment operating revenues	304,162	(0.3)%	305,154	9.9%	277,601
Segment costs and expenses:					
Employee compensation and benefits	116,312	4.7%	111,048	7.9%	102,889
Programs and program licenses	45,965	8.7%	42,286	(1.9)%	43,103
Other segment costs and expenses	56,667	5.5%	53,711	3.4%	51,958
Total segment costs and expenses	218,944	5.7%	207,045	4.6%	197,950
Segment profit	$ 85,218	(13.1)%	$ 98,109	23.2%	$ 79,651
Supplemental Information:					
Payments for programming less (greater) than program cost amortization	$ 579		$ (276)		$ 2,464
Depreciation and amortization	19,994		19,745		19,777
Capital expenditures	34,742		23,655		18,785
Business acquisitions and other additions to long-lived assets	918		20		27

Broadcast television operating results are significantly affected by the political cycle. We operate 5 television stations in Ohio, Michigan and Florida which are historically heavily contested states in presidential elections. Our stations, while reaching approximately 10% of U.S. television households, are located in states with 22% of the electoral vote. We expect political advertising revenue in 2004 to be about $30 million.

Local advertising revenue increased in 2003 due to increases in automotive advertising that offset a decline in retail advertising. Revenues in 2001 were impacted by lost sales in the days immediately following the September 11 terrorist attacks. Our television stations broadcast 32 hours of continuous, commercial free network and local news coverage, and for the next several days there was little demand for television advertising.

In 2004, we expect the return of political advertising and the Olympics to three of our NBC stations to increase advertising revenue approximately 10% to 15%.

In 2001, we renegotiated and extended our network affiliation agreements with NBC, which were originally scheduled to expire in 2004. Network compensation was sharply reduced under the new agreements, which expire in 2010. Our six ABC affiliation agreements expire in 2004 through 2006. Our ABC affiliates recognized $8.6 million of network compensation revenue in 2003, $7.7 million in 2002, and $7.9 million in 2001. We are currently negotiating renewal of our affiliation agreements with ABC. While we expect network compensation will be reduced under the new agreements, we are unable to predict the amount of network compensation we may receive upon renewal of these agreements.

Higher retirement plan costs contributed to the increase in employee compensation and benefits in 2003. Retirement expense was $7.7 million in 2003, $5.3 million in 2002, and $3.3 million in 2001. Retirement plan expenses have increased primarily due to lower expected returns on plan assets and lower discount rates. The increase in 2002 employee compensation and benefits compared to 2001 is attributed to the increase in retirement expense and an increase in performance bonuses and commissions. Performance based bonuses and commissions were lower in 2001 due to the effects of the September 11 terrorist attacks. Employee compensation and benefit costs are expected to increase 5% to 6% in 2004.

Capital expenditures in 2003 include construction of a new production facility for our Cincinnati television station. Capital expenditures are expected to be approximately $18 million in 2004.

Shop At Home - On October 31, 2002, we completed a transaction with Summit America Television, Inc. ("Summit America," formerly Shop At Home, Inc.) that resulted in our acquiring a 70% controlling interest in the Shop At Home television retailing network. On December 19, 2003, we announced a definitive agreement to acquire Summit America, which includes their 30% minority interest in Shop At Home and their five Shop At Home-affiliated broadcast television stations.

Shop At Home markets a range of consumer goods directly to television viewers and visitors to its Web site. Programming is distributed on a full or part-time basis under the terms of affiliation agreements with broadcast television stations and cable and satellite television systems. Affiliates are paid a fee ("network distribution fee") based upon the number of cable and direct broadcast satellite households reached by the affiliate.

Retail merchandise sales provide substantially all of Shop At Home's operating revenues and cost of merchandise sold and network distribution costs are the primary expenses. Shop At Home's operating results are influenced by the distribution of the network, our ability to attract an audience, our selection and mix of product, and by consumers' discretionary spending.

Operating results for Shop At Home were as follows:

(in thousands)	For the years ended December 31, 2003	2002
Segment operating revenues:		
Retail merchandise	$ 224,123	$ 40,008
Shipping and handling	12,957	2,154
Other	1,404	183
Total segment operating revenues	238,484	42,345
Segment costs and expenses:		
Cost of merchandise sold	158,149	27,553
Network distribution fees	60,532	10,049
Employee compensation and benefits	23,707	3,852
Other segment costs and expenses	18,171	2,573
Total segment costs and expenses	260,559	44,027
Segment profit (loss)	$ (22,075)	$ (1,682)
Supplemental Information:		
Interest and dividend income from Summit America	4,591	725
Depreciation and amortization	7,354	1,882
Capital expenditures	3,249	576

We continue to integrate management of Shop At Home with that of Scripps Networks and to shift the mix of retail products offered for sale by Shop At Home to parallel the consumer categories targeted by our lifestyle programming networks. Collectibles provided approximately 22% of operating revenues in 2003, down from 33% for the full year of 2002. Sale of products for the home and cookware were approximately 8% of total revenue in 2003, up from 2% for the full year of 2002.

Shop At Home programming reached an average full-time equivalent of 46.4 million homes in 2003, up from 42.1 million homes in 2002. Full-time distribution provided 75% of homes reached in 2003, up from 72% in 2002. Average revenue per household was $5.15 in 2003, up from $5.05 for the full year of 2002.

We expect segment losses in 2004 to be comparable to losses incurred in 2003. Capital expenditures in 2004 are expected to be approximately $9.0 million.

LIQUIDITY AND CAPITAL RESOURCES

Our primary source of liquidity is our cash flow from operating activities. Advertising provides approximately 70% of total operating revenues, so cash flow from operating activities is adversely affected during recessionary periods. Information about our use of cash flow from operating activities is presented in the following table:

(in thousands)	For the years ended December 31, 2003	Change	2002	Change	2001
Net cash provided by operating activities	$ 327,138	53.6%	$ 212,945	3.3%	$ 206,067
Capital expenditures	(89,251)		(88,400)		(68,223)
Dividends paid, including to minority interests	(50,464)		(51,143)		(50,784)
Other - primarily stock option proceeds	29,133		26,506		15,668
Cash flow available for acquisitions and debt repayment	$ 216,556		$ 99,908		$ 102,728
Use of available cash flow:					
Business acquisitions and investments	$ (4,768)		$ (118,261)		$ (102,299)
Other investing activity	7,326		15,416		16,125
Increase (decrease) in long-term debt	(216,395)		1,026		9,202
Purchase and retirement of common stock					(22,449)

Cash flow from operating activities in excess of capital expenditures and dividends has been used primarily to fund acquisitions and investments and to develop new businesses. There are no significant legal or other restrictions on the transfer of funds among our business segments.

Net cash provided by operating activities increased year-over-year in 2003 due to improved operating performance of our business segments. Cash required for the development of our emerging brands (DIY, Fine Living, video-on-demand and Shop At Home) was approximately $80 million in 2003, $120 million in 2002, and $20 million in 2001.

We expect cash flow from operating activities in 2004 will provide sufficient liquidity to continue the development of our emerging brands and to fund the capital expenditures necessary to support our businesses. Capital expenditures are expected to be approximately $80 million to $85 million in 2004, including the completion of construction of a newspaper plant for our Treasure Coast newspapers and a new production facility for our Cincinnati television station.

In December 2003, we reached a definitive agreement to acquire Summit America, including their 30% minority interest in Shop At Home and their five Shop At Home-affiliated broadcast television stations. We will pay $4.05 in cash per fully-diluted outstanding share of Summit America common stock, or approximately $184 million, which we expect to finance through additional borrowings on our existing credit facilities. As part of the transaction, we have agreed to forego repayment of the $47.5 million secured loan extended to Summit America as part of the 2002 acquisition of Shop At Home. We also have agreed to forego redemption of $3 million in Summit America preferred stock that we hold. We expect the transaction to close in the second quarter of 2004.

We expect to finance the acquisition of Summit America with additional borrowings on our existing credit facilities. We have two credit facilities, one permitting $375 million in aggregate borrowings expiring in August 2004 (which is expected to be replaced with a similar facility prior to its expiration) and the second a $200 million facility expiring in 2007. Total borrowings under the facilities were $50.2 million at December 31, 2003. Our access to commercial paper markets can be affected by macroeconomic factors outside of our control. In addition to macroeconomic factors, our access to commercial paper markets and our borrowing costs are affected by short and long-term debt ratings assigned by independent rating agencies. We have a U.S. shelf registration statement which allows us to borrow up to an additional $350 million as of December 31, 2003.

A summary of our contractual cash commitments, as of December 31, 2003, is as follows:

(in thousands)	Less than 1 Year	1 to 3 Years	4 to 5 Years	Over 5 Years	Total
Long-term debt:					
Principal amounts		$ 214	$ 200,485	$ 308,116	$ 508,815
Interest on notes	$ 24,250	48,500	40,938	50,250	163,938
Summit America acquisition	184,000				184,000
Network launch incentives:					
Network launch incentive offers accepted	58,073	12,189	6,792	4,411	81,465
Incentives offered to cable television systems	9,691	16,605	4,109		30,405
Shop At Home distribution	61,018				61,018
Programming:					
Available for broadcast	12,605	17,938	215		30,758
Not yet available for broadcast	105,962	84,306	52,617	3,589	246,474
Employee compensation and benefits:					
Deferred compensation and benefits	10,014	11,166	9,534	44,596	75,310
Employment and talent contracts	39,451	53,425	21,354	4,952	119,182
Operating Leases:					
Noncancelable	19,494	30,065	21,724	31,786	103,069
Cancelable	1,390	420	406	16	2,232
Purchase commitments					
Newsprint	20,588				20,588
Satellite transmission	8,092	9,473			17,565
Capital expenditures	30,136				30,136
Noncancelable purchase and service commitments	28,628	32,059	18,446	16,608	95,741
Other purchase and service commitments	25,636	3,855	1,964	88	31,543
Total contractual cash obligations	$ 639,028	$ 320,215	$ 378,584	$ 464,412	$ 1,802,239
Amount recorded on balance sheet	$ 86,580	$ 47,559	$ 219,733	$ 357,439	$ 711,311

In the ordinary course of business we enter into long-term contracts to obtain distribution of our networks, to license or produce programming, with on-air talent, to lease office space and equipment, to obtain satellite transmission rights, and for the purchase of other goods and services.

Network Launch Incentives - We may offer incentives to cable and satellite television systems in exchange for long-term contracts to distribute our networks. Such incentives may be in the form of cash payments or an initial period in which the payment of affiliated fees is waived. We become obligated for such incentives at the time a cable or satellite television system launches our programming.

Amounts included in the above table for network launch incentive offers accepted by cable and satellite television systems include both amounts due to systems that have launched our networks and estimated incentives due to systems that have agreed to launch our networks in future periods.

We have offered launch incentives to cable and satellite television systems that have not yet agreed to carry our networks. Such offers generally expire if the system does not launch our programming by a specified date. We expect to make additional launch incentive offers to cable and satellite television systems to expand the distribution of our networks.

Shop At Home Distribution – Shop At Home network distribution agreements are generally for one-year terms with automatic renewal unless either party provides notice of cancellation prior to renewal. Such agreements may also be canceled by us in certain circumstances. While we continually review the profitability of our distribution, and may cancel low-yielding distribution, we would expect most of these distribution agreements to remain in effect and to be renewed upon their expiration.

Programming – Program licenses generally require payments over the terms of the licenses. Licensed programming includes both programs that have been delivered and are available for telecast and programs that have not yet been produced. If the programs are not produced, our commitments would generally expire without obligation.

We also enter into contracts with certain independent producers for the production of programming that airs on Scripps Networks. Production contracts generally require us to purchase a specified number of episodes of the program.

We expect to enter into additional program licenses and production contracts to meet our future programming needs.

Talent Contracts –We secure on-air talent for Scripps Networks and our broadcast television stations through mulit-year talent agreements. Certain agreements may be terminated under certain circumstances or at certain dates prior to expiration. We expect our employment and talent contracts will be renewed or replaced with similar agreements upon their expiration. Amounts due under the contracts, assuming the contracts are not terminated prior to their expiration, are included in the contractual commitments table. Also included in the table are contracts with columnists and artists whose work is syndicated by United Media. Columnists and artists may receive fixed minimum payments plus amounts based upon a percentage of net syndication and licensing revenues resulting from the exploitation of their work. Contingent amounts based upon net revenues are not included in the table of contractual commitments.

Operating Leases – We obtain certain office space under multi-year lease agreements. Leases for office space are generally not cancelable prior to their expiration.

Leases for operating and office equipment are generally cancelable by either party on 30 to 90 day notice. However, we expect such contracts will remain in force throughout the terms of the leases. The amounts included in the table above represent the amounts due under the agreements assuming the agreements are not canceled prior to their expiration.

We expect our operating leases will be renewed or replaced with similar agreements upon their expiration.

Purchase Commitments – We obtain satellite transmission, audience ratings, market research and certain other services under multi-year agreements. These agreements are generally not cancelable prior to expiration of the service agreement. We expect such agreements will be renewed or replaced with similar agreements upon their expiration.

We may also enter into contracts with certain vendors and suppliers, including most of our newsprint vendors. These contracts typically do not require the purchase of fixed or minimum quantities and generally may be terminated at any time without penalty. Included in the table of contractual commitments are purchase orders placed as of December 31, 2003. Purchase orders placed with vendors, including those with whom we maintain contractual relationships, are generally cancelable prior to shipment. While these vendor agreements do not require us to purchase a minimum quantity of goods or services, and we may generally cancel orders prior to shipment, we expect expenditures for goods and services in future periods will approximate those in prior years.

Redemption of Non-controlling Interests in Subsidiary Companies – The minority owners of Fine Living have the right to require us to repurchase their interests. The minority owners will receive fair market value for their interest at the time their option is exercised.

The Food Network general partnership agreement expires on December 31, 2012, unless amended or extended prior to that date. Upon termination, the assets of the partnership are to be liquidated and distributed to the partners in proportion to their partnership interests.

The table of contractual commitments does not include amounts required to repurchase their interests in Fine Living or Food Network.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Earnings and cash flow can be affected by, among other things, economic conditions, interest rate changes, foreign currency fluctuations (primarily in the exchange rate for the Japanese yen) and changes in the price of newsprint. We are also exposed to changes in the market value of our investments.

We may use foreign currency forward and option contracts to hedge our cash flow exposures that are denominated in Japanese yen and forward contracts to reduce the risk of changes in the price of newsprint on anticipated newsprint purchases. We held no foreign currency or newsprint derivative financial instruments at December 31, 2003.

The following table presents additional information about market-risk-sensitive financial instruments:

(in thousands, except share data)	As of December 31, 2003 Cost Basis	As of December 31, 2003 Fair Value	As of December 31, 2002 Cost Basis	As of December 31, 2002 Fair Value
Financial instruments subject to interest rate risk:				
Variable rate credit facilities, including commercial paper	$ 50,187	$ 50,187	$ 312,371	$ 312,371
$100 million, 6.625% notes, due in 2007	99,946	113,146	99,930	113,737
$50 million, 3.75% notes, due in 2008	50,000	50,302		
$100 million, 4.25% notes, due in 2009	99,430	102,160	99,334	102,468
$200 million, 5.75% notes, due in 2012	198,934	214,863	198,809	217,368
Other notes	10,318	9,604	14,528	13,956
Total long-term debt including current portion	$ 508,815	$ 540,262	$ 724,972	$ 759,900
Interest rate swap	$ 302	$ 302		
Note from Summit America, including accreted discount	$ 44,750	$ 46,000	$ 43,250	$ 46,250
Financial instruments subject to market value risk:				
AOL Time Warner (2,017,000 shares)	$ 29,667	$ 36,283	$ 29,667	$ 26,420
Digital Theater Systems (“DTS”) (554,000 common shares) (b)	11	13,690		
Other available-for-sale securities	478	3,932	2,318	4,108
Total investments in publicly-traded companies	30,156	53,905	31,985	30,528
Summit America preferred stock	3,240	(a)	3,000	(a)
Other equity securities	9,240	(a)	17,970	(a)

(a) Included in other equity securities are securities that do not trade in public markets, so they do not have readily determinable fair values. Many of the investees have had no rounds of equity financing in the past two years. There can be no assurance as to the amounts we would receive if these securities were sold.

(b) In the third quarter of 2003, DTS completed an initial public offering of its common stock. The investment had previously been included in the other equity securities category.

Our objectives in managing interest rate risk are to limit the impact of interest rate changes on our earnings and cash flows and to reduce our overall borrowing costs. We manage interest rate risk primarily by maintaining a mix of fixed-rate and variable-rate debt. In February 2003, we issued $50 million of 3.75% notes due in 2008. Concurrently, we entered into a receive-fixed, pay-floating interest rate swap, effectively converting the notes to a variable-rate obligation indexed to LIBOR. We account for the interest rate swap as a fair value hedge of the underlying fixed-rate notes. As a result, changes in the fair value of the interest rate swap are offset by changes in the fair value of the swapped notes and no net gain or loss is recognized in earnings.

The weighted-average interest rate on borrowings under the Variable-Rate-Credit Facilities at December 31 was 1.1% in 2003, 1.4% in 2002, and 2.0% in 2001.

The carrying amount of the Summit America note is based on the estimated fair value of the note at the date of acquisition of the controlling interest in Shop At Home plus accreted discount.

CONTROLS AND PROCEDURES

Scripps' management is responsible for the preparation, integrity and objectivity of the consolidated financial statements and other information presented in this report. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and reflect certain estimates and adjustments by management. In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, we must make a variety of decisions that affect the reported amounts and the related disclosures. Such decisions include the selection of accounting principles that reflect the economic substance of the underlying transactions and the assumptions on which to base accounting estimates. In reaching such decisions, we apply judgment based on our understanding and analysis of the relevant circumstances, including our historical experience, actuarial studies and other assumptions. We re-evaluate our estimates and assumptions on an ongoing basis. While actual results could, in fact, differ from those estimated at the time of preparation of the financial statements, we are committed to preparing financial statements incorporating accounting principles, assumptions and estimates that promote the representational faithfulness, verifiability, neutrality and transparency of the accounting information included in the financial statements.

We maintain a system of internal accounting controls and procedures, which management believes provide reasonable assurance that transactions are properly recorded and that assets are protected from loss or unauthorized use.

We maintain a system of disclosure controls and procedures to ensure timely collection and evaluation of information subject to disclosure, to ensure the selection of appropriate accounting polices, and to ensure compliance with our accounting policies and procedures. Our disclosure control systems and procedures include the certification of financial information provided from each of our businesses by the management of those businesses.

The integrity of the internal accounting and disclosure control systems are based on written policies and procedures, the careful selection and training of qualified financial personnel, a program of internal audits and direct management review. Our disclosure control committee meets periodically to review our systems and procedures and to review our financial statements and related disclosures.

Both the internal and independent auditors have direct and private access to the Audit Committee.

The effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934) was evaluated as of the date of the financial statements. This evaluation was carried out under the supervision of and with the participation of management, including the Chief Executive Officer and the Chief Financial Officer. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures are effective. There were no significant changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of the most recent evaluation.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders,
The E. W. Scripps Company:

We have audited the accompanying consolidated balance sheets of The E. W. Scripps Company and subsidiary companies ("Company") as of December 31, 2003 and 2002, and the related consolidated statements of income, cash flows and comprehensive income and shareholders' equity for each of the three years in the period ended December 31, 2003. Our audits also included the financial statement schedule listed in the Index at Item S-1. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2003 and 2002, and the results of its operations and cash flows for each of the three years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP
Cincinnati, Ohio
March 3, 2004

CONSOLIDATED BALANCE SHEETS

(in thousands)	As of December 31, 2003	2002
ASSETS		
Current assets:		
Cash and cash equivalents	$ 18,227	$ 15,508
Accounts and notes receivable (less allowances - 2003, $14,852; 2002, $18,092)	336,681	280,352
Programs and program licenses	120,721	124,196
Inventories	29,946	24,234
Deferred income taxes	25,264	30,364
Miscellaneous	31,598	25,357
Total current assets	562,437	500,011
Investments	261,655	254,351
Property, plant and equipment	478,462	456,789
Goodwill	1,174,431	1,171,109
Other assets:		
Programs and program licenses (less current portion)	166,673	162,022
Unamortized network distribution incentives	221,622	199,013
Intangible assets	63,289	67,795
Note receivable from Summit America	44,750	43,250
Miscellaneous	36,083	15,997
Total other assets	532,417	488,077
TOTAL ASSETS	$3,009,402	$2,870,337

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)	As of December 31, 2003	2002
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt		$ 75,171
Accounts payable	$ 98,639	113,579
Customer deposits and unearned revenue	53,596	40,582
Accrued liabilities:		
Employee compensation and benefits	62,674	80,167
Network distribution incentives	53,275	62,846
Miscellaneous	62,775	53,728
Total current liabilities	330,959	426,073
Deferred income taxes	192,418	142,630
Long-term debt (less current portion)	509,117	649,801
Other liabilities and minority interests (less current portion)	154,377	136,368
Commitments and contingencies (Note 18)		
Shareholders' equity:		
Preferred stock, $.01 par - authorized: 25,000,000 shares; none outstanding		
Common stock, $.01 par:		
Class A - authorized: 120,000,000 shares; issued and outstanding: 2003 - 62,598,947 shares; 2002 - 61,668,221 shares	626	617
Voting - authorized: 30,000,000 shares; issued and outstanding: 18,369,113 shares	184	184
Total	810	801
Additional paid-in capital	278,378	218,623
Retained earnings	1,546,522	1,324,027
Accumulated other comprehensive income (loss), net of income taxes:		
Unrealized gains (losses) on securities available for sale	15,439	(945)
Pension liability adjustments	(14,713)	(22,650)
Foreign currency translation adjustment	989	199
Unvested restricted stock awards	(4,894)	(4,590)
Total shareholders' equity	1,822,531	1,515,465
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$3,009,402	$2,870,337

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)

	For the years ended December 31, 2003	2002	2001
Operating Revenues:			
Advertising	$1,274,371	$1,162,509	$1,081,712
Merchandise	229,083	42,804	2,616
Circulation	135,503	138,138	140,138
Network affiliate fees, net	92,907	78,662	59,175
Licensing	82,416	68,438	65,877
Other	60,565	45,113	42,438
Total operating revenues	1,874,845	1,535,664	1,391,956
Operating Expenses:			
Employee compensation and benefits (exclusive of JOA editorial compensation costs)	517,942	476,681	435,524
Programs and program licenses	179,656	154,189	135,489
Costs of merchandise sold	159,960	28,778	849
Newsprint and ink	72,803	67,798	88,120
JOA editorial costs and expenses	37,376	35,312	35,161
Other costs and expenses	471,838	371,530	359,715
Total costs and expenses	1,439,575	1,134,288	1,054,858
Depreciation	63,544	58,319	55,658
Amortization of goodwill and other intangible assets	4,543	4,449	42,995
Restructuring charges	1,847		10,198
Total operating expenses	1,509,509	1,197,056	1,163,709
Operating income	365,336	338,608	228,247
Interest expense	(31,593)	(28,301)	(39,197)
Equity in earnings of JOAs and other joint ventures	87,954	83,245	46,190
Interest and dividend income	5,062	1,860	802
Other investment results, net of expenses	(3,200)	(85,667)	5,063
Miscellaneous, net	(497)	(823)	277
Income before income taxes and minority interests	423,062	308,922	241,382
Provision for income taxes	137,974	114,287	99,622
Income before minority interests	285,088	194,635	141,760
Minority interests	14,273	6,338	3,797
Net income	$ 270,815	$ 188,297	$ 137,963
Net income per share of common stock:			
Basic	$ 3.37	$ 2.37	$ 1.75
Diluted	$ 3.32	$ 2.34	$ 1.73
Weighted average shares outstanding:			
Basic	80,266	79,485	78,825
Diluted	81,469	80,619	79,970

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	For the years ended December 31, 2003	2002	2001
Cash Flows from Operating Activities:			
Net income	$ 270,815	$ 188,297	$ 137,963
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation and amortization	68,087	62,768	98,653
Restructuring charges and other items, net of deferred income tax	(23,819)	43,926	247
Other effects of deferred income taxes	53,263	45,148	8,519
Tax benefits of stock compensation plans	13,822	13,293	10,478
Dividends received greater than equity in earnings of JOAs and other joint ventures	9,025	6,872	22,413
Stock and deferred compensation plans	10,230	11,634	8,584
Minority interests in income of subsidiary companies	14,273	6,338	3,797
Affiliate fees billed greater than amounts recognized as revenue	10,842	13,616	19,886
Network launch incentive payments	(25,105)	(92,394)	(66,202)
Payments for programming less (greater) than program cost amortization	(33,735)	(23,300)	(39,826)
Other changes in certain working capital accounts, net	(45,200)	(68,750)	1,069
Miscellaneous, net	4,640	5,497	486
Net operating activities	327,138	212,945	206,067
Cash Flows from Investing Activities:			
Additions to property, plant and equipment	(89,251)	(88,400)	(68,223)
Purchase of subsidiary companies and long-term investments	(4,768)	(118,261)	(40,879)
Investments in Denver JOA			(61,420)
Sale of subsidiary companies and long-term investments	7,543	507	14,550
Proceeds from sale of WCPO production facility		7,777	
Miscellaneous, net	(217)	7,132	1,575
Net investing activities	(86,693)	(191,245)	(154,397)
Cash Flows from Financing Activities:			
Increase in long-term debt	50,000	301,772	9,271
Payments on long-term debt	(266,395)	(300,746)	(69)
Dividends paid	(48,320)	(47,865)	(47,506)
Dividends paid to minority interests	(2,144)	(3,278)	(3,278)
Repurchase Class A Common shares			(22,449)
Miscellaneous, net (primarily employee stock options)	29,133	26,506	15,668
Net financing activities	(237,726)	(23,611)	(48,363)
Increase (decrease) in cash and cash equivalents	2,719	(1,911)	3,307
Cash and cash equivalents:			
Beginning of year	15,508	17,419	14,112
End of year	$ 18,227	$ 15,508	$ 17,419
Supplemental Cash Flow Disclosures:			
Interest paid, excluding amounts capitalized	$ 30,235	$ 25,939	$ 38,538
Income taxes paid	88,501	112,300	63,008
Denver newspaper assets contributed to JOA			156,830

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND SHAREHOLDERS' EQUITY

(in thousands, except share data)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Unvested Restricted Stock Awards	Total Shareholders' Equity
As of December 31, 2000	$ 787	$ 157,394	$ 1,093,138	$ 32,238	$ (5,747)	$ 1,277,810
Comprehensive income:						
Net income			137,963			137,963
Unrealized gains, net of tax of ($2,690)				4,990		4,990
Adjustment for losses (gains) in income, net of tax of $17,124				(31,800)		(31,800)
Change in unrealized gains (losses)				(26,810)		(26,810)
Currency translation, net of tax of $180				(915)		(915)
Total			137,963	(27,725)		110,238
Dividends: declared and paid - $.60 per share			(47,506)			(47,506)
Repurchase 382,200 Class A Common shares	(4)	(22,445)				(22,449)
Compensation plans, net: 966,084 shares issued; 119,466 shares repurchased; 2,500 shares forfeited	9	29,058			(5,738)	23,329
Tax benefits of compensation plans		10,478				10,478
As of December 31, 2001	792	174,485	1,183,595	4,513	(11,485)	1,351,900
Comprehensive income:						
Net income			188,297			188,297
Unrealized gains (losses), net of tax of $3,134				(5,820)		(5,820)
Adjustment for losses (gains) in income, net of tax of $104				(192)		(192)
Change in unrealized gains (losses)				(6,012)		(6,012)
Minimum pension liability, net of tax of $14,606				(22,650)		(22,650)
Currency translation, net of tax of ($120)				753		753
Total			188,297	(27,909)		160,388
Dividends: declared and paid - $.60 per share			(47,865)			(47,865)
Convert 727,800 Voting Shares to Class A shares						
Compensation plans, net: 878,678 shares issued; 40,203 shares repurchased; 1,800 shares forfeited	9	30,845			6,895	37,749
Tax benefits of compensation plans		13,293				13,293
As of December 31, 2002	801	218,623	1,324,027	(23,396)	(4,590)	1,515,465
Comprehensive income:						
Net income			270,815			270,815
Unrealized gains, net of tax of ($9,220)				17,123		17,123
Adjustment for losses (gains) in income, net of tax of $398				(739)		(739)
Change in unrealized gains (losses)				16,384		16,384
Minimum pension liability, net of tax of ($4,968)				7,937		7,937
Currency translation, net of tax of ($434)				790		790
Total			270,815	25,111		295,926
Dividends: declared and paid - $.60 per share			(48,320)			(48,320)
Compensation plans, net: 993,198 shares issued; 58,872 shares repurchased; 3,600 shares forfeited	9	45,933			(304)	45,638
Tax benefits of compensation plans		13,822				13,822
As of December 31, 2003	$ 810	$ 278,378	$ 1,546,522	$ 1,715	$ (4,894)	$ 1,822,531

See notes to consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As used in the Notes to Consolidated Financial Statements, the terms “we,” “our,” “us” or “Scripps” may, depending on the context, refer to The E. W. Scripps Company and its consolidated subsidiaries.

Consolidation - The consolidated financial statements include the accounts of The E. W. Scripps Company and its majority-owned subsidiary companies. Consolidated subsidiary companies include general partnerships and limited liability companies in which more than a 50% residual interest is owned. Investments in 20%-to-50%-owned companies and in all 50%-or-less-owned joint ventures and partnerships are accounted for using the equity method. We do not hold any interests in variable interest entities.

Losses attributable to non-controlling interests in subsidiary companies are included in minority interest in the Consolidated Statements of Income to the extent of the basis of the non-controlling investment in the subsidiary company. Losses in excess of that basis (“excess losses”) are allocated entirely to us. Subsequent profits are allocated entirely to us until such excess losses are recovered. All other profits attributable to non-controlling interests in subsidiary companies are included in minority interest in the Consolidated Statements of Income. Our financial statements do not include income tax provisions or (benefits) on the income or (loss) attributable to the non-controlling interest.

Nature of Operations - We are a diverse media concern with interests in newspapers, national television networks (“Scripps Networks”), broadcast television and television-retailing (“Shop At Home”). Under the trade name United Media, we distribute news columns, comics and other features to newspapers and license copyrights and trademarks for use on numerous products.

Newspapers include 21 daily newspapers in the U.S. Newspapers derive revenue primarily from the sale of advertising space to local and national advertisers and from the sale of newspapers to readers. Four of our newspapers are operated pursuant to the terms of joint operating agreements. See note 6. Each of those newspapers maintains an independent editorial operation and receives a share of the operating profits of the combined newspaper operations.

Scripps Networks includes four national television networks distributed by cable and satellite television systems: Home & Garden Television (“HGTV”), Food Network, DIY - Do It Yourself Network (“DIY”) and Fine Living. Scripps Networks also includes our 12% interest in FOX Sports Net South, a regional television network. As of December 31, 2003, we owned approximately 70% of Food Network and approximately 90% of Fine Living. Scripps Networks derives revenue primarily from the sale of advertising time and from affiliate fees from cable and satellite television systems.

Broadcast television includes 10 stations. Our broadcast television stations are located in nine of the 60 largest television markets in the U.S. Nine of our television stations are affiliated with national broadcast television networks. Six are ABC affiliates and three are NBC affiliates. Broadcast television derives revenue primarily from the sale of advertising time to local and national advertisers.

Shop At Home markets a range of consumer goods to television viewers and through its Internet site. Shop At Home programming is distributed under the terms of affiliation agreements with broadcast television stations and cable and satellite television systems. Substantially all of Shop At Home’s revenues are derived from the sale of merchandise.

The relative importance of each line of business is indicated in the segment information presented in Note 17. Licensing and other media aggregates our operating segments that are too small to report separately, and primarily includes syndication and licensing of news features and comics.

Our operations are geographically dispersed and we have a diverse customer base. We believe bad debt losses resulting from default by a single customer, or defaults by customers in any depressed region or business sector, would not have a material effect on our financial position. Approximately 70% of our operating revenues are derived from advertising. Operating results can be affected by changes in the demand for advertising both nationally and in individual markets.

The eight largest cable and satellite television systems provide service to more than 90% of homes receiving HGTV and Food Network. The loss of distribution by any of these cable and satellite television systems could adversely affect our business. While no assurance can be given regarding renewal of our distribution contracts, we have been successful in renewing distribution agreements for HGTV and Food Network.

Use of Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires us to make a variety of decisions that affect the reported amounts and the related disclosures. Such decisions include the selection of accounting principles that reflect the economic substance of the underlying transactions and the assumptions on which to base accounting estimates. In reaching such decisions, we apply judgment based on our understanding and analysis of the relevant circumstances, including our historical experience, actuarial studies and other assumptions.

Our financial statements include estimates and assumptions used in accounting for our defined benefit pension plans; the recognition of certain revenues; product returns and rebates due to customers; the periods over which long-lived assets are depreciated or amortized; the fair value of securities that do not trade in a public market; income taxes payable; estimates for uncollectible accounts receivable; the fair value of our inventories and self-insured risks.

While we re-evaluate our estimates and assumptions on an ongoing basis, actual results could, in fact, differ from those estimated at the time of preparation of the financial statements.

Revenue Recognition - Our primary sources of revenue are from:

- The sale of advertising space, advertising time and Internet advertising.
- The sale of merchandise to consumers.
- The sale of newspapers to distributors and to individual subscribers.
- Programming services provided to cable and satellite television systems ("network affiliate fees").
- Royalties from licensing copyrighted characters.

Revenue recognition policies for each source of revenue are described below.

Advertising. Advertising revenue is recorded, net of agency commissions, when advertisements are published or are broadcast. Advertising on our Internet sites is recognized over the period in which the advertising will appear.

Advertising contracts, which generally have a term of one year or less, may provide rebates or discounts based upon the volume of advertising purchased during the terms of the contracts. Estimated rebates and discounts are recorded as a reduction of revenue in the period the advertisement is displayed. This requires us to make certain estimates regarding future advertising volumes. We base our estimates on various factors including our historical experience and advertising sales trends. We revise our estimates as necessary based on actual volume realized.

Broadcast and national television network advertising contracts may guarantee the advertiser a minimum audience for its advertisements over the term of the contracts. We provide the advertiser with additional advertising time if we do not deliver the guaranteed audience size. The amount of additional advertising time is generally based upon the percentage of shortfall in audience size. This requires us to make estimates of the audience size that will be delivered throughout the terms of the contracts. We base our estimate of audience size on information provided by ratings services and our historical experience. If we determine we will not deliver the guaranteed audience, an accrual for "make-good" advertisements is recorded as a reduction of revenue. The estimated make-good accrual is adjusted throughout the terms of the advertising contracts.

Broadcast television stations may receive compensation for airing network programming under the terms of network affiliation agreements. Network affiliation agreements generally provide for the payment of pre-determined fees, but may provide compensation based upon other factors. Pre-determined fees are recognized as revenue on a straight-line basis over the terms of the network affiliation agreements. Compensation dependent upon other factors, which may vary over the terms of the affiliation agreements, is recognized when such amounts are earned.

Merchandise Sales. Revenue from the sale of merchandise is recognized when the products are delivered to the customer. We allow customers to return merchandise for full credit or refund within 30 days from the date of receipt. Revenue is reported net of estimated returns. Estimated product returns are based upon our historical experience. We subsequently adjust these estimated amounts based upon the actual levels of merchandise returned.

Newspaper Subscriptions. Circulation revenue for newspapers sold directly to subscribers is based upon the retail rate. Prepaid newspaper subscriptions are deferred and are included in circulation revenue on a pro-rata basis over the term of the subscriptions. Circulation revenue for newspapers sold to independent newspaper distributors, which are subject to returns, is based upon the wholesale rate. Newspaper circulation revenue is recognized upon publication of the newspaper, net of estimated returns. Estimated returns are based on historical return rates and are adjusted based on actual returns realized.

Network Affiliate Fees. Cable and satellite television systems generally pay a per-subscriber fee (“network affiliate fees”) for the right to distribute our programming under the terms of long-term distribution contracts. Network affiliate fees are reported net of discounts earned by cable and satellite television system operators based upon the number of subscribers that receive our programming and net of the costs of incentives offered to system operators in exchange for initial long-term distribution contracts. Such incentives may include an initial period in which the payment of network affiliate fees by the system is waived (“free period”), cash payments to system operators (“network launch incentives”), or both. We recognize network affiliate fees as revenue over the terms of the contracts, including any free periods. Network launch incentives are capitalized as assets upon launch of our programming on the cable or satellite television system and are amortized against network affiliate fees over the terms of the contracts based upon the ratio of each period’s revenue to expected total revenue over the terms of the contracts.

Network affiliate fees due to us, net of applicable discounts, are reported to us by cable and satellite television systems. Such information is generally not received until substantially after the close of the reporting period. Therefore, reported network affiliate fee revenues are based upon our estimates of the number of subscribers receiving our programming and the amount of volume-based discounts each cable and satellite television provider is entitled to receive. We subsequently adjust these estimated amounts based upon the actual amounts of network affiliate fees received.

Licensing. Royalties from merchandise licensing are recognized as the licensee sells products. Amounts due to us are commonly reported to us by the licensee. Such information is generally not received until after the close of a reporting period. Therefore, reported licensing revenue is based upon estimates of licensed product sales. We subsequently adjust these estimated amounts based upon the actual amounts of licensed product sales.

Royalties from promotional licensing are recognized on a straight-line basis over the terms of the licensing agreements.

Cash-Equivalent and Short-term Investments – Cash-equivalent investments represent debt instruments with an original maturity of less than three months. Short-term investments represent excess cash invested in securities not meeting the criteria to be classified as cash equivalents. Cash-equivalent and short-term investments are carried at cost plus accrued income, which approximates fair value.

Inventories - Inventories are stated at the lower of cost or market. Merchandise inventories are computed using the average cost method, which approximates the first in, first out (“FIFO”) method. The cost of newsprint and other inventories is computed using the FIFO method.

We identify slow-moving or obsolete merchandise inventories and estimate appropriate loss provisions. Estimated loss provisions are calculated net of amounts that can be recovered under vendor return programs. While we have no reason to believe our inventory return privileges will be discontinued in the future, our risk of loss would increase if such a loss of return privileges were to occur.

Newspaper Joint Operating Agreements (“JOA”) - We include our share of JOA earnings in “Equity in earnings of JOAs and other joint ventures” in our Consolidated Statements of Income. The related editorial costs and expenses are included in “JOA editorial costs and expenses.” Our residual interest in the net assets of the Denver and Albuquerque JOAs is classified as an investment in the Consolidated Balance Sheets. We do not have a residual interest in the net assets of the other JOAs.

Investments - We have invested in various securities, including public and private companies. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term. Such changes could materially affect the amounts reported in our financial statements.

Investments in private companies are recorded at adjusted cost, net of impairment write-downs, because no readily determinable market price is available. All other securities, except those accounted for under the equity method, are classified as available for sale and are carried at fair value. Fair value is determined using quoted market prices. The difference between adjusted cost basis and fair value, net of related tax effects, is recorded in the accumulated other comprehensive income component of shareholders' equity.

We regularly review our investments to determine if there has been any other-than-temporary decline in value. These reviews require management judgments that often include estimating the outcome of future events and determining whether factors exist that indicate impairment has occurred. We evaluate, among other factors, the extent to which cost exceeds fair value; the duration of the decline in fair value below cost; and the current cash position, earnings and cash forecasts and near term prospects of the investee. The cost basis is adjusted when a decline in fair value below cost is determined to be other than temporary, with the resulting adjustment charged against net income.

The cost of securities sold is determined by specific identification.

Property, Plant and Equipment - Depreciation is computed using the straight-line method over estimated useful lives as follows:

Buildings and improvements	35 years
Printing presses	30 years
Other newspaper production equipment	5 to 10 years
Television transmission towers and related equipment	15 years
Other television and program production equipment	3 to 15 years
Office and other equipment	3 to 10 years

Programs and Program Licenses - Programming is either produced by us or for us by independent production companies, or is licensed under agreements with independent producers. Costs to produce live programming that is not expected to be rebroadcast are expensed as incurred. Production costs for other internally produced programs are capitalized.

Program licenses generally have fixed terms, limit the number of times we can air the programs and require payments over the terms of the licenses. Licensed program assets and liabilities are recorded when the programs become available for broadcast. The liability for program licenses is not discounted for imputed interest.

Programs and program licenses are amortized over estimated useful lives or over the terms of the license agreements based upon expected future cash flows. Estimated future cash flows can change based upon market acceptance, advertising and network affiliate fee rates, the number of cable and satellite television subscribers receiving our networks and program usage. Accordingly, we periodically review revenue estimates and planned usage and revise our assumptions if necessary. If actual demand or market conditions are less favorable than projected, a write-down to fair value may be required. Program asset write-downs are determined using a day-part methodology, whereby programs broadcast during a particular time period (such as prime time) are evaluated on an aggregate basis.

The portion of the unamortized balance expected to be amortized within one year is classified as a current asset.

Program rights liabilities payable within the next twelve months are included in accounts payable. Noncurrent program rights liabilities are included in other noncurrent liabilities.

Goodwill and Other Indefinite-Lived Intangible Assets - Goodwill represents the cost of acquisitions in excess of the acquired businesses' tangible assets and identifiable intangible assets.

FCC licenses represent the value assigned to the broadcast licenses of acquired broadcast television stations. Broadcast television stations are subject to the jurisdiction of the Federal Communications Commission ("FCC") which prohibits the operation of stations except in accordance with an FCC license. FCC licenses stipulate each station's operating parameters as defined by channels, effective radiated power and antenna height. FCC licenses are granted for a term of up to eight years, and are renewable upon request. We have never had a renewal request denied, and all previous renewals have been for the maximum term.

Broadcast television network affiliation represents the value assigned to an acquired broadcast television station's relationship with a national television network. Broadcast television stations affiliated with national television networks typically have greater profit margins than independent television stations, primarily due to audience recognition of the television station as a network affiliate. National network affiliation agreements are generally renewable upon the mutual decision of the broadcast television station and the network. Our affiliated broadcast television stations have always maintained affiliation with one of the primary national broadcast television networks.

Prior to January 1, 2002, goodwill, FCC licenses and broadcast television network affiliation agreements were accounted for in accordance with Accounting Principles Board Opinion ("APB") 17 - Intangible Assets. Amortization was calculated on a straight-line basis over 40 years.

Effective January 1, 2002, we adopted Financial Accounting Standard No. ("FAS") 142 - Goodwill and Other Intangible Assets (see Note 2). Goodwill and other indefinite-lived intangible assets are no longer amortized, but are reviewed for impairment at least annually. We perform our annual impairment review during the fourth quarter of each year in conjunction with our annual planning cycle. We also assess, at least annually, whether FCC licenses and broadcast television network affiliation relationships continue to have indefinite lives.

In accordance with FAS 142, goodwill is reviewed for impairment based upon reporting units, which are defined as operating segments or groupings of businesses one level below the operating segment level. Reporting units with similar economic characteristics are aggregated into a single unit when testing goodwill for impairment. Our reporting units are newspapers, each of our national televisions networks, broadcast television, and Shop At Home.

Amortizable Intangible Assets - Network distribution intangible assets represent the value assigned to an acquired programming service's relationships with the broadcast television stations and cable and satellite television systems that distribute its programs. These relationships and distribution provide the opportunity to deliver advertising and sell merchandise to viewers. While these contracts are renewable, most of our acquired contracts have been renewed a limited number of times. As a result, we amortize these contractual relationships over the terms of the distribution contracts.

Customer lists and other intangible assets are amortized on a straight-line basis over periods of up to 20 years.

Impairment of Long-Lived Assets - In accordance with FAS 144 - Accounting for the Impairment and Disposal of Long-lived Assets, long-lived assets (primarily property, plant and equipment, amortizable intangible assets and network distribution incentives) are reviewed for impairment whenever events or circumstances indicate the carrying amounts of the assets may not be recoverable. Recoverability is determined by comparing the forecasted undiscounted cash flows of the operation to which the assets relate to the carrying amount of the assets. If the undiscounted cash flow is less than the carrying amount of the assets, then amortizable intangible assets are written down first, followed by other long-lived assets of the operation, to fair value. Fair value is determined based on discounted cash flows. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Self-Insured Risks - We are self-insured for general and automobile liability, employee health, disability and workers' compensation claims and certain other risks. A third-party administrator is used to process all claims. Estimated liabilities for unpaid claims, which totaled $17.3 million at December 31, 2003, are based on our historical claims experience and are developed from actuarial valuations. While we re-evaluate our assumptions and review our claims experience on an on-going basis, actual claims paid could vary significantly from estimated claims, which would require adjustments to expense.

Income Taxes - Consolidated subsidiary companies include general partnerships and limited liability companies which are treated as partnerships for tax purposes. Income taxes on partnership income and losses accrue to the individual partners. Accordingly, our financial statements do not include a provision (benefit) for income taxes on the non-controlling partners' share of the income (loss) of those consolidated subsidiary companies.

Deferred income taxes are provided for temporary differences between the tax basis and reported amounts of assets and liabilities that will result in taxable or deductible amounts in future years. Our temporary differences primarily result from accelerated depreciation and amortization for tax purposes, investment gains and losses not yet recognized for tax purposes and accrued expenses not deductible for tax purposes until paid. A valuation allowance is provided if it is more likely than not that some or all of the deferred tax assets will not be realized.

Risk Management Contracts - We do not hold derivative financial instruments for trading or speculative purposes and we do not hold leveraged contracts. From time to time we may use interest rate swaps to limit the impact of interest rate changes on our earnings and cash flows and to reduce our overall borrowing costs. In 2003, we entered into a pay-floating interest rate swap, effectively converting $50 million of newly issued 3.75% notes due in 2008 to variable rate obligations. See Note 13. We held no other derivative financial instruments in the three years ended December 31, 2003.

Stock-Based Compensation - We have a stock-based compensation plan, which is described more fully in Note 19. Stock options are awarded to purchase Class A Common shares at not less than 100% of the fair market value on the date of the award. Awards of Class A Common shares generally require no payment by the employee. Stock options and awards of Class A Common shares generally vest over a one to three-year incentive period conditioned upon the individual's continued employment through that period.

We measure compensation expense using the intrinsic-value-based method of APB 25 - Accounting for Stock Issued to Employees, and its related interpretations.

The grant-date fair value of time-vested awards of Class A Common shares is amortized to expense over the vesting period. Cliff vested awards are recognized on a straight-line basis over the vesting period and pro-rata vested awards are recognized as each vesting period expires. Certain performance-vested awards of Class A Common shares are earned when the market price of our Class A Common shares reaches certain targets. Compensation expense for those awards is recognized in full when the awards are earned based upon the fair values of the awards at that date.

The exercise price of all options granted equals the market value of the underlying common stock on the date of grant, therefore no compensation expense is recorded.

The fair value of options granted, using the Black-Scholes model and the following assumptions, were as follows:

	For the years ended December 31, 2003	2002	2001
Weighted-average fair value of options granted	$ 22.01	$ 22.20	$ 18.92
Assumptions used to determine fair value:			
Dividend yield	0.8%	0.8%	1.5%
Expected volatility	22.0%	22.1%	23.0%
Risk-free rate of return	3.8%	4.5%	5.5%
Expected life of options	7 years	7 years	7 years

The following table illustrates the effect on net income and earnings per share if we had applied the fair value recognition provisions of FAS 123 - Accounting for Stock-Based Compensation, as amended by FAS 148 - Accounting for Stock-Based Compensation - Transition and Disclosure, which was effective for fiscal years ending after December 15, 2002:

(in thousands, except per share data)	For the years ended December 31,		
	2003	2002	2001
Net income as reported	$ 270,815	$ 188,297	$ 137,963
Add stock-based compensation included in reported income, net of related income tax effects:			
Stock options			881
Restricted share awards	4,279	6,427	2,748
Deduct stock-based compensation determined under fair value based method, net of related income tax effects:			
Restricted share awards	(4,279)	(6,427)	(2,748)
Stock options	(15,360)	(13,801)	(12,610)
Pro forma net income	$ 255,455	$ 174,496	$ 126,234
Net income per share of common stock:			
Basic earnings per share:			
As reported	$ 3.37	$ 2.37	$ 1.75
Additional stock option compensation, net of income tax effects	(.19)	(.17)	(.15)
Pro forma basic earnings per share	$ 3.18	$ 2.20	$ 1.60
Diluted earnings per share:			
As reported	$ 3.32	$ 2.34	$ 1.73
Additional stock option compensation, net of income tax effects	(.19)	(.17)	(.15)
Pro forma diluted earnings per share	$ 3.13	$ 2.16	$ 1.58

Net income per share amounts may not foot since each is calculated independently.

Income Per Share - The following table presents information about basic and diluted weighted-average shares outstanding:

(in thousands)	For the years ended December 31,		
	2003	2002	2001
Basic weighted-average shares outstanding	80,266	79,485	78,825
Effect of dilutive securities:			
Unvested restricted stock held by employees	182	169	169
Stock options held by employees and directors	1,021	965	976
Diluted weighted-average shares outstanding	81,469	80,619	79,970

Reclassifications - For comparative purposes, certain prior year amounts have been reclassified to conform to current classifications.

2. ACCOUNTING CHANGES AND RECENTLY ISSUED ACCOUNTING STANDARDS

Accounting Changes - We adopted FAS 141 - Business Combinations and FAS 142 - Goodwill and Other Intangible Assets effective January 1, 2002. We determined there was no impairment of goodwill or other intangible assets as of the date of adoption. If the non-amortization provisions of FAS 142 had been effective for all periods presented, reported results of operations would have been as follows:

(in thousands, except per share data)	For the Year Ended December 31, 2001		
	Net Income	**Basic EPS**	**Diluted EPS**
As reported	$ 137,963	$ 1.75	$ 1.73
Add back amortization of:			
Goodwill	27,356	.35	.34
FCC licenses	470	.01	.01
Network affiliation and other	233	.00	.00
As adjusted	$ 166,022	$ 2.11	$ 2.08

Effective January 1, 2003, we adopted FAS 146 - Accounting for Costs Associated with Exit or Disposal Activities, which is effective for exit or disposal activities that are initiated after December 31, 2002. This statement requires that liabilities associated with exit or disposal activities be recognized and measured at fair value when incurred as opposed to at the date an entity commits to an exit plan. Adoption of this standard had no effect on our financial statements.

In 2003, we adopted FASB Interpretation No. (“Interpretation”) 45 - Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others. Interpretation 45 requires a guarantor to disclose information regarding the amounts, terms, maximum future payments and the carrying amount of guarantees, and to recognize a liability for the obligations undertaken at the time a guarantee is issued. Adoption of this standard had no effect on our financial statements.

FAS Interpretation No. (“Interpretation”) 46 - Consolidation of Variable Interest Entities was issued in January 2003. Interpretation 46 clarifies when such entities must be consolidated. We do not hold any interests in such entities, therefore adoption of the standard had no effect on our financial statements.

FAS 149 - Amendment of Statement 133 on Derivative Instruments and Hedging Activities was issued in April 2003. FAS 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts, and is effective for contracts entered into or modified after June 30, 2003. Adoption of the standard had no effect on our financial statements.

FAS 150 - Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity was issued in May 2003. FAS 150 established standards for classification and measurement of certain financial instruments with characteristics of both liabilities and equity, including mandatorily redeemable stock, certain financial instruments that require or may require the issuer to buy back some of its shares in exchange for cash or other assets, and certain obligations that can be settled with shares of stock. Under FAS 150, such financial instruments are required to be classified as liabilities (or assets in some circumstances) in the statement of financial position. The FASB has indefinitely deferred the application of FAS 150 to non-controlling interests in a subsidiary company that are mandatorily redeemable only upon the liquidation or termination of the subsidiary company. Non-controlling interests in our subsidiary companies are mandatorily redeemable only upon the liquidation or termination of the subsidiary company. Adoption of the portions of FAS 150 that have not been deferred had no effect on our financial statements.

In 2003 we adopted FAS 132 (Revised) (“FAS 132-R”) – Employer’s Disclosure about Pensions and Other Postretirement Benefits. FAS 132-R retains disclosure requirement of the original FAS 132 and requires new disclosures relating to plan assets, investment strategy, plan obligations, cash flows, and the components of net periodic benefit costs and requires certain disclosures to be included in interim financial statements. Additional disclosures regarding expected future benefit payments will become effective for fiscal years ending after June 15, 2004.

3. ACQUISITIONS

Acquisitions

2003 - In the first quarter, we acquired an additional interest of less than one percent in our Memphis newspaper for $3.5 million in cash.

In the fourth quarter, we reached a definitive agreement to acquire Summit America Television ("Summit America"), including their 30% minority interest in Shop At Home and their five Shop At Home-affiliated broadcast television stations. We will pay $4.05 in cash per fully-diluted outstanding share of Summit America common stock, or approximately $184 million, which we expect to finance through additional borrowings on our existing credit facilities. As part of the transaction, we have agreed to forego repayment of the $47.5 million secured loan extended to Summit America as part of the 2002 acquisition of Shop At Home. We also have agreed to forego redemption of $3 million in Summit America preferred stock that we hold and accrued dividends thereon. We expect the transaction should be completed in the second quarter 2004.

2002 - In the first quarter, we acquired an additional 1% interest in Food Network for $5.2 million in cash, increasing our residual interest to approximately 70%.

In the third quarter, we acquired an additional interest of less than one percent in our Evansville newspaper for $0.3 million in cash and we purchased $3.0 million of Summit America redeemable preferred stock upon reaching an agreement with Summit America to acquire a 70% controlling interest in Shop At Home.

In the fourth quarter, we completed the acquisition of the controlling interest in Shop At Home, paying $49.5 million in cash. Related to the acquisition of the controlling interest, we loaned Summit America, the former parent of Shop At Home, $47.5 million at 6%. The note is secured by Summit America's broadcast television stations in San Francisco, Boston, and Cleveland.

Acquiring a controlling interest in Shop At Home provided us with an existing infrastructure and workforce with retailing expertise, enabling us to quickly gain scale in a growing market. We expect to leverage our expertise as a diverse media company to expand distribution and to offer a wider range of products. Acquiring Shop At Home also enabled us to provide a video commerce platform to our advertisers.

2001 - We acquired an additional 4% interest in Food Network for $19.4 million and an additional fractional interest in our Evansville newspaper.

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed as of the dates of acquisition.

(in thousands)	For the years ended December 31, 2003	2002	2001
Current assets, primarily inventory		$ 18,662	
Investments		3,000	
Property, plant and equipment		31,512	
Intangible assets		5,222	
Goodwill	$ 2,885	35,463	$ 19,563
Fair value of note from Summit America		43,000	
Deferred tax assets		4,158	
Other assets		251	
Total assets acquired	2,885	141,268	19,563
Current liabilities		(32,362)	
Minority interest	619	(2,242)	
Total liabilities assumed	619	(34,604)	
Cash paid	$ 3,504	$ 106,664	$ 19,563

Intangible assets acquired in the Shop At Home transaction include $1.1 million of trade names and domain names, which have indefinite lives. Other intangible assets acquired include $1.5 million of customer lists, which are amortized over three years, and $2.6 million of network distribution relationships, which are amortized over contract lives.

Goodwill acquired in 2003 relates to the purchase of minority interests in our Memphis newspaper and is assigned to the Newspapers business segment. Goodwill of $29.7 million was initially allocated to the Shop At Home transaction in 2002. During 2003, we completed an appraisal of the book and tax bases of the assets acquired and liabilities assumed in the acquisition of the controlling interest of Shop At Home. As a result, we increased the amount assigned to goodwill by $0.4 million. The entire amount of goodwill acquired was assigned to the Shop At Home business segment. Substantially all of the other goodwill acquired in 2002 and 2001 relates to the purchase of minority interests in Food Network, and was assigned to the Scripps Networks business segment. Except for goodwill resulting from the acquisition of non-controlling interests in our newspaper subsidiary companies, substantially all acquired goodwill is expected to be deductible for tax purposes.

The following table summarizes, on a pro forma basis, results of operations for the years ended December 31, 2002, and December 31, 2001, as if Shop At Home had been acquired as of the beginning of each fiscal year presented. Pro forma information for 2003 is not presented as the results of Shop At Home are included in our consolidated results of operations for the entire year. Pro forma results are not presented for the other acquisitions because the combined results of operations would not be significantly different from reported amounts.

(in thousands, except per share data)	**For the years ended December 31,**	
	2002	**2001**
Operating revenues	$1,705,985	$1,574,900
Net income	174,492	115,209
Net income per share of common stock:		
Basic	$ 2.20	$ 1.46
Diluted	$ 2.16	$ 1.44

The pro forma information includes adjustments for interest expense that would have been incurred to finance the acquisition of Shop At Home and additional depreciation and amortization of the assets acquired. The 2001 period does not include amortization of goodwill and indefinite-lived intangible assets that are no longer amortizable under the provisions of FAS 142. The unaudited pro forma financial information is not necessarily indicative of the results that actually would have occurred had the acquisition been completed at the beginning of the period.

4. RESTRUCTURING CHARGES AND OTHER ITEMS

Reported results of operations include the following items which affect the comparability of year-over-year results.

2003 – We received notification from Gannett that the Cincinnati JOA will not be renewed upon its expiration in 2007. As a result of the notification and as stipulated by the terms of a collective bargaining agreement, we recorded a $1.8 million charge for estimated severance to Post editorial employees. The charge reduced net income by $1.2 million, $.01 per share (see note 6).

Other investment results were a pre-tax charge of $3.2 million for write-downs associated with declines in value of certain development-stage business investments. Net income was reduced by $2.1 million, $.03 per share.

In the fourth quarter, we adjusted our estimates of our prior year state and federal income tax liabilities and our estimate of unrealizable state net operating loss carryforwards (see note 5). The changes in these estimates reduced the income tax provision by $27.1 million, $.33 per share.

The combined effects of the above items increased 2003 net income by $23.8 million, $.29 per share.

2002 – A $3.9 million gain on the sale of excess real estate at the Denver JOA increased net income by $2.4 million, $.03 per share. The gain is included in equity in earnings of JOAs in our Consolidated Statements of Income.

Other investment results were a pre-tax charge of $85.7 million, reducing net income by $55.6 million, $.69 per share. Other investment results include a $35.1 million write-down of our investment in AOL Time Warner and $45.0 million of write-downs associated with declines in value of certain investments in development-stage businesses. Also included in other investment results were $3.6 million of costs associated with winding down active management of our portfolio of investments in development-stage businesses.

We reduced our estimated liability for open tax years and increased our estimate of the amount we expect to realize from foreign tax credit carryforwards (see note 5). These changes in estimates reduced the income tax provision by $9.8 million, $.12 per share.

The combined effect of the above items reduced 2002 net income by $43.4 million, $.54 per share.

2001 – Restructuring costs of $16.1 million associated with workforce reductions, including our $5.9 million proportionate share of such costs at the Denver JOA, reduced net income by $10.1 million, $.13 per share. Our share of the Denver JOA restructuring charges is included in equity in earnings of JOAs in our Consolidated Statements of Income.

Other investment results were a pre-tax credit of $5.1 million, increasing net income by $3.8 million, $.05 per share. Other investment results include realized net gains of $77.3 million, including a $65.9 million gain on the exchange of our investment in Time Warner for America Online ("AOL") when AOL acquired Time Warner in the first quarter, and an $11.7 million gain on the sale of a portion of our investment in Centra Software. Also included in other investment results were $80.2 million in write-downs for several investments, including a $29.0 million write-down of our investment in AOL Time Warner in the fourth quarter and $51.2 million of write-downs associated with declines in value of investments in development-stage businesses. Due to the decline in value of investments in development-stage businesses, previously accrued performance-based compensation was reduced by $11.5 million, to zero, at December 31, 2001.

The combined effects of the above items reduced 2001 net income by $6.3 million, $.08 per share.

5. INCOME TAXES

Food Network is operated under the terms of a general partnership agreement. Fine Living and Shop At Home are incorporated as limited liability companies ("LLC") and are treated as partnerships for tax purposes. As a result, federal and state income taxes for these "pass-through" entities accrue to the individual partners. Accordingly, our federal and state income tax returns include only our proportionate share of the taxable income or loss of pass-through entities. Our financial statements do not include any provision (benefit) for income taxes on the income (loss) of pass-through entities attributed to the non-controlling interests.

Consolidated income before income tax consisted of the following:

(in thousands)	For the years ended December 31, 2003	2002	2001
Income allocated to Scripps	$ 410,382	$ 305,673	$ 241,382
Income of pass-through entities allocated to non-controlling interests	12,680	3,249	
Income before income taxes	$ 423,062	$ 308,922	$ 241,382

The provision for income taxes consisted of the following:

(in thousands)	For the years ended December 31, 2003	2002	2001
Current:			
Federal	$ 56,989	$ 59,231	$ 55,758
State and local	16,917	20,530	15,531
Foreign	5,347	5,203	3,787
Total	79,253	84,964	75,076
Tax benefits of compensation plans allocated to additional paid-in capital	13,822	13,293	10,478
Total current income tax provision	93,075	98,257	85,554
Deferred:			
Federal	63,471	(3,055)	435
Other	(4,348)	1,361	(981)
Total	59,123	(1,694)	(546)
Deferred tax allocated to other comprehensive income	(14,224)	17,724	14,614
Total deferred income tax provision	44,899	16,030	14,068
Provision for income taxes	$ 137,974	$ 114,287	$ 99,622

In the fourth quarter of 2003, we closed several open state tax years and reached agreement with the Internal Revenue Service ("IRS") on proposed adjustments to our 1996 through 2001 consolidated federal income tax returns. As a result, we adjusted our estimates of our prior year state and federal income tax liabilities. The changes in these estimates reduced the 2003 income tax provision by $21.0 million. The audit of our 1996 through 2001 federal income tax returns will remain open until two remaining issues are settled with the IRS. If the IRS accepts our positions on those issues, we will reduce our provision for income taxes by $2.0 million in the period those positions are accepted.

In 2002, we reached an agreement with the IRS to settle the audits of our 1992 through 1995 consolidated federal income tax returns and received several proposed adjustments to our 1996 through 2001 tax returns. As a result, we reduced our estimated liability for open tax years and increased the amount we expect to realize from foreign tax credit carryforwards. These changes in estimates reduced the 2002 income tax provision by $9.8 million.

We believe adequate provision has been made for all open tax years.

The difference between the statutory rate for federal income tax and the effective income tax rate was as follows:

	For the years ended December 31, 2003	2002	2001
Statutory rate	35.0%	35.0%	35.0%
Effect of:			
State and local income taxes, net of federal income tax benefit	3.8	5.6	4.0
Income of pass-through entities allocated to non-controlling interests	(1.1)	(0.4)	
Changes in estimates for prior year income taxes	(5.0)	(3.2)	
Adjustment of state net operating loss carryforward valuation allowance	(1.4)		
Amortization of nondeductible goodwill			1.6
Miscellaneous	1.3		0.7
Effective income tax rate	32.6%	37.0%	41.3%

We generally file separate state income tax returns for each subsidiary company. Because separate state income tax returns are filed, we are not able to use state tax losses of a subsidiary company to offset state taxable income of another subsidiary company. Certain of our subsidiary companies have $406 million of state tax loss carryforwards. These state tax loss carryforwards, which expire between 2004 and 2022, may be used to offset future state taxable income of those subsidiary companies.

State tax loss carryforwards are recognized as deferred tax assets, subject to valuation allowances. At each balance sheet date we estimate the amount of state net operating loss carryforwards that are not expected to be used prior to expiration of the carryforward period. The tax effect of these unused state net operating loss carryforwards is included in the valuation allowance. As a result of closing several open state tax years in the fourth quarter of 2003, and based upon our expectations of state taxable income in the carryforward period, we adjusted our estimate of unrealizable state net operating loss carryforwards and reduced our valuation allowance by $6.1 million.

The approximate effects of the temporary differences giving rise to deferred income tax liabilities (assets) were as follows:

(in thousands)	As of December 31, 2003	2002
Accelerated depreciation and amortization	$ 210,416	$ 181,682
Investments, primarily gains and losses not yet recognized for tax purposes	8,750	(262)
Accrued expenses not deductible until paid	(10,035)	(12,537)
Deferred compensation and retiree benefits not deductible until paid	(23,919)	(36,759)
Other temporary differences, net	(7,855)	(15,518)
Total	177,357	116,606
State net operating loss carryforwards	(14,406)	(13,055)
Valuation allowance for state deferred tax assets	4,203	8,715
Net deferred tax liability	$ 167,154	$ 112,266

6. JOINT OPERATING AGREEMENTS

Four of our newspapers are operated pursuant to the terms of joint operating agreements (JOAs). The Newspaper Preservation Act of 1970 provides a limited exemption from anti-trust laws, permitting competing newspapers in a market to combine their sales, production and business operations in order to reduce aggregate expenses and take advantage of economies of scale, thereby allowing the continuing operation of both newspapers in that market. Each newspaper maintains a separate and independent editorial operation.

The table below provides certain information about our JOAs.

Newspaper	Publisher of Other Newspaper	Year JOA Entered Into	Year of JOA Expiration
The Albuquerque Tribune	Journal Publishing Company	1933	2022
Birmingham Post-Herald	Newhouse Newspapers	1950	2015
The Cincinnati Post	Gannett Newspapers	1977	2007
Denver Rocky Mountain News	MediaNews Group, Inc.	2001	2051

The JOAs generally provide for automatic renewals unless an advance termination notice ranging from two to five years is given by either party. Gannett Newspapers has notified us of its intent to terminate the Cincinnati JOA upon its expiration in 2007. We intend to continue publishing the Cincinnati Post and Kentucky Post newspapers for the duration of the agreement.

The combined sales, production and business operations of the newspapers are either jointly managed or are solely managed by one of the newspapers. The sales, production and business operations of the Denver newspapers are operated by the Denver Newspaper Agency, a limited liability partnership (the “Denver JOA”). The Denver JOA was approved by the U.S. Attorney General and commenced operations in January 2001. Each newspaper owns 50% of the Denver JOA and shares management of the combined newspaper operations. We have no management responsibilities for the combined operations of the other three JOAs.

The operating profits earned from the combined operations of the two newspapers are distributed to the partners in accordance with the terms of the joint operating agreement. We receive a 50% share of the Denver JOA profits and between 20% and 40% of the profits from the other three JOAs.

Summarized financial information for the Denver JOA is as follows:

(in thousands)	2003	2002	2001
Results of Operations of Denver JOA:			
Operating revenues	$ 421,004	$ 418,641	$ 384,523
Costs and expenses	(346,168)	(353,935)	(379,476)
Other credits (charges)	(461)	2,918	(258)
Net income	$ 74,375	$ 67,624	$ 4,789
Financial Position of Denver JOA:			
Current assets	$ 80,318	$ 96,243	$ 96,273
Current liabilities	41,734	43,582	46,887
Working capital	38,584	52,661	49,386
Property, plant and equipment	159,636	174,546	198,786
Other assets	10,970	8,741	11,950
Noncurrent liabilities	(16,743)	(17,943)	(13,528)
Stockholders’ equity	$ 192,447	$ 218,005	$ 246,594

We received our 50% interest in the Denver JOA in exchange for the contribution of most of the assets of the Rocky Mountain News to the Denver JOA and the payment of $60 million to MediaNews Group. The difference between the carrying amount of our investment in the Denver JOA and our 50% share of the stockholders’ equity of the Denver JOA is accounted for in accordance with the principles of FAS 141 - Business Combinations and FAS 142 - Goodwill and Other Intangible Assets.

7. INVESTMENTS

Investments consisted of the following:

(in thousands, except share data)	As of December 31, 2003	2002
Securities available for sale (at market value):		
Time Warner (2,017,000 shares)	$ 36,283	$ 26,420
Digital Theater Systems (554,000 common shares)	13,690	
Other available-for-sale securities	3,932	4,108
Total available-for-sale securities	53,905	30,528
Denver JOA	181,968	194,347
FOX Sports Net South and other joint ventures	13,302	8,506
Summit America preferred stock, at cost plus accrued dividends	3,240	3,000
Other equity securities	9,240	17,970
Total investments	$ 261,655	$ 254,351
Unrealized gains (losses) on securities available for sale	$ 23,749	$ (1,457)
Note receivable from Summit America, at initial fair value plus accreted discount	$ 44,750	$ 43,250

Investments available for sale represent securities in publicly-traded companies. Investments available for sale are recorded at fair value. Fair value is based upon the closing price of the security on the reporting date. As of December 31, 2003, there were no unrealized losses on our available-for-sale securities. In the third quarter of 2003, Digital Theater Systems ("DTS") completed an initial public offering of its common stock. This investment had previously been included in the other equity securities category.

In connection with the acquisition of the controlling interest in Shop At Home, we purchased $3.0 million of Summit America 6.0% redeemable preferred stock. At Summit America's option, dividends are deferred until the mandatory redemption of the preferred stock in 2005. We also loaned Summit America $47.5 million, to be repaid in 2005, at 6% interest. The note was recorded at fair value as of the date of acquisition of Shop At Home. The difference between the face value of the note and the fair value at the date of acquisition is accreted to income over the term of the note. Based upon interest rates for fixed-rate securities with similar terms and credit quality, we estimate the fair value of the note was approximately $46.0 million at December 31, 2003. In connection with our agreement to acquire Summit America, we have agreed to forego redemption of the $3.0 million in Summit America redeemable preferred stock and accrued dividends thereon and to forego repayment of the $47.5 million note.

Other equity securities include securities that do not trade in public markets, so they do not have readily determinable fair values. We estimate the fair value of the other securities approximates their carrying value at December 31, 2003, however, many of the investees have had no rounds of equity financing in the past three years. There can be no assurance we would realize the carrying value of these securities upon their sale.

We ceased active management of our portfolio of investments in development-stage businesses in 2002. The carrying value of the portfolio was approximately $15.4 million as of December 31, 2003, including our investment in DTS.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

(in thousands)	As of December 31, 2003	2002
Land and improvements	$ 52,904	$ 52,502
Buildings and improvements	249,116	224,874
Equipment	630,712	622,860
Total	932,732	900,236
Accumulated depreciation	454,270	443,447
Net property, plant and equipment	$ 478,462	$ 456,789

9. GOODWILL

The carrying amount of goodwill by business segment and changes in the carrying amount of goodwill are as follows:

(in thousands)	Newspapers	Scripps Networks	Broadcast Television	Shop At Home	Licensing and Other	Total
Balance as of December 31, 2000	$ 806,993	$ 121,181	$ 226,954		$ 19	$ 1,155,147
Acquired during the year	128	19,435				19,563
Attributed to business sold and contribution to Denver JOA	(1,423)	(425)				(1,848)
Amortization of goodwill	(24,966)	(4,225)	(7,587)		(1)	(36,779)
Balance as of December 31, 2001	780,732	135,966	219,367		18	1,136,083
Acquired during the year	93	5,235		$ 29,698		35,026
Balance as of December 31, 2002	780,825	141,201	219,367	29,698	18	1,171,109
Adjustments of Shop At Home purchase price allocation				437		437
Acquired during the year	2,885					2,885
Balance as of December 31, 2003	$ 783,710	$ 141,201	$ 219,367	$ 30,135	$ 18	$ 1,174,431

We completed our annual impairment review in the fourth quarter of 2003. No impairment charges resulted from this review because the fair value of each reporting unit exceeded its carrying amount.

10. PROGRAMS AND PROGRAM LICENSES

Programs and program licenses consisted of the following:

(in thousands)	As of December 31, 2003	2002
Cost	$ 730,704	$ 628,881
Accumulated amortization	443,310	342,663
Total programs and program licenses	$ 287,394	$ 286,218

The cost of licensed or produced programs capitalized was $166 million in 2003, $199 million in 2002 and $167 million in 2001.

In addition to the programs owned or licensed by us included in the table above, we have commitments to license certain programming that is not yet available for broadcast, including first-run syndicated programming. Such program licenses are recorded as assets when the programming is delivered to us and is available for broadcast. First-run syndicated programming is generally produced and delivered at or near its broadcast date. Commitments to purchase or license programs not yet available for broadcast totaled $246 million at December 31, 2003. If the programs are not produced, our commitments would generally expire without obligation.

Amortization included in the consolidated financial statements, and estimated amortization of recorded program assets and program commitments for each of the next five years, is presented below.

(in thousands)	
Amortization for the year ended December 31:	
2003	$ 179,656
2002	154,189
2001	135,489

Estimated amortization for the year ending December 31:	Program Assets	Program Commitments	Total
2004	$ 120,721	$ 69,480	$ 190,201
2005	86,340	62,489	148,829
2006	47,180	48,328	95,508
2007	23,117	37,278	60,395
2008	9,923	24,260	34,183
Later years	113	4,639	4,752
Total	$ 287,394	$ 246,474	$ 533,868

Actual amortization in each of the next five years will exceed the amounts presented above as our broadcast television stations and our national television networks will continue to produce and license additional programs.

11. UNAMORTIZED NETWORK DISTRIBUTION INCENTIVES

Unamortized network distribution incentives consisted of the following:

(in thousands)	As of December 31, 2003	2002
Network launch incentives	$ 332,876	$ 295,926
Accumulated amortization	135,540	107,991
Net book value	197,336	187,935
Unbilled affiliate fees	24,286	11,078
Total unamortized network distribution incentives	$ 221,622	$ 199,013

We capitalized launch incentive payments totaling $35.9 million in 2003, $90.1 million in 2002 and $82.3 million in 2001.

Amortization recorded as a reduction to affiliate fee revenue in the consolidated financial statements, and estimated amortization of recorded network launch incentives for each of the next five years, is presented below.

(in thousands)	
Amortization for the year ended December 31:	
2003	$ 24,050
2002	20,884
2001	21,406
Estimated amortization for the year ending December 31:	
2004	$ 27,905
2005	31,813
2006	29,431
2007	21,185
2008	23,831
Later years	63,171
Total	$ 197,336

Actual amortization will be greater than the above amounts as additional incentive payments will be capitalized as we expand distribution of Scripps Networks.

12. OTHER INTANGIBLE ASSETS

Other intangible assets consisted of the following:

(in thousands)	As of December 31, 2003			As of December 31, 2002		
	Carrying Amount	Accumulated Amortization	Net Book Value	Carrying Amount	Accumulated Amortization	Net Book Value
Acquired network distribution	$ 4,757	$ (2,822)	$ 1,935	$ 23,308	$ (18,558)	$ 4,750
Customer lists	5,753	(2,651)	3,102	5,753	(1,634)	4,119
Other	7,525	(4,934)	2,591	6,607	(4,476)	2,131
Total amortized	$ 18,035	$ (10,407)	7,628	$ 35,668	$ (24,668)	11,000
Network affiliation			26,748			26,748
FCC licenses			25,622			25,622
Pension liability adjustments			169			1,563
Other			3,122			2,862
Total unamortized			55,661			56,795
Total			$ 63,289			$ 67,795

We completed our annual review of impairment of indefinite-lived intangible assets in the fourth quarter of 2003. No impairment charges resulted from this review. In connection with this review, we also determined such assets continue to have indefinite lives.

Amortization of other intangible assets under the provisions of FAS 142, and estimated amortization expense of intangible assets for each of the next five years, is as follows:

(in thousands)	Newspapers	Scripps Networks	Broadcast Television	Shop At Home	Total
Amortization expense for the year ended December 31:					
2003	$ 692	$ 2,226	$ 142	$ 1,483	$ 4,543
2002	677	3,135	127	510	4,449
2001	679	4,063	125		4,867
Estimated amortization for the year ending December 31:					
2004	$ 409	$ 590	$ 74	$ 1,237	$ 2,310
2005	373	122	74	947	1,516
2006	343	122	26		491
2007	327	122	26		475
2008	327	122	26		475
Later years	1,559	30	772		2,361
Total	$ 3,338	$ 1,108	$ 998	$ 2,184	$ 7,628

Intangible assets by business segment were as follows:

(in thousands)	As of December 31, 2003	2002
Newspapers	$ 4,486	$ 4,925
Scripps Networks	2,029	3,996
Broadcast television	53,369	52,593
Shop At Home	3,236	4,718
Minimum pension liability adjustment	169	1,563
Total other intangible assets	$ 63,289	$ 67,795

13. LONG-TERM DEBT

Long-term debt consisted of the following:

(in thousands)	As of December 31, 2003	2002
Variable-rate credit facilities	$ 50,187	$ 312,371
$100 million, 6.625% notes, due in 2007	99,946	99,930
$50 million, 3.75% notes, due in 2008	50,000	
$100 million, 4.25% notes, due in 2009	99,430	99,334
$200 million, 5.75% notes, due in 2012	198,934	198,809
Other notes	10,318	14,528
Total face value of long-term debt less discounts	508,815	724,972
Fair market value of interest rate swap	302	
Total long-term debt	509,117	724,972
Current portion of long-term debt		75,171
Long-term debt (less current portion)	$ 509,117	$ 649,801
Fair value of long-term debt *	$ 540,300	$ 759,900

* Fair value was estimated based on current rates available to the Company for debt of the same remaining maturity.

We have Competitive Advance and Revolving Credit Facilities (the "Revolver"), and a commercial paper program that collectively permit aggregate borrowings up to $575 million (the "Variable-Rate Credit Facilities"). The Revolver consists of two facilities, one permitting $375 million in aggregate borrowings expiring in August 2004 and the second a $200 million facility expiring in 2007. The August 2004 facility is expected to be replaced with a similar facility prior to its expiration. Borrowings under the Revolver are available on a committed revolving credit basis at our choice of three short-term rates or through an auction procedure at the time of each borrowing. The Revolver is primarily used as credit support for our commercial paper program in lieu of direct borrowings under the Revolver. The weighted-average interest rate on the Variable-Rate Credit Facilities at December 31 was 1.1% in 2003 and 1.4% in 2002.

We have a U.S. shelf registration which allows additional borrowings of up to $350 million as of December 31, 2003.

We entered into a receive-fixed, pay-floating interest rate swap to achieve a desired proportion of fixed-rate versus variable-rate debt. The interest rate swap expires upon the maturity of the $50 million, 3.75% notes in 2008, and effectively converts those fixed-rate notes into variable-rate borrowings. The variable interest rate was 1.2% at December 31, 2003, which was based on six-month LIBOR minus a rate spread. The swap agreement was designated as a fair-value hedge of the underlying fixed-rate notes. Accordingly, changes in the fair value of the interest rate swap agreement (due to movements in the benchmark interest rate) are recorded as adjustments to the carrying value of long-term debt with an offsetting adjustment to other non-current assets. The changes in the fair value of the interest rate swap agreements and the underlying fixed-rate obligation are recorded as equal and offsetting unrealized gains and losses in the Consolidated Statements of Income. We have structured the interest rate swap to be 100% effective. As a result, there is no current impact to earnings resulting from hedge ineffectiveness.

Certain long-term debt agreements contain maintenance requirements for net worth and coverage of interest expense and restrictions on incurrence of additional indebtedness. We are in compliance with all debt covenants.

Current maturities of long-term debt are classified as long-term to the extent they can be refinanced under existing long-term credit commitments.

Capitalized interest was $0.5 million in 2003, $0.6 million in 2002 and $0.7 million in 2001.

14. OTHER LIABILITIES AND MINORITY INTERESTS

Other liabilities and minority interests consisted of the following:

(in thousands)	As of December 31, 2003	2002
Program rights payable	$ 30,758	$ 62,114
Employee compensation and benefits	75,310	100,384
Network distribution incentives	76,668	66,222
Minority interests	32,460	20,948
Deferred gain on sale of WCPO building	7,649	7,649
Other	18,038	16,280
Total other liabilities and minority interests	240,883	273,597
Current portion of other liabilities	86,506	137,229
Other liabilities and minority interests (less current portion)	$ 154,377	$ 136,368

Minority interests include non-controlling interests of approximately 8% in the capital stock of the subsidiary companies that publish our Memphis and Evansville newspapers. The capital stock of these companies does not provide for or require the redemption of the non-controlling interests by us.

Non-controlling interests hold an approximate 10% residual interest in Fine Living. The minority owners of Fine Living have the right to require us to repurchase their interests. We have an option to acquire their interests. The minority owners will receive the fair market value for their interests at the time their option is exercised. The put and call options become exercisable at various dates through 2016. Put options on an approximate 6% non-controlling interest in Fine Living are currently exercisable.

Non-controlling interests hold an approximate 30% residual interest in Food Network. The Food Network general partnership agreement terminates on December 31, 2012, unless amended or extended prior to that date. Upon termination, the assets of the partnership are to be liquidated and distributed to the partners in proportion to their partnership interests.

In 2002, we sold our Cincinnati television station production facility to the City of Cincinnati for $7.8 million in cash. Our television station will continue to use the facility until construction of a new production facility is completed in 2004. The gain on the sale of the facility of $7.6 million has been deferred until our station relocates to its new production facility. We will receive an additional $3.0 million in cash if our station relocates prior to June 1, 2004. The additional payments, which we expect to earn, are not included in the deferred gain.

15. SUPPLEMENTAL CASH FLOW INFORMATION

The following table presents additional information about the change in certain working capital accounts:

(in thousands)

	For the years ended December 31, 2003	2002	2001
Other changes in certain working capital accounts, net:			
Accounts receivable	$ (56,329)	$ (42,867)	$ 23,500
Prepaid and accrued pension expense	(13,109)	(24,696)	5,280
Inventories	(5,712)	(2,469)	2,107
Accounts payable	17,475	5,227	(24,464)
Accrued income taxes	8,854	(20,036)	11,868
Accrued employee compensation and benefits	(1,917)	12,159	(4,481)
Accrued interest	(136)	4,544	76
Other accrued liabilities	6,735	(679)	(13,522)
Other, net	(1,061)	67	705
Total	$ (45,200)	$ (68,750)	$ 1,069

16. EMPLOYEE BENEFIT PLANS

Description of Plans - We sponsor defined benefit pension plans that cover substantially all non-union and certain union-represented employees. Benefits are generally based upon the employees compensation and years of service. We also sponsor a defined contribution plan that covers substantially all non-union and certain union employees. We match a portion of employee's voluntary contributions to this plan.

Other union-represented employees are covered by defined benefit pension plans jointly sponsored by us and the union, or by union-sponsored multi-employer plans.

Components of Net Periodic Benefit Costs - Retirement plans expense is based on valuations performed by plan actuaries as of the beginning of each fiscal year. The components of the expense consisted of the following:

(in thousands)

	For the years ended December 31, 2003	2002	2001
Service cost	$ 17,588	$ 13,326	$ 13,022
Interest cost	21,949	20,203	20,970
Expected return on plan assets, net of expenses	(20,327)	(20,729)	(27,362)
Net amortization and deferral	6,197	620	(71)
Total for defined benefit plans	25,407	13,420	6,559
Multi-employer plans	561	399	747
Defined contribution plans	6,461	5,948	5,618
Total	$ 32,429	$ 19,767	$ 12,924

Assumptions used in determining the annual retirement plans expense were as follows:

	2003	2002	2001
Discount rate	6.50%	7.50%	8.00%
Long-term rate of return on plan assets	8.25%	9.50%	10.00%
Increase in compensation levels	4.75%	5.00%	5.50%

The discount rate used to determine our future pension obligations is based upon an index of securities with various maturities rated Aa or better as of the respective measurement dates. The increase in compensation levels assumption is based on actual past experience and the near-term outlook.

The expected long-term rate of return on plan assets is based upon the weighted average expected rate of return and capital market forecasts for each asset class employed. Our expected rate of return on plan assets also considers our compounded return on plan assets for 10 and 15 year periods, which exceed our current forward-looking assumption.

Our investment policy is to maximize the total rate of return on plan assets to meet the long-term funding obligations of the plan. Plan assets are invested using a combination of active management and passive investment strategies. Risk is controlled through diversification among multiple asset classes, managers, styles, and securities. Risk is further controlled both at the manager and asset class level by assigning return targets and evaluating performance against these targets.

Information related to our pension plan asset allocations by asset category were as follows:

	Target allocation	Percentage of plan assets as of December 31,	
	2004	2003	2002
US equity securities	55%	55%	55%
Non-US equity securities	10	10	3
Fixed-income securities	35	35	42
Total	100%	100%	100%

U.S. equities include common stocks of large, medium, and small companies which are predominantly U.S. based. Non-U.S. equity securities include companies domiciled outside the U.S. and American depository receipts. Fixed-income securities primarily include securities issued or guaranteed by the U.S. government, mortgage backed securities and corporate debt obligations.

Obligations and Funded Status - Defined benefit plans pension obligations and funded status is actuarially valued as of the end of each fiscal year. The following table presents information about our employee benefit plan assets and obligations:

(in thousands)	For the years ended December 31, 2003	2002	2001
Accumulated benefit obligation	$ 318,295	$ 274,295	$ 223,260
Change in projected benefit obligation			
Projected benefit obligation at beginning of year	$ 337,292	$ 273,207	$ 274,971
Service cost	17,588	13,326	13,022
Interest cost	21,949	20,203	20,970
Benefits paid	(15,896)	(17,498)	(17,920)
Reductions associated with dispositions and formation of Denver JOA		(1,818)	(15,940)
Actuarial losses (gains)	29,684	49,872	(1,896)
Projected benefit obligation at end of year	390,617	337,292	273,207
Plan assets			
Fair value at beginning of year	229,847	229,460	286,338
Actual return (loss) on plan assets	50,643	(17,662)	(22,589)
Company contributions	38,517	40,361	1,477
Benefits paid	(15,896)	(17,498)	(17,920)
Transfers associated with dispositions and formation of Denver JOA		(4,814)	(17,846)
Fair value at end of year	303,111	229,847	229,460
Plan assets greater than (less than) projected benefits	(87,506)	(107,445)	(43,747)
Unrecognized net loss	92,564	98,964	10,169
Unrecognized prior service cost	445	875	1,880
Unrecognized net asset at the date FAS No. 87 was adopted, net of amortization			(603)
Prepaid (accrued) pension costs	$ 5,503	$ (7,606)	$ (32,301)
Amounts recognized in Consolidated Balance Sheets			
Prepaid pension costs	$ 14,849	$ 9,668	$ 20,564
Accrued pension benefit obligation	(29,499)	(51,693)	(52,865)
Intangible asset	169	1,563	
Minimum pension liability adjustment included in accumulated other comprehensive income	19,984	32,856	
Prepaid (accrued) pension costs	$ 5,503	$ (7,606)	$ (32,301)

Assumptions used in determining the defined benefit plans benefit obligations were as follows:

	2003	2002	2001
Discount rate	6.25%	6.50%	7.50%
Increase in compensation levels	4.75%	4.75%	5.00%

We expect to contribute $3.5 million to our defined benefit pension plans in 2004.

17. SEGMENT INFORMATION

We determine our business segments based upon our management and internal reporting structure. Our reportable segments are strategic businesses that offer different products and services. See Note 1.

The accounting policies of each of our business segments are those described in Note 1.

Certain corporate costs and expenses, including information technology, pensions and other employee benefits, and other shared services, are allocated to our business segments. The allocations are generally amounts agreed upon by management, which may differ from amounts that would be incurred if such services were purchased separately by the business segment. Corporate assets are primarily cash, cash equivalent and other short-term investments, property and equipment primarily used for corporate purposes, and deferred income taxes.

Our chief operating decision maker (as defined by FAS 131 – Segment Reporting) evaluates the operating performance of our business segments and makes decisions about the allocation of resources to our business segments using a measure we call segment profit. Segment profit excludes interest, income taxes, depreciation and amortization, divested operating units, restructuring activities (including our proportionate share of JOA restructuring activities), investment results and certain other items that are included in net income determined in accordance with accounting principles generally accepted in the United States of America.

As discussed in Note 1, we account for our share of the earnings of JOAs on the equity method of accounting. Our equity in earnings of JOAs is included in "Equity in earnings of JOAs and other joint ventures" in our Consolidated Statements of Income. Newspaper segment profits include equity in earnings of JOAs. Scripps Networks segment profits include equity in earnings of FOX Sports Net South and certain other joint ventures.

Information regarding our business segments is as follows:

(in thousands)	For the years ended December 31, 2003	2002	2001
Segment operating revenues:			
Newspapers managed solely by us	$ 691,591	$ 682,219	$ 688,282
Newspapers operated pursuant to JOAs	267	230	93
Total newspapers	691,858	682,449	688,375
Scripps Networks	535,013	415,402	337,195
Broadcast television	304,162	305,154	277,601
Shop At Home	238,484	42,345	
Licensing and other media	105,328	90,314	88,785
Total operating revenues	$1,874,845	$1,535,664	$1,391,956
Segment profit (loss):			
Newspapers managed solely by us	$ 227,132	$ 232,148	$ 222,367
Newspapers operated pursuant to JOAs	41,573	38,120	15,319
Total newspapers	268,705	270,268	237,686
Scripps Networks	204,263	124,596	75,547
Broadcast television	85,218	98,109	79,651
Shop At Home	(22,075)	(1,682)	
Licensing and other media	19,238	17,284	14,881
Corporate	(32,125)	(27,810)	(18,596)
Total segment profit	523,224	480,765	389,169
Depreciation and amortization of intangibles	(68,087)	(62,768)	(98,653)
Restructuring charges, including share of JOA restructurings	(1,847)	3,856	(16,079)
Interest expense	(31,593)	(28,301)	(39,197)
Interest and dividend income	5,062	1,860	802
Other investment results, net of expenses	(3,200)	(85,667)	5,063
Miscellaneous, net	(497)	(823)	277
Income before income taxes and minority interests	$ 423,062	$ 308,922	$ 241,382
Depreciation:			
Newspapers managed solely by us	$ 23,135	$ 24,715	$ 24,462
Newspapers operated pursuant to JOAs	1,301	1,124	1,407
Total newspapers	24,436	25,839	25,869
Scripps Networks	10,489	9,300	8,357
Broadcast television	19,852	19,618	19,652
Shop At Home	5,871	1,372	
Licensing and other media	630	856	831
Corporate	2,266	1,334	949
Total depreciation	$ 63,544	$ 58,319	$ 55,658
Amortization of intangible assets:			
Newspapers managed solely by us	$ 425	$ 410	$ 412
Newspapers operated pursuant to JOAs	267	267	267
Newspapers	692	677	679
Scripps Networks	2,226	3,135	4,063
Broadcast television	142	127	125
Shop At Home	1,483	510	
Total	4,543	4,449	4,867
Amortization of goodwill and intangible assets with indefinite lives			38,128
Total amortization	$ 4,543	$ 4,449	$ 42,995

(in thousands)	For the years ended December 31, 2003	2002	2001
Additions to property, plant and equipment:			
Newspapers managed solely by us	$ 37,550	$ 38,308	$ 33,697
Newspapers operated pursuant to JOAs	567	308	666
Total newspapers	38,117	38,616	34,363
Scripps Networks	9,364	14,545	14,114
Broadcast television	34,742	23,655	18,785
Shop At Home	3,249	576	
Licensing and other media	511	373	338
Corporate	3,268	10,635	623
Total additions to property, plant and equipment	$ 89,251	$ 88,400	$ 68,223
Business acquisitions and other additions to long-lived assets:			
Newspapers managed solely by us	$ 3,904	$ 330	$ 1,779
Newspapers operated pursuant to JOAs	160	204	61,420
Total newspapers	4,064	534	63,199
Scripps Networks	199,303	247,632	235,579
Broadcast television	918	20	27
Shop At Home		101,099	
Investments	704	11,373	18,139
Total	$ 204,989	$ 360,658	$ 316,944
Assets:			
Newspapers managed solely by us	$ 1,091,579	$ 1,070,889	$ 1,062,636
Newspapers operated pursuant to JOAs	201,892	213,426	212,058
Total newspapers	1,293,471	1,284,315	1,274,694
Scripps Networks	878,722	790,667	638,636
Broadcast television	498,695	505,402	496,911
Shop At Home	152,572	142,138	
Licensing and other media	28,833	23,465	26,899
Investments	63,444	48,956	127,924
Corporate	93,665	75,394	76,547
Total assets	$ 3,009,402	$ 2,870,337	$ 2,641,611

No single customer provides more than 10% of our revenue. International revenues are primarily derived from licensing comic characters and HGTV and Food Network programming in international markets. Licensing of comic characters in Japan provides approximately 50% of our international revenues, which are less than $60 million annually.

Other additions to long-lived assets include investments, capitalized intangible assets, and Scripps Networks capitalized programs and network launch incentives.

18. COMMITMENTS AND CONTINGENCIES

We are involved in litigation arising in the ordinary course of business, none of which is expected to result in material loss.

Minimum payments on noncancelable leases at December 31, 2003, were: 2004, $19.5 million; 2005, $16.7 million; 2006, $13.4 million; 2007, $11.4 million; 2008, $10.4 million; and later years, $31.8 million. We expect our operating leases will be replaced with leases for similar facilities upon their expiration. Rental expense for cancelable and noncancelable leases was $19.9 million in 2003, $19.0 million in 2002 and $16.8 million in 2001.

In the ordinary course of business we enter into long-term contracts to obtain satellite transmission rights, to obtain distribution of Shop At Home, or to obtain other services. Liabilities for such commitments are recorded when the related services are rendered. Minimum payments on such contractual commitments at December 31, 2003, were: 2004, $168 million; 2005, $57.3 million; 2006, $37.6 million; 2007, $25.0 million; 2008, $14.8 million; and later years, $21.6 million. We expect these contracts will be replaced with similar contracts upon their expiration.

19. CAPITAL STOCK AND INCENTIVE PLANS

Capital Stock - Scripps' capital structure includes Common Voting Shares and Class A Common Shares. The articles of incorporation provide that the holders of Class A Common Shares, who are not entitled to vote on any other matters except as required by Ohio law, are entitled to elect the greater of three or one-third of the directors.

Repurchase of a total of 6.0 million Class A Common Shares has been authorized by the Board of Directors. A total of 4.3 million shares were repurchased between June 1997 and October 2001, at prices ranging from $39 to $60 per share. The balance remaining on the authorization is 1.7 million shares.

Incentive Plans - Scripps' Long-Term Incentive Plan (the "Plan") provides for the award of restricted and unrestricted Class A Common Shares, incentive and nonqualified stock options with 10-year terms, stock appreciation rights, and performance units to key employees and non-employee directors. The Plan expires in 2007, except for options then outstanding. The number of shares authorized for issuance under the plan at December 31, 2003, was 13.9 million, of which approximately 2.6 million had not been issued.

Restricted Stock - Awards of Class A Common Shares vest over an incentive period conditioned upon the individual's continued employment throughout that period. During the vesting period, shares issued are nontransferable but the shares are entitled to all the rights of an outstanding share. Information related to awards of Class A Common Shares is presented below:

	Number of Shares	Weighted-Avg Price at Grant Date	Range of Grant Date Prices
Unvested shares at December 31, 2000	393,931	$ 46.78	$ 26 - 60
Shares awarded in 2001	184,947	63.51	57 - 71
Shares vested in 2001	(153,497)	45.42	26 - 60
Shares forfeited in 2001	(2,500)	52.54	45 - 63
Unvested shares at December 31, 2001	422,881	54.55	42 - 71
Shares awarded in 2002	32,305	72.43	72 - 77
Shares vested in 2002	(125,010)	61.26	42 - 84
Shares forfeited in 2002	(1,800)	48.29	45 - 67
Unvested shares at December 31, 2002	328,376	55.77	43 - 77
Shares awarded in 2003	163,819	79.10	79 - 93
Shares vested in 2003	(185,627)	53.08	43 - 77
Shares forfeited in 2003	(3,600)	51.75	50 - 81
Unvested shares at December 31, 2003	302,968	$ 70.07	$ 45 - 93

Stock Options - Stock options may be awarded to purchase Class A Common Shares at not less than 100% of the fair market value on the date the option is granted. Stock options will vest over an incentive period, conditioned upon the individual's continued employment through that period.

The following table presents information about stock options:

	Number of Shares	Weighted-Average Exercise Price	Range of Exercise Prices
Outstanding at December 31, 2000	4,249,437	$ 36.98	$ 11 - 60
Granted in 2001	1,102,200	64.17	58 - 70
Exercised in 2001	(743,227)	27.38	11 - 56
Forfeited in 2001	(76,872)	49.75	20 - 64
Outstanding at December 31, 2001	4,531,538	44.95	15 - 70
Granted in 2002	1,116,800	75.31	73 - 78
Exercised in 2002	(808,304)	30.37	15 - 67
Outstanding at December 31, 2002	4,840,034	54.39	16 - 78
Granted in 2003	1,125,000	80.21	80 - 93
Exercised in 2003	(791,139)	41.49	16 - 78
Outstanding at December 31, 2003	5,173,895	$ 61.97	$ 18 - 93

Substantially all options granted prior to 2001 are exercisable. Options generally become exercisable over a one-to-three-year period. Information about options outstanding and options exercisable by year of grant is as follows:

Year of Grant	Options on Shares Outstanding	Range of Exercise Prices	Weighted Average Exercise Price	Options on Shares Exercisable	Range of Exercise Prices	Weighted Average Exercise Price
1994 - expire in 2004	106,385	$ 18-21	$ 18.93	106,385	$ 18-21	$ 18.93
1995 - expire in 2005	9,800	20	20.01	9,800	20	20.01
1996 - expire in 2006	69,000	26-27	26.98	69,000	26-27	26.98
1997 - expire in 2007	272,500	34-42	34.88	272,500	34-42	34.88
1998 - expire in 2008	371,750	39-54	47.28	371,750	39-54	47.28
1999 - expire in 2009	461,763	42-50	47.12	461,763	42-50	47.12
2000 - expire in 2010	772,042	43-60	49.41	772,042	43-60	49.41
2001 - expire in 2011	919,508	58-70	64.23	792,032	58-70	64.24
2002 - expire in 2012	1,066,147	73-78	75.32	484,330	73-78	75.49
2003 - expire in 2013	1,125,000	80-93	80.21			
Total options on number of shares	5,173,895		$ 61.97	3,339,602		$ 52.90

20. SUMMARIZED QUARTERLY FINANCIAL INFORMATION (Unaudited)

Summarized financial information is as follows:

(in thousands, except per share data)

2003	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Operating revenues	$ 445,194	$ 474,846	$ 440,481	$ 514,324	$ 1,874,845
Costs and expenses	(352,366)	(357,507)	(349,068)	(380,634)	(1,439,575)
Depreciation and amortization of intangibles	(15,976)	(17,116)	(17,156)	(17,839)	(68,087)
Restructuring charges				(1,847)	(1,847)
Interest expense	(8,003)	(7,832)	(7,944)	(7,814)	(31,593)
Equity in earnings of JOAs and other joint ventures	17,553	22,511	20,830	27,060	87,954
Interest and dividend income	1,378	1,266	1,201	1,217	5,062
Other investment results, net of expenses		(3,200)			(3,200)
Miscellaneous, net	263	(222)	(340)	(198)	(497)
Provision for income taxes	(34,508)	(44,672)	(33,841)	(24,953)	(137,974)
Minority interests	(846)	(3,341)	(2,304)	(7,782)	(14,273)
Net income	$ 52,689	$ 64,733	$ 51,859	$ 101,534	$ 270,815
Net income per share of common stock:					
Basic	$ .66	$ .81	$ .65	$ 1.26	$ 3.37
Diluted	$ .65	$ .80	$ .64	$ 1.24	$ 3.32
Basic weighted-average shares outstanding	79,897	80,156	80,399	80,612	80,266
Diluted weighted-average shares outstanding	80,997	81,333	81,605	81,940	81,469
Cash dividends per share of common stock	$ .15	$ .15	$ .15	$ .15	$ .60

2002	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Operating revenues	$ 344,685	$ 380,435	$ 354,267	$ 456,277	$ 1,535,664
Costs and expenses	(264,142)	(275,573)	(264,045)	(330,528)	(1,134,288)
Depreciation and amortization of intangibles	(13,883)	(15,428)	(15,026)	(18,431)	(62,768)
Interest expense	(6,592)	(6,629)	(7,843)	(7,237)	(28,301)
Equity in earnings of JOAs and other joint ventures	15,756	20,503	19,223	27,763	83,245
Interest and dividend income	578	(3)	328	957	1,860
Other investment results, net of expenses	(8,388)	(65,551)	(10,052)	(1,676)	(85,667)
Miscellaneous, net	(432)	(761)	347	23	(823)
Provision for income taxes	(26,868)	(9,085)	(30,622)	(47,712)	(114,287)
Minority interests	(834)	(952)	(901)	(3,651)	(6,338)
Net income	$ 39,880	$ 26,956	$ 45,676	$ 75,785	$ 188,297
Net income per share of common stock:					
Basic	$ .50	$ .34	$ .57	$ .95	$ 2.37
Diluted	$ .50	$ .33	$ .57	$ .94	$ 2.34
Basic weighted-average shares outstanding	79,017	79,546	79,661	79,715	79,485
Diluted weighted-average shares outstanding	80,263	80,729	80,668	80,815	80,619
Cash dividends per share of common stock	$ .15	$ .15	$ .15	$ .15	$ .60

The sum of the quarterly net income per share amounts may not equal the reported annual amount because each is computed independently based upon the weighted-average number of shares outstanding for the period.

THE E. W. SCRIPPS COMPANY

Index to Consolidated Financial Statement Schedules

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2003, 2002 AND 2001

SCHEDULE II

(in thousands)

COLUMN A CLASSIFICATION	COLUMN B Balance Beginning of Period	COLUMN C Additions Charged to Revenues, Costs, Expenses	COLUMN D Deductions Amounts Charged Off-Net	COLUMN E Increase (Decrease) Recorded Acquisitions (Divestitures)	COLUMN F Balance End of Period
ALLOWANCE FOR DOUBTFUL ACCOUNTS RECEIVABLE:					
YEAR ENDED DECEMBER 31:					
2003	$ 18,092	1,575	4,815		$ 14,852
2002	$ 13,964	9,368	5,240		$ 18,092
2001	$ 13,891	11,026	10,210	(743)	$ 13,964
RESERVE FOR MERCHANDISE RETURNS					
YEAR ENDED DECEMBER 31:					
2003	$ 5,824	70,296	68,372		$ 7,747
2002		$ 10,753	9,723	4,794	$ 5,824
ACCRUAL FOR SEVERANCE COSTS :					
YEAR ENDED DECEMBER 31:					
2003		$ 1,847			$ 1,847
2002					
2001		$ 10,198	10,198		

THE E. W. SCRIPPS COMPANY

Index to Exhibits

Exhibit Number	Description of Item	Page	Exhibit No. Incorporated
3.01	Articles of Incorporation	(5)	3.01
3.02	Code of Regulations	(5)	3.02
4.01	Class A Common Share Certificate	(2)	4
4.02B	Form of Indenture: 6.625% notes due in 2007	(3)	4.1
4.02C	Form of Indenture: 5.75% notes due in 2012	(3)	4.1
4.02D	Form of Indenture: 4.25% notes due in 2009	(10)	4.1
4.02E	Form of Indenture: 3.75% notes due in 2008	(10)	4.1
4.03B	Form of Debt Securities: 6.625% notes due in 2007	(3)	4.2
4.03C	Form of Debt Securities: 5.75% notes due in 2012	(3)	4.2
4.03D	Form of Debt Securities: 4.25% notes due in 2009	(10)	4.2
4.03E	Form of Debt Securities: 3.75% notes due in 2008	(10)	4.2
10.01	Amended and Restated Joint Operating Agreement, dated January 1, 1979, among Journal Publishing Company, New Mexico State Tribune Company and Albuquerque Publishing Company, as amended	(1)	10.01
10.02	Amended and Restated Joint Operating Agreement, dated February 29, 1988, among Birmingham News Company and Birmingham Post Company	(1)	10.02
10.03	Joint Operating Agreement, dated September 23, 1977, between the Cincinnati Enquirer, Inc. and the Company, as amended	(1)	10.03
10.04	Joint Operating Agreement Among The Denver Post Corporation, Eastern Colorado Production Facilities, Inc., Denver Post Production Facilities LLC and The Denver Publishing Company dated as May 11, 2000, as amended	(9)	10.04
10.06	Building Lease, dated April 25, 1984, among Albuquerque Publishing Company, Number Seven and Jefferson Building Partnership	(1)	10.08A
10.06A	Ground Lease, dated April 25, 1984, among Albuquerque Publishing Company, New Mexico State Tribune Company, Number Seven and Jefferson Building Partnership	(1)	10.08B
10.07	Agreement, dated August 17, 1989, between United Feature Syndicate, Inc. and Charles M. Schulz and the Trustees of the Schulz Family Renewal Copyright Trust, as amended	(1)	10.11
10.20	Share Purchase Agreement Between Shop At Home, Inc. and Scripps Networks, Inc.	(10)	10.3
10.21	Merger Agreement Between Summit America Television, Inc. and The E. W. Scripps Company		
10.40	5-Year Competitive Advance and Revolving Credit Agreement	(10)	10.1
10.41	364-Day Competitive Advance and Revolving Credit Agreement	(11)	10.2
10.55	Board Representation Agreement, dated March 14, 1986, between The Edward W. Scripps Trust and John P. Scripps	(1)	10.44
10.56	Shareholder Agreement, dated March 14, 1986, between the Company and the Shareholders of John P. Scripps Newspapers	(1)	10.45
10.57	Scripps Family Agreement dated October 15, 1992	(4)	1

Exhibit Number	Description of Item	Page	Exhibit No. Incorporated
10.58	1997 Long-Term Incentive Plan	(6)	4B
10.59	Non-Employee Directors’ Stock Option Plan	(6)	4A
10.60	1997 Deferred Compensation and Phantom Stock Plan for Senior Officers and Selected Executives	(7)	4A
10.61	1997 Deferred Compensation and Stock Plan for Directors	(8)	10.61
10.63	Employment Agreement between the Company and Kenneth W. Lowe		
12	Computation of Ratio of Earnings to Fixed Charges for the Three Years Ended December 31, 2003		
21	Subsidiaries of the Company		
23	Independent Auditors’ Consent		
31(a)	Rule 13(a)-14(a)/15d-14(a) Certifications		
31(b)	Rule 13(a)-14(a)/15d-14(a) Certifications		
32(a)	Section 1350 Certifications		
32(b)	Section 1350 Certifications		

(1) Incorporated by reference to Registration Statement of The E. W. Scripps Company on Form S-1 (File No. 33-21714).

(2) Incorporated by reference to The E. W. Scripps Company Annual Report on Form 10-K for the year ended December 31, 1990.

(3) Incorporated by reference to Registration Statement on Form S-3 (File No. 33-36641).

(4) Incorporated by reference to The E. W. Scripps Company Current Report on Form 8-K dated October 15, 1992.

(5) Incorporated by reference to Scripps Howard, Inc. Registration Statement on Form 10 (File No. 1-11969).

(6) Incorporated by reference to Registration Statement of The E. W. Scripps Company on Form S-8 (File No. 333-27623).

(7) Incorporated by reference to Registration Statement of The E. W. Scripps Company on Form S-8 (File No. 333-27621).

(8) Incorporated by reference to The E.W. Scripps Company Annual Report on Form 10-K for the year ended December 31, 1998.

(9) Incorporated by reference to The E.W. Scripps Company Annual Report on Form 10-K for the year ended December 31, 2000.

(10) Incorporated by reference to Registration Statement S-3 (file No. 333-100390) of The E.W. Scripps Company.

(11) Incorporated by reference to The E. W. Scripps Company Current Report on 8-K dated August 7, 2003.

Exhibit 10.21

AGREEMENT AND PLAN OF MERGER

between

SUMMIT AMERICA TELEVISION, INC.

and

THE E.W. SCRIPPS COMPANY

December 18, 2003

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AGREEMENT AND PLAN OF MERGER

This Agreement is made as of December 18, 2003, between The E.W. Scripps Company, an Ohio corporation ("Parent"), and Summit America Television, Inc., a Tennessee corporation ("Company").

RECITALS

1. Parent desires to acquire the business and properties of Company by means of a taxable merger of a Tennessee corporation to be formed and to be wholly owned by Parent ("Merger Sub") with and into Company on the terms and conditions set forth herein and in the Articles of Merger substantially in the form attached hereto as Exhibit 1A (the "Articles of Merger").

2. The separate existence of Merger Sub shall cease at the Effective Time (as hereinafter defined) and Company shall thereafter survive as a wholly owned subsidiary of Parent.

3. Concurrent with the execution and delivery of this Agreement, certain shareholders of Company have executed and delivered to Parent a Voting Agreement dated as of the date hereof, in substantially the form of Exhibit 1B (the "Voting Agreement") under which such shareholders, among other things, have agreed to vote in favor of the Merger.

AGREEMENTS

The parties, intending to be legally bound, agree as follows:

ARTICLE I. DEFINITIONS

Section 1.1 Definitions. For purposes of this Agreement, the following terms have the meanings specified in this Section:

"1934 Act" means the Securities Exchange Act of 1934, as amended, or any successor law, and rules and regulations issued pursuant thereto.

"Acquisition Proposal" is defined in Section 5.6(a).

"Affiliate" means, with respect to any Person, any other Person (a) that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with such Person, (b) that is a general partner, director, manager, trustee or principal officer of, or a limited partner owning more than 10% of, or that serves in a similar capacity with respect to, such Person, or (c) of which such Person is a general partner, director, manager, trustee or principal officer or a limited partner owning more than 10% of, or with respect to which such Person serves in a similar capacity. For purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or to cause the direction of the management or policies of the Person in question through the ownership of voting securities or by contract or otherwise.

"Articles of Merger" is defined in the Recitals.

"Break-Up Fee" is defined in Section 5.6(b).

"Closing" is defined in Section 2.2.

"Closing Date" means the date and time as of which the Closing actually takes place.

"Communications Act" means the Communications Act of 1934, as amended and the rules and regulations promulgated thereunder.

"Company" is defined in the first paragraph of this Agreement.

"Company Stock Option" is defined in Section 2.5(h).

"Confidentiality Agreement" means the Confidentiality Agreement between Parent and Company dated September 26, 2003.

"Consent" means any approval, consent, ratification, waiver, or other authorization (including any Governmental Authorization).

"Contemplated Transactions" means all of the transactions contemplated by this Agreement, including: (a) the merger of Merger Sub into Company, (b) the execution, delivery, and performance of this Agreement and the Articles of Merger; and (c) the performance by Parent and Company of their respective covenants and obligations under this Agreement.

"Contract" means any agreement, contract, obligation, promise, or undertaking (whether written or oral and whether express or implied).

"Damages" is defined in Section 12.2.

"Effective Time" means Section 2.3.

"Encumbrance" means any charge, claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

"Environment" means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwater, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, and any other environmental medium or natural resource.

"Environmental, Health, and Safety Liabilities" means any cost, damages, liability or other obligation arising under Environmental Law or Occupational Safety and Health Law and consisting of or relating to: (a) environmental, health, or safety matters or conditions (including on-site or off-site contamination, occupational safety and health, and regulation of chemical substances or products); (b) any fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands and response, investigative, remedial, or inspection costs and expenses arising under Environmental Law or Occupational Safety and Health Law; (c) any financial responsibility under Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any investigation, cleanup, removal, containment, or other remediation or response actions ("Cleanup") required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Body or other Person) and for any natural resource damages; or (d) any other compliance, corrective, investigative, or remedial measures required under Environmental Law or Occupational Safety and Health Law. The terms "removal," "remedial," and "response action" include the types of activities covered by the U.S. Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq., as amended.

"Environmental Law" means any Legal Requirement that requires or relates to: (a) advising appropriate authorities, employees, and the public of intended or actual releases of pollutants or hazardous substances or materials, violations of discharge limits, or other prohibitions and of the commencements of activities that could have significant impact on the Environment; (b) preventing or reducing to acceptable levels the release of pollutants or hazardous substances or materials into the Environment; (c) reducing the quantities, preventing the release, or minimizing the hazardous characteristics of wastes that are generated; (d) assuring that products are designed, formulated, packaged, and used so that they do not present unreasonable risks to human health or the Environment when used or disposed of; (e) protecting resources, species, or ecological amenities; (f) reducing to acceptable levels the risks inherent in the transportation of hazardous substances, pollutants, oil, or other potentially harmful substances; (g) cleaning up pollutants that have been released, preventing the threat of release, or paying the costs of such clean up or prevention; or (h) making responsible parties pay private parties for damages done to their health or the Environment, or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

"ERISA" means the Employee Retirement Income Security Act of 1974 or any successor law, and rules and regulations issued pursuant to thereto.

"Facilities" means any real property and any buildings, plants, structures, towers, studios, transmitters or other equipment affixed to real property currently (or at any time formerly) owned, occupied, leased, licensed, used or operated by Company or any Subsidiary.

"FCC" means the Federal Communications Commission.

"GAAP" means generally accepted United States accounting principles, applied on a consistent basis.

"Governmental Authorization" means any approval, consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

"Governmental Body" means any: (a) nation, state, county, city, town, village, district, or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign, or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); (d) multi-national organization or body; or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

"HSR Act" is defined in Section 7.2.

"Hazardous Activity" means the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment, or use (including any withdrawal or other use of groundwater) of Hazardous Materials in, on, under, about, or from the Facilities or any part thereof into the Environment, and any other act, business, operation, or thing that increases the danger, or risk of danger, or poses an unreasonable risk of harm to persons or property on or off the Facilities, or that may affect the value of the Facilities or Company or any Subsidiary.

"Hazardous Materials" means any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, or toxic or a pollutant or a contaminant under any Environmental Law, including any admixture or solution thereof.

"IRC" means the Internal Revenue Code of 1986, as amended and in effect from time to time, or any successor law, and all rules and regulations promulgated by the IRS pursuant thereto.

"IRS" means the U.S. Internal Revenue Service or any successor agency, and, to the extent relevant, the U.S. Department of the Treasury.

"Indemnitees" is defined in Section 7.3.

"Intellectual Property Assets" is defined in Section 3.21.

An individual will be deemed to have "Knowledge" of a particular fact or matter if he or she is actually aware of such fact or matter or if a prudent individual could be expected to discover or otherwise become aware of such fact or matter in the course of conducting a reasonably comprehensive investigation concerning the existence of such fact or matter. A Person other than an individual will be deemed to have "Knowledge" of a particular fact or matter if any individual who is serving as a director, executive officer, member, governor, manager (with respect to a partnership or limited liability company), partner, executor, or trustee of such Person (or in any similar capacity) has, or at any time had, Knowledge of such fact or matter in accordance with the preceding sentence.

“Legal Requirement” means any Order, constitution, law, ordinance, principle of common law, rule, regulation, statute, or treaty of any Governmental Body.

“Merger” is defined in Section 2.1.

“Merger Consideration” means the consideration to be provided in exchange for common stock, Series A Preferred Stock, or Series D Preferred Stock of the Company in accordance with Section 2.5.

“Merger Sub” is defined in the Recitals.

“Occupational Safety and Health Law” means any Legal Requirement designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

“Order” means any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made, or rendered by any court, administrative agency or other Governmental Body or by any arbitrator.

“Ordinary Course of Business” means an action taken by a Person only if: (a) such action is consistent with the past practices of such Person and is taken in the ordinary course of such Person’s normal day-to-day operations; (b) such action is not required to be authorized by such Person’s board of directors or managers (or by any Person or group of Persons exercising similar authority) and is not required to be specifically authorized by such Person’s parent company (if any) or other equity holders; and (c) such action is similar in nature and magnitude to actions customarily taken, without any authorization by the board of directors or managers (or by any Person or group of Persons exercising similar authority) in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as such Person.

“Organizational Documents” means (a) the articles or certificate of incorporation and bylaws or code of regulations of a corporation; or (b) the articles of organization or certificate of formation or similar document and the limited liability company agreement or operating agreement or similar document of a limited liability company; (c) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a Person; and (d) any amendment to any of the foregoing.

“Parent” is defined in the first paragraph of this Agreement.

“Paying Agent” is defined in Section 2.7(a).

“Payment Fund” is defined in Section 2.7(b).

"Person" means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or Governmental Body.

"Plan" is defined in Section 3.13.

"Proceeding" means any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

"Proxy Statement" is defined in Section 5.8.

"Release" means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping, or other releasing into the Environment, whether intentional or unintentional.

"Representative" means with respect to a particular Person, any director, officer, member, manager, employee, agent, consultant, advisor, or other representative of such Person, including legal counsel, accountants, and financial advisors.

"Scripps SAH Companies" means The Scripps Shop At Home Holding Company and Shop At Home Network, LLC.

"SEC" means the U.S. Securities and Exchange Commission or any successor Governmental Body.

"Securities Act" means the Securities Act of 1933, as amended, or any successor law, and rules and regulations issued pursuant thereto.

"Shareholder Approval" is defined in Section 5.7.

"Shareholders Meeting" is defined in Section 5.8.

"Shareholders Vote" is defined in Section 5.8.

"Subsidiary" means any corporation, more than 20% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is or was since 1986 owned by Company and/or one or more Subsidiaries of Company and (b) any limited liability company, partnership, association, joint venture, or other entity in which Company and/or one or more Subsidiaries has or had since 1986 greater than a 20% equity interest, but excluding the Scripps SAH Companies.

"Superior Proposal" is defined in Section 5.6(a).

"Surviving Corporation" is defined is Section 2.1.

"Tax" means (a) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, franchise, profits, license or withholding on amounts paid to or by Company or any Subsidiary, payroll, employment, excise, severance, stamp occupation, premium, property, environmental or windfall profit tax, custom, duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Body responsible for the imposition of any such tax (domestic or foreign), (b) any liability of Company or any Subsidiary for the payment of any amounts of the type described in clause (a) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period prior to the Closing Date, and (c) any liability of Company or any Subsidiary for the payment of any amounts of the type described in clause (a) as a result of any express or implied obligation to indemnify any other Person.

"Tax Return" means any return (including any information return), report, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any Legal Requirement relating to any Tax.

"TBCA" means the Tennessee Business Corporation Act.

A claim, Proceeding, dispute, action, or other matter will be deemed to have been "Threatened" if any demand or statement has been made (in writing) or any notice has been given (in writing), or if any other event has occurred or any other circumstances exist, that would lead a prudent Person to conclude that such a claim, Proceeding, dispute, action, or other matter is likely to be asserted, commenced, taken, or otherwise pursued in the future.

"Voting Agreement" is defined in the Recitals.

ARTICLE II. MERGER; CLOSING

Section 2.1 Merger. On and subject to the terms and conditions of this Agreement, at the Effective Time, Merger Sub will merge with and into Company, the separate corporate existence of Merger Sub will cease and Company will thereafter continue as the surviving corporation (the "Surviving Corporation") in the merger (the "Merger").

Section 2.2 Closing. The closing of the Contemplated Transactions (the "Closing") will take place at the offices of Bone McAllester Norton PLLC at 511 Union Street, Suite 1600, Nashville, Tennessee, 37219, at 10:00 a.m. (local time) five days after satisfaction of the conditions set forth in Sections 8.1, 8.2, 8.3, and 8.4, or at such other time and place as the parties may agree.

Section 2.3 Effectiveness of Merger. On the Closing Date, subject to the satisfaction or waiver of all conditions to the obligations of the parties to consummate the Merger, (a) Merger Sub and Company shall execute and deliver the Articles of Merger and file such Articles of Merger and, if required by law, this Agreement, with the Secretary of State of the State of Tennessee pursuant to TBCA §48-21-107. The Merger will become effective as of the filing of the Articles of Merger with the Secretary of State of the State of Tennessee or at such later date and time as may be specified in the Articles of Merger (the "Effective Time").

Section 2.4 Effect of the Merger.

(a) The Merger will have the effect set forth in the TBCA. The Surviving Corporation shall, after the Effective Time, take all action (including executing and delivering any document) in its name and on its behalf in order to carry out and effectuate the Contemplated Transactions.

(b) The charter of Merger Sub shall be the charter of the Surviving Corporation until thereafter amended as provided therein and in accordance with the TBCA. The by-laws of Merger Sub in effect immediately prior to the Effective Time shall become the by-laws of the Surviving Corporation until thereafter amended as provided therein and in accordance with the TBCA. The officers and directors of Merger Sub immediately prior to the Effective Time will be the officers and directors of the Surviving Corporation and shall serve until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Surviving Corporation's charter and by-laws and the TBCA.

Section 2.5 Conversion and Exchange of Stock. At the Effective Time, by virtue of the Merger, and without any action on the part of Merger Sub, Company or Parent, or any holder of Company common stock or preferred stock:

(a) Each share of common stock of Merger Sub outstanding immediately prior to the Effective Time, by virtue of the Merger and without any action on the part of Parent, shall be converted into and exchanged for one validly issued, fully paid, and nonassessable share of common stock of the Surviving Corporation.

(b) Each share of common stock, $.0025 par value per share, of Company issued and outstanding immediately prior to the Effective Time (other than any share of common stock of the Company subject to Section 2.5(e)) will be exchanged for the right to receive cash in the amount of $4.05.

(c) Each share of Series A Preferred Stock, $10.00 par value per share, of Company issued and outstanding immediately prior to the Effective Time (other than any share of Series A Preferred Stock of the Company subject to Section 2.5(e)) will be exchanged for the right to receive cash in an amount equal to the Liquidation Preference (as defined in Company's Charter) of such share in accordance with Company's Charter.

(d) Each share of Series D Preferred Stock, $10.00 par value per share, of Company issued and outstanding immediately prior to the Effective Time will be converted into one share of Preferred Stock, $10 par value per share, of the Surviving Corporation.

(e) Each share of common stock, Series A Preferred Stock and Series D Preferred Stock of Company owned by Company immediately prior to the Effective Time shall be cancelled and retired without any conversion thereof and no payment or distribution shall be made with respect thereto.

(f) As a result of the Merger and without any action on the part of the holder thereof, at the Effective Time, all shares of common stock, Series A Preferred Stock and Series D Preferred Stock of Company shall cease to be outstanding and shall be cancelled and retired and each holder thereof shall thereafter cease to have any rights with respect to such shares of stock of Company except the right to receive, without interest, the Merger Consideration in accordance with this Section 2.5 upon the surrender of a certificate representing such shares.

(g) At the Effective Time, all outstanding options to purchase shares of common stock of Company (each, a "Company Stock Option") then outstanding and unexercised shall be converted into and represent a right to acquire shares of common stock of Surviving Corporation on identical terms, except that the number of shares underlying each such Company Stock Option shall be an amount representing a percentage of common stock of the Surviving Corporation substantially equal to the percentage of Company common stock underlying such Company Stock Option on a fully diluted basis.

Section 2.6 Closing of Transfer Books. At the Effective Time, the stock transfer books of Company will be closed with respect to all shares of common stock and preferred stock of Company outstanding immediately prior to the Effective Time. No further transfer of any such shares of common stock or preferred stock shall be made on such stock transfer books after the Effective Time. If, after the Effective Time, a valid Company stock certificate is presented to the Paying Agent or to Parent, such stock certificate shall be cancelled and surrendered for cash as provided in Section 2.7.

Section 2.7 Surrender of Certificates.

(a) Promptly after the Effective Time, Parent shall deposit, or shall cause to be deposited, with Parent's Corporate Secretary or a third party selected by Parent (the "Paying Agent"), cash sufficient to pay the cash consideration under Section 2.5(b) and (c). The cash amounts so deposited with the Paying Agent are referred to collectively as the "Payment Fund."

(b) As soon as reasonably practicable after the Effective Time, the Paying Agent shall mail to the record holders of common stock and Series A Preferred Stock of Company (i) a letter of transmittal in customary form and containing such provisions as Parent may reasonably specify (including a provision confirming that delivery of stock certificates shall be effected, and risk of loss and title to stock certificates shall pass, only upon delivery of such stock certificates to the Paying Agent), and (ii) instructions for use in effecting the surrender of stock certificates in exchange for cash. Upon surrender to the Paying Agent of a stock certificate for common stock or Series A Preferred Stock of Company, together with a duly executed letter of transmittal, and such other documents as may be reasonably required by the Paying Agent or Parent, (i) the holder of such stock certificate shall be entitled to receive in exchange therefor the cash consideration that such holder has the right to receive pursuant to the provisions of Section 2.5(b) or (c), and (ii) the stock certificate so surrendered shall be cancelled. Until surrendered as contemplated by this Section 2.7, each stock certificate shall be deemed, from and after the Effective Time, to represent only the right to receive the Merger Consideration as contemplated by Section 2.5. If any stock certificate shall have been lost, stolen or destroyed, Parent may, in its discretion and as a condition precedent to the issuance of any Merger Consideration, require the owner of such lost, stolen or destroyed stock certificate to provide an appropriate affidavit and to deliver a bond (in such sum as Parent may reasonably direct) as indemnity against any claim that may be made against the Paying Agent or Parent with respect to such stock certificate. In the event that any shares of common stock or preferred stock of Company to be exchanged hereunder secure any indebtedness owing to Company, the cash consideration which the holder of such shares is entitled to receive shall be reduced by the amount of such indebtedness. In addition, at the request of an option holder electing to exercise options contemporaneously with the Effective Time, the cash consideration which such holder is entitled to receive for the shares of common stock underlying such options shall be reduced by the amount of the exercise price of such options.

(c) Any portion of the Payment Fund that remains undistributed to holders of stock certificates of Company as of the date 180 days after the Effective Time shall become the general funds of Parent.

(d) The Paying Agent shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable pursuant to this Agreement to any holder or former holder of common stock or preferred stock of Company such amounts as may be required to be deducted or withheld therefrom under the IRC or any provision of state, local or foreign tax law or under any other applicable Legal Requirement. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid.

(e) Neither Parent nor the Surviving Corporation shall be liable to any holder or former holder of common stock or preferred stock of Company or to any other Person for any cash amounts delivered to any public official pursuant to any applicable abandoned property law, escheat law or similar Legal Requirement.

Section 2.8 Further Action. If, at any time after the Effective Time, any further action is determined by Parent to be necessary or desirable to carry out the purposes of this Agreement or to vest Parent with full right, title and possession of and to all rights and property of Company, the officers and directors of Parent shall be fully authorized (in the name of Parent, in the name of Company or otherwise) to take such action.

ARTICLE III. REPRESENTATIONS AND WARRANTIES OF COMPANY

Company represents and warrants to Parent as follows:

Section 3.1 Organization and Good Standing.

(a) Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Tennessee, with full corporate power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under this Agreement. Company is duly qualified to do business as a foreign corporation and is in good standing under the laws of each state or other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification, except where the failure to be so qualified would not have a material adverse effect on Company.

(b) Each Subsidiary and its jurisdiction of organization is listed on Schedule 3.1(b). Each Subsidiary is duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization, with full power and authority to conduct its business as it is now being conductions and to own or use the properties and assets that it purports to own. Each Subsidiary is duly qualified to do business as a foreign entity and is in good standing under the laws of each state or other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification, except where the failure to be so qualified would not have a material adverse effect on such Subsidiary.

(c) Company has delivered to Parent copies of its and each Subsidiary's Organizational Documents, as currently in effect.

Section 3.2 Authority; No Conflict.

(a) This Agreement constitutes the legal, valid, and binding obligation of Company, enforceable against Company in accordance with its terms. Company's Board of Directors has approved the Contemplated Transactions and has resolved to recommend the Contemplated Transactions for Shareholder Approval.

(b) Except as set forth in Schedule 3.2, neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with, or result in a violation of (A) any provision of the Organizational Documents of Company, or (B) any resolution adopted by the board of directors or the shareholders of Company;

(ii) contravene, conflict with, or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the Contemplated Transactions, or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which Company or a Subsidiary, or any of the assets owned or used by Company or a Subsidiary, may be subject;

(iii) contravene, conflict with, or result in a violation of any of the terms of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any Governmental Authorization that is held by

Company or a Subsidiary or that otherwise relates to the business of, or any of the assets owned or used by, Company or a Subsidiary;

(iv) cause Parent or Company or any Subsidiary to become subject to, or to become liable for the payment of, any Tax;

(v) cause any of the assets owned or used by Company or a Subsidiary to be reassessed or revalued by any taxing authority or other Governmental Body;

(vi) contravene, conflict with, or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Contract to which Company or a Subsidiary is bound;

(vii) result in the imposition or creation of any Encumbrance upon or with respect to any of the assets owned or used by Company or a Subsidiary; or

(viii) contravene, conflict with, or result in a violation, breach, or acceleration of any provision of any employment agreement between Company or any Subsidiary and any employee of Company or such Subsidiary.

Except as set forth in Schedule 3.2, neither Company nor a Subsidiary is or will be required to give any notice to or obtain any Consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

(c) No provision of any Tennessee anti-takeover law applies to the Contemplated Transactions.

Section 3.3 Capitalization.

(a) Company. The classes and number of authorized shares of each class of capital stock of Company, the number of issued and outstanding shares of such capital stock of Company, and the number of options, offers, warrants, conversion rights, agreements, or other rights to subscribe for or to purchase from Company shares of its capital stock are set forth on Schedule 3.3(a). Except as set forth on Schedule 3.3(a), Company has no other equity securities of any class issued, reserved for issuance, or outstanding. Except as set forth on Schedule 3.3(a), there are no outstanding options, offers, warrants, conversion rights, agreements, or other rights to subscribe for or to purchase from Company shares of its capital stock. No shares of Company carry, and no shareholder of Company has been granted, any preemptive rights. Except as set forth on Schedule 3.3(a), Company is not obligated under any provision of its Organizational Documents, or under any arrangement, Contract, plan, or understanding, to liquidate, redeem, or otherwise repurchase any equity or other securities of Company. Other than this Agreement, except as set forth on Schedule 3.3(a), no arrangement, Contract, plan, or understanding exists pursuant to which Company has any obligation or any Person has any right relating to the issuance, sale, or transfer of any equity or other securities of Company. Except with respect to the Scripps SAH Companies and the Subsidiaries, Company does not own, nor does it possess any right under a Contract or otherwise to acquire, any equity or other securities of any Person or any direct or indirect equity or ownership interest in any other business.

(b) Subsidiaries. The classes and number of authorized shares of each class of capital stock of each Subsidiary, the number of issued and outstanding shares of such capital stock of each Subsidiary, and the number of options, offers, warrants, conversion rights, agreements, or other rights to subscribe for or to purchase from each Subsidiary shares of its capital stock are set forth on Schedule 3.3(b). Schedule 3.3(b) sets forth the record and beneficial owner and holder of all issued and outstanding shares of capital stock of each Subsidiary (the "Subsidiary Shares"). Except as set forth on Schedule 3.3(b), all of the Subsidiary Shares are held free and clear of all Encumbrances. All of the issued and outstanding Subsidiary Shares are duly authorized, validly issued, fully paid, and non-assessable, and were issued in conformity with all applicable state and federal securities laws. No Subsidiary has any equity securities of any class issued, reserved for issuance, or outstanding, other than its Subsidiary Shares. There are no outstanding options, offers, warrants, conversion rights, agreements, or other rights to subscribe for or to purchase from any Subsidiary shares of its capital stock. No Subsidiary Shares carry, and no holder of any Subsidiary Shares has been granted, any preemptive rights. No Subsidiary is obligated under any provision of its Organizational Documents, or under any arrangement, Contract, plan, or understanding, to liquidate, redeem, or otherwise repurchase any equity or other securities of such Subsidiary. No arrangement, Contract, plan, or understanding exists pursuant to which any Subsidiary has any obligation or any Person has any right relating to the issuance, sale, or transfer of any equity or other securities of such Subsidiary. Except with respect to the Scripps SAH Companies and other Subsidiaries, no Subsidiary owns, or possesses any right under a Contract or otherwise to acquire, any equity or other securities of any Person or any direct or indirect equity or ownership interest in any other business.

Section 3.4 Financial Statements; SEC Compliance. Since June 30, 1997, Company has timely filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the 1934 Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "SEC Documents"). A complete list of the SEC Documents is set forth on Schedule 3.4 and except to the extent available in full without redaction on the SEC's web site through EDGAR, Company has delivered to Parent copies of all SEC Documents, including all certifications and statements required in connection with the Sarbanes-Oxley Act of 2002. Company has also delivered to Parent all comment letters received by Company from the SEC since January 1, 2001 and all responses to such comment letters by or on behalf of Company. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the 1934 Act. None of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of their respective dates, Company's financial statements included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with GAAP (except as may be otherwise indicated in such financial statements or the notes thereto, or in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the consolidated financial position of Company as of the dates thereof and the consolidated results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). No other information provided by or on behalf of Company to Parent that is not included in the SEC Documents contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstance under which they are or were made, not misleading. Schedule 3.4 lists, and Company has delivered to Parent copies of documentation creating or governing, all securitization transactions and off-balance sheet arrangements (as defined in Item 303(c) of Regulation S-K of the SEC) effected by Company or any Subsidiary since January 1, 2001. Deloitte & Touche, which has expressed its opinion with respect to the financial statements of Company and its Subsidiaries included in the SEC Documents (including the related notes), is and has been throughout the periods covered by such financial statements (a) a registered public accounting firm as defined in Section 2(a)(12) of the Sarbanes-Oxley Act of 2002), (y) “independent” with respect to Company within the meaning of Regulation S-X and, (z) with respect to Company, in compliance with subsections (g) through (l) of Section 10A of the 1934 Act and the related rules of the SEC and the Public Company Accounting Oversight Board. Schedule 3.4 lists all non-audit services performed by Deloitte & Touche for Company and its Subsidiaries since January 1, 2001.

Company maintains disclosure controls and procedures required by Rule 13a-15 or 15d-15 under the 1934 Act; such controls and procedures are effective to ensure that all material information concerning Company and its Subsidiaries is made known on a timely basis to the individuals responsible for the preparation of Company’s filings with the SEC and other public disclosure documents. To Company’s knowledge, except as disclosed on Schedule 3.4, each director and executive officer of Company has filed with the SEC on a timely basis all statements required by Section 16(a) of the 1934 Act and the rules and regulations thereunder since January 1, 2001.

Section 3.5 Books and Records. The books of account, minute books, stock record books, and other records of Company and each Subsidiary, all of which have been made available to Parent, are complete and correct and have been maintained in accordance with sound business practices. Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (a) transactions are executed in accordance with management’s general or specific authorizations, (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (c) access to assets is permitted only in accordance with management’s general or specific authorization and (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The minute books of Company and each Subsidiary contain accurate and complete records of all meetings held of, and action taken by, the shareholders or members and Board of Directors, managers, and committees thereof, and no meeting of any such shareholders, members, Board of Directors, managers, or committee has been held for which minutes have not been prepared and are not contained in such minute books except for meetings held after December 17, 2003 solely for the purpose of considering the Contemplated Transactions (each of which will be provided to

Parent as soon as they are available and in no event later than the Closing). At the Closing, Company and each Subsidiary will be in possession of all of its books and records.

Section 3.6 Facilities.

(a) Schedule 3.6(a) contains a complete and accurate list of all Facilities and indicates whether such Facilities are currently or formerly owned, occupied, leased, licensed, used or operated by Company or its Subsidiaries and the dates such use commenced and, if applicable, ceased. Company has made available to Parent originals or authentic copies of all originals of all policies of title insurance, surveys, deeds, leases, Contracts and Encumbrances relating to each of the Facilities now owned, occupied, leased, licensed, used or operated by Company or any Subsidiary.

(b) Company or a Subsidiary owns (with good and marketable title in the case of real property, subject only to the matters permitted by the following sentence), or has valid and subsisting rights to occupy, lease, license, use and operate, all the properties and assets comprising the Facilities (whether real, personal, or mixed and whether tangible or intangible) that it purports to now own, lease, license or otherwise possess as reflected in its books and records. Except as set forth on Schedule 3.6(b), all properties and assets of Company and each Subsidiary comprising the Facilities are free and clear of all Encumbrances and are not subject to any rights of way, building use restrictions, exceptions, variances, reservations, or limitations of any nature, except for (i) liens for current taxes not yet due, (ii) minor imperfections of title, if any, none of which is substantial in amount, materially detracts from the value or impairs the use of the property or assets subject thereto, or impairs the operations of the Company or any Subsidiary, and (iii) zoning laws and other land use restrictions that do not impair the present or anticipated use of the property or assets subject thereto. All of the Facilities lie wholly within the boundaries of the real property validly owned, leased, licensed, occupied or used by such entity and none encroaches upon the property of, or otherwise conflict with the property rights of, any other Person.

(c) The Facilities now owned, leased, licensed or otherwise possessed by Company or a Subsidiary are operable, and are adequate for the uses to which they are being put. The Facilities not owned by Company or a Subsidiary are subject to valid Contracts granting Company or a Subsidiary all rights necessary to occupy, possess, use and operate the Facilities for their intended purposes in the Ordinary Course of Business and such rights are sufficient for the continued conduct of the business of Company and each Subsidiary after the Closing in substantially the same manner as conducted prior to the Closing.

Section 3.7 Condition and Sufficiency of Assets. All assets and properties (whether real, personal, or mixed and whether tangible or intangible) now owned, leased, licensed, or otherwise possessed by Company and its Subsidiaries, as reflected in its books and records, constitute all of the assets and properties (real, personal, or mixed and tangible or intangible) necessary to operate the business of Company and the Subsidiaries as previously operated by Company and the Subsidiaries in the Ordinary Course of Business (collectively, the "Assets"). Subject to Section 3.6 with respect to the Facilities and Section 3.21 with respect to the Intellectual Property, Company or a Subsidiary owns good and marketable title or has valid and subsisting rights to lease, license, use and operate all of the Assets, free and clear of all Encumbrances.

Section 3.8 Accounts Receivable. All accounts receivable of Company that are reflected on the accounting records of Company as of the Closing Date (collectively, the "Accounts Receivable") represent or will represent valid obligations arising from sales actually made or services actually performed in the Ordinary Course of Business. Unless paid prior to the Closing Date, the Accounts Receivable are or will be as of the Closing Date current and collectible by Company, net of the respective reserves shown on the accounting records of Company. Subject to such reserves, each of the Accounts Receivable either has been or will be collected in full, without any set-off, within 90 days after the day on which it first becomes due and payable. There is no contest, claim, or right of set-off, under any Contract with any obligor of an Accounts Receivable relating to the amount or validity of such Accounts Receivable. Schedule 3.8 contains a complete and accurate list of all Accounts Receivable as of December 15, 2003, which list sets forth the aging of such Accounts Receivable.

Section 3.9 Inventory. Neither Company nor any Subsidiary has any inventory.

Section 3.10 No Undisclosed Liabilities. Except as set forth in Schedule 3.10, neither Company nor any Subsidiary has any liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise) except for liabilities or obligations reflected or reserved against on the face of Company's September 30, 2003 balance sheet and current liabilities incurred in the Ordinary Course of Business since September 30, 2003.

Section 3.11 Taxes.

(a) Company and the Subsidiaries have timely filed or caused to be timely filed all Tax Returns that are or were required to be filed by or with respect to any of them, either separately or as a member of a group of entities, in compliance with applicable Legal Requirements and all Taxes owed by Company and the Subsidiaries (whether or not shown on any Tax Returns) have been timely paid. All such Tax Returns are true, correct and complete. Company has made available to Parent copies of all such Tax Returns filed since June 30, 1999. Schedule 3.11 contains a complete and accurate list of all income Tax Returns filed since June 30, 1997. Company and the Subsidiaries have paid, or made provision for the payment of, all Taxes that have or may have become due pursuant to all Tax Returns or otherwise, or pursuant to any assessment received by Company or a Subsidiary, except such Taxes, if any, as are listed in Schedule 3.11 and are being contested in good faith and as to which adequate reserves (determined in accordance with GAAP) have been provided in the applicable accounting records.

(b) The United States federal and state income Tax Returns of Company and the Subsidiaries subject to such Taxes have been audited by the IRS or relevant state tax authorities or are closed by the applicable statute of limitations for all taxable years through June 30, 1999. None of such Tax Returns have been audited. Schedule 3.11 contains a complete and accurate list of all audits of all such Tax Returns including a reasonably detailed description of the nature and outcome of each audit. No adjustments have been made to Tax Returns filed by Company or a Subsidiary or any group of corporations including Company or a Subsidiary for all taxable years since June 30, 1997. Neither Company nor a Subsidiary is under audit (or received a notice indicating an intent to audit) for any Tax Returns or has given or been requested to give waivers or extensions (or is or would be subject to a waiver or extension given by any other Person) of any statute of limitations relating to the payment of Taxes of Company or a Subsidiary or for which Company or a Subsidiary may be liable.

(c) The charges, accruals, and reserves with respect to Taxes on the respective books of Company and each Subsidiary are adequate (determined in accordance with GAAP) and are at least equal to Company's and such Subsidiary's respective liability for Taxes. There exists no proposed Tax assessment against Company or any Subsidiary. No claim has ever been made by an authority in a jurisdiction where Company or any Subsidiary does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. There are no liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of Company or any Subsidiary.

(d) (i) None of Company or any Subsidiary has filed with respect to Company or any Subsidiary, or any property held by the Company or any Subsidiary any consent under IRC §341(f), (ii) no property of the Company or any Subsidiary is "tax exempt use property" within the meaning of IRC §168(h), (iii) none of the Company or any Subsidiary is a party to any lease made pursuant to §168(f)(8) of the Internal Revenue Code of 1954, and (iv) none of Company or any of the Subsidiaries has agreed or is required to make any adjustment under IRC §481(a) by reason of a change in method of accounting or otherwise that will affect the liability of Company or the Subsidiary for Taxes.

(e) Company and each Subsidiary has withheld and paid all Taxes required by law to have been withheld and paid and have complied in all respects with all rules and regulations relating to the withholding or remittance of Taxes (including, without limitation, employee-related Taxes).

(f) None of Company or any Subsidiary is a party to an Contract or arrangement that, individually or collectively, would give rise to any payment (whether in cash or property) that would not be deductible pursuant to IRC §§162(a)(1), 162(m) or 280G.

(g) The Company has not been and is not a United States real property holding corporation within the meaning of IRC §897.

(h) (i) None of Company or the Subsidiaries is a party to any Tax allocation, indemnity or sharing agreement; (ii) none of Company or the Subsidiaries has any liability for Taxes of any Person (A) under Treasury Regulation §1.1502-6, (B) as transferee or successor, (C) by Contract, or (D) otherwise; and (iii) neither Company nor a Subsidiary has been a member of an affiliated group (as that term is defined in the IRC) filing a consolidated federal income Tax return other than a group the common parent of which was Company.

(i) Neither the Company nor any of its Subsidiaries has distributed stock of another corporation, nor had its stock distributed by another corporation, in a transaction that was purported or intended to be governed in whole or in part by IRC §355 or §361.

Section 3.12 Employee Benefits.

(a) As used in this Section, the following terms have the following meanings:

"Company Other Benefit Obligation" means an Other Benefit Obligation owed, adopted, or followed by Company or an ERISA Affiliate.

"Company Plan" means all Plans of which Company or an ERISA Affiliate is or was a Plan Sponsor, or to which Company or an ERISA Affiliate otherwise contributes or has contributed, or in which Company or an ERISA Affiliate otherwise participates or has participated.

"ERISA Affiliate" means any other Person that, together with Company, would be treated as a single employer under IRC §414.

"Other Benefit Obligations" means all obligations, arrangements, or customary practices, whether or not legally enforceable, to provide benefits, other than salary or wages, as compensation for services rendered, to present or former directors, employees, or agents, other than obligations, arrangements, and practices that are Plans. Other Benefit Obligations include consulting agreements under which the compensation paid does not depend upon the amount of service rendered, sabbatical policies, severance payment policies, and fringe benefits within the meaning of IRC §132.

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"Pension Plan" is defined in ERISA §3(2)(A).

"Plan" is defined in ERISA §3(3).

"Plan Sponsor" is defined in ERISA §3(16)(B).

"Qualified Plan" means any Company Plan that meets or purports to meet the requirements of IRC §401(a).

"Welfare Plan" is defined in ERISA §3(1).

(b) (i) Schedule 3.12(b)(i) contains a complete and accurate list of (A) all ERISA Affiliates, and (B) all Plans of which Company or any such ERISA Affiliate is or was a Plan Sponsor, in which Company or any such ERISA Affiliate participates or has participated, or to which Company or any such ERISA Affiliate contributes or has contributed. Neither Company nor any ERISA Affiliate has ever established, maintained, or contributed to or otherwise participated in, or had an obligation to maintain, contribute to, or otherwise participate in, any voluntary employees' benefit association under IRC §501(c)(9), Pension Plan subject to Title IV of ERISA or multi-employer plan as defined in ERISA §3(37)(A). Neither Company has or has ever had any employees or sponsored any Plan or Other Benefit Obligation.

(ii) Schedule 3.12(b)(ii) contains a complete and accurate list of all Company Plans, Company Other Benefit Obligations and identifies as such all Company Plans that are defined benefit Pension Plans or Qualified Plans.

(iii) Schedule 3.12(b)(iii) sets forth a calculation of Company's or any Subsidiary's liability for post-retirement benefits other than pensions, made in accordance with Financial Accounting Statement 106 of the Financial Accounting Standards Board, regardless of whether Company or a Subsidiary is required by Statement 106 to disclose such information.

(iv) Schedule 3.12(b)(iv) sets forth the financial cost of all obligations owed under any Company Plan or Company Other Benefit Obligation that is not subject to the disclosure and reporting requirements of ERISA.

(c) Company has delivered to Parent:

(i) all documents that set forth the terms of each Company Plan, Company Other Benefit Obligation and of any related trust, including (A) all plan descriptions and summary plan descriptions of Company Plans for which Company is required to prepare, file, and distribute plan descriptions and summary plan descriptions, and (B) all summaries and descriptions furnished to participants and beneficiaries regarding Company Plans and Company Other Benefit Obligations for which a plan description or summary plan description is not required;

(ii) all personnel, payroll, and employment manuals and policies;

(iii) all collective bargaining agreements pursuant to which contributions have been made or obligations incurred (including both pension and welfare benefits) by Company and the ERISA Affiliates, and all collective bargaining agreements pursuant to which contributions are being made or obligations are owed by such entities;

(iv) a written description of any Company Plan or Company Other Benefit Obligation that is not otherwise in writing;

(v) all registration statements filed with respect to any Company Plan;

(vi) all insurance policies purchased by or to provide benefits under any Company Plan;

(vii) all contracts with third party administrators, actuaries, investment managers, consultants, and other independent contractors that relate to any Company Plan and Company Other Benefit Obligation;

(viii) all reports submitted within the four years preceding the date of this Agreement by third party administrators, actuaries, investment managers, consultants, or other independent contractors with respect to any Company Plan or Company Other Benefit Obligation;

(ix) all notifications to employees of their rights under ERISA §601 et seq. and IRC §4980B;

(x) the Form 5500 filed in each of the most recent three plan years with respect to each Company Plan, including all schedules thereto and the opinions of independent accountants;

(xi) all notices that were given by Company or any ERISA Affiliate or any Company Plan to the IRS, PBGC, or any participant or beneficiary, pursuant to statute, within the four years preceding the date of this Agreement, including notices that are expressly mentioned elsewhere in this Section 3.12;

(xii) all notices that were given by the IRS, PBGC, or the Department of Labor to Company, any ERISA Affiliate, or any Company Plan within the four years preceding the date of this Agreement; and

(xiii) the most recent determination letter for each Qualified Plan.

(d) Except as set forth in Schedule 3.12(d):

(i) Company and each ERISA Affiliate have performed all of their respective obligations under all Company Plans and Company Other Benefit Obligations. Company and each ERISA Affiliate have made appropriate entries in their financial records and statements for all obligations and liabilities under such Plans and Obligations that have accrued but are not due.

(ii) No statement, either written or oral, has been made by Company or any ERISA Affiliate to any Person with regard to any Plan or Other Benefit Obligation that was not in accordance with the Plan or Other Benefit Obligation and that could have, individually or in the aggregate, a material adverse economic consequence to a Company or Parent.

(iii) Company and each ERISA Affiliate, with respect to all Company Plans and Company Other Benefits Obligations are, and each Company Plan and Company Other Benefit Obligation is, in full compliance with ERISA, the IRC, and other applicable Legal Requirements, including the provisions of such Legal Requirements expressly mentioned in this Section 3.12, and with any applicable collective bargaining agreement.

(iv) No transaction prohibited by ERISA §406 and no "prohibited transaction" under IRC §4975(c) have occurred with respect to any Company Plan with respect to which there is no statutory or regulatory exemption.

(v) Company has no liability to the IRS with respect to any Company Plan, including any liability imposed by Chapter 43 of the IRC.

(vi) Company has no liability to the PBGC with respect to any Company Plan or has any liability under ERISA §502 or §4071.

(vii) All filings required by ERISA and the IRC as to each Company Plan have been timely filed, and all notices and disclosures to participants required by either ERISA or the IRC have been timely provided.

(viii) All contributions and payments made or accrued with respect to all Company Plans and Company Other Benefit Obligations are deductible under IRC §162 or §404. No amount, or any asset of any Company Plan is subject to tax as unrelated business taxable income.

(ix) Each Company Plan can be terminated within 30 days, without payment of any additional contribution or amount and without the vesting or acceleration of any benefits promised by such Plan.

(x) Since June 30, 1999, there has been no establishment or amendment of any Company Plan or Company Other Benefit Obligation.

(xi) No event has occurred or circumstance exists that could result in a material increase in premium costs of Company Plans and Company Other Benefit Obligations that are insured, or a material increase in benefit costs of such Plans and Obligations that are self-insured.

(xii) Other than claims for benefits submitted by participants or beneficiaries, no claim against, or legal proceeding involving, any Company Plan or Company Other Benefit Obligation is pending or, to Company's Knowledge, Threatened.

(xiii) No Company Plan is a stock bonus, money purchase pension, or defined benefit pension plan within the meaning of IRC §401(a).

(xiv) Each Qualified Plan is qualified in form and operation under IRC §401(a); each trust for each such Qualified Plan is exempt from federal income tax under IRC §501(a). No event has occurred or circumstance exists that will or could give rise to disqualification or loss of tax-exempt status of any such Qualified Plan or trust.

(xv) Company and each ERISA Affiliate has met the minimum funding standard, and has made all contributions required, under ERISA §302 and IRC §402.

(xvi) Company and each ERISA Affiliate has paid all amounts due to the PBGC pursuant to ERISA §4007.

(xvii) Neither Company nor any ERISA Affiliate has filed a notice of intent to terminate any Company Plan or has adopted any amendment to treat a Company Plan as terminated. The PBGC has not instituted proceedings to treat any Company Plan as terminated. No event has occurred or circumstance exists that may constitute grounds under ERISA §4042 for the termination of, or the appointment of a trustee to administer, any Company Plan.

(xviii) No amendment has been made, or is reasonably expected to be made, to any Company Plan that has required or could require the provision of security under ERISA §307 or IRC §401(a)(29).

(xix) No accumulated funding deficiency, whether or not waived, exists with respect to any Company Plan; no event has occurred or circumstance exists that may result in an accumulated funding deficiency as of the last day of the current plan year of any Company Plan.

(xx) The actuarial report for each Pension Plan of Company and each ERISA Affiliate fairly presents the financial condition and the results of operations of each such Pension Plan in accordance with GAAP.

(xxi) Since the last valuation date for each Pension Plan of Company and each ERISA Affiliate, no event has occurred or circumstance exists that would increase the amount of benefits under any such Pension Plan or that would cause the excess of Pension Plan assets over benefit liabilities (as defined in ERISA §4001) to decrease, or the amount by which benefit liabilities exceed assets to increase.

(xxii) No reportable event (as defined in ERISA §4043 and in regulations issued thereunder) has occurred.

(xxiii) Company has no Knowledge of any facts or circumstances that may give rise to any liability of Company, a Subsidiary or Parent to the PBGC under Title IV of ERISA.

(xxiv) Except to the extent required under ERISA §601 et seq. and IRC §4980B, neither Company nor any ERISA Affiliate provides health or welfare benefits for any retired or former employee nor is it obligated to provide health or welfare benefits to any active employee following such employee’s retirement or other termination of service.

(xxv) Company has the right to modify and terminate benefits to retirees (other than Pension Plans) with respect to both retired and active employees.

(xxvi) Company has complied with the provisions of ERISA §601 et seq. and IRC §4980B.

(xxvii) No payment that is owed or may become due to any director, officer, employee, or agent of Company will be non-deductible to Company or subject to tax under IRC §280G or §4999; nor will Company be required to "gross up" or otherwise compensate any such Person because of the imposition of any excise tax on a payment to such Person.

(xxviii) The consummation of the Contemplated Transactions will not result in the payment, vesting, or acceleration of any benefit under any Company Plan or Company Other Benefit Obligation, nor will it trigger the payment of severance or termination pay under any policy, plan, procedure, practice or agreement to any employee of Company or any Subsidiary.

(xxix) Company and each Subsidiary is in material compliance with its obligations to its employees under the Health Insurance Portability and Accountability Act of 1996.

Section 3.13 Compliance; Governmental Authorizations.

(a) Except as set forth in Schedule 3.13(a):

(i) each of Company and each Subsidiary is and at all times has been, in full compliance with each Legal Requirement that is or was applicable to it or to the conduct or operation of its business or the ownership or use of any of its assets and is in compliance with the current listing and corporate governance requirements of Nasdaq;

(ii) no event has occurred or circumstance exists that (with or without notice or lapse of time) (A) may constitute or result in a violation by Company or a Subsidiary of, or a failure on the part of Company or a Subsidiary to comply with, any Legal Requirement, or (B) may give rise to any obligation on the part of Company or a Subsidiary to undertake, or to bear all or any portion of the cost of, any remedial action of any nature; and

(iii) neither Company nor a Subsidiary has received any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (A) any actual, alleged, possible, or potential violation of, or failure to comply with, any Legal Requirement, or (B) any actual, alleged, possible, or potential obligation on the part of Company or a Subsidiary to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

(b) Schedule 3.13(b) contains a complete and accurate list of each Governmental Authorization that is held by Company or each Subsidiary or that otherwise relates to the business of, or to any of the assets owned or used by, the Company and its Subsidiaries. Each

Governmental Authorization listed or required to be listed in Schedule 3.13(b) is valid and in full force and effect. Except as set forth in Schedule 3.13(b):

(i) Company and each Subsidiary is, and at all times has been, in full compliance with all of the terms and requirements of each Governmental Authorization identified or required to be identified in Schedule 3.13(b);

(ii) no event has occurred or circumstance exists that may (with or without notice or lapse of time) (A) constitute or result directly or indirectly in a violation of or a failure to comply with any term or requirement of any Governmental Authorization listed or required to be listed in Schedule 3.13(b), or (B) result directly or indirectly in the revocation, withdrawal, suspension, cancellation, or termination of, or any modification to, any Governmental Authorization listed or required to be listed in Schedule 3.13(b);

(iii) neither Company nor a Subsidiary has received any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (A) any actual, alleged, possible, or potential violation of or failure to comply with any term or requirement of any Governmental Authorization, or (B) any actual, proposed, possible, or potential revocation, withdrawal, suspension, cancellation, termination of, or modification to any Governmental Authorization; and

(iv) all applications required to have been filed for the renewal of the Governmental Authorizations listed or required to be listed in Schedule 3.13(b) have been duly filed on a timely basis with the appropriate Governmental Bodies, and all other filings required to have been made with respect to such Governmental Authorizations have been duly made on a timely basis with the appropriate Governmental Bodies.

The Governmental Authorizations listed in Schedule 3.13(b) collectively constitute all of the Governmental Authorizations necessary to permit Company and its Subsidiaries to lawfully conduct and operate their business in the manner they currently conduct and operate such business and to permit Company and its Subsidiaries to own and use their assets in the manner in which they currently own and use such assets.

Section 3.14 Legal Proceedings; Orders.

(a) Except as set forth in Schedule 3.14, there is no pending Proceeding:

(i) that has been commenced by or against Company or a Subsidiary or that otherwise relates to or may affect the business of, or any of the assets owned or used by, Company or the Subsidiaries; or

(ii) that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the Contemplated Transactions.

To Company's Knowledge, no such Proceeding has been Threatened. Except as specifically referenced in Schedule 3.14 as having a material adverse effect, the Proceedings listed in Schedule 3.14 will not have a material adverse effect on the business, operations, assets, condition, or prospects of Company or any Subsidiary.

(b) Except as set forth in Schedule 3.14:

(i) there is no Order to which Company or any Subsidiary, or any of the assets owned or used by Company or any Subsidiary, is subject;

(ii) Neither Company nor any Subsidiary is subject to any Order that relates to the business of, or any of the assets owned or used by, Company or a Subsidiary; and

(iii) no officer, director, agent, or employee of Company or a Subsidiary is subject to any Order that prohibits such Person from engaging in or continuing any conduct, activity, or practice relating to the business of Company and the Subsidiaries.

(c) Except as set forth in Schedule 3.14:

(i) Each of Company and each Subsidiary is, and at all times has been, in full compliance with all of the terms and requirements of each Order to which it, or any of the assets owned or used by it, is or has been subject;

(ii) no event has occurred or circumstance exists that may constitute or result in (with or without notice or lapse of time) a violation of or failure to comply with any term or requirement of any Order to which Company or a Subsidiary, or any of the assets owned or used by Company or a Subsidiary, is subject; and

(iii) neither Company nor a Subsidiary has received any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply with, any term or requirement of any Order to which Company or a Subsidiary, or any of the assets owned or used by Company or a Subsidiary, is or has been subject.

Section 3.15 Absence of Certain Changes and Events. Since December 31, 2002, except as set forth on Schedule 3.15, there has not been any material adverse change in the business, operations, properties, prospects, assets, or condition of Company, and no event has occurred or circumstance exists that may result in such a material adverse change. Neither Company nor any Subsidiary has taken any steps, and none of them currently expect to take any steps, to seek protection pursuant to any bankruptcy law nor does Company or any Subsidiary have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact that would reasonably lead a creditor to do so. Except as set forth in Schedule 3.15, since December 31, 2002, Company and each

Subsidiary has conducted its business only in the Ordinary Course of Business and there has not been any:

(a) payment or increase by Company or any Subsidiary of any bonuses, salaries, or other compensation to any director, officer, or (except in the Ordinary Course of Business) employee or entry into any employment, severance, or similar Contract with any director, officer, or (except in the Ordinary Course of Business) employee;

(b) adoption of, or increase in the payments to or benefits under, any profit sharing, bonus, deferred compensation, savings, insurance, pension, retirement, or other employee benefit plan for or with any employees of Company or any Subsidiary;

(c) damage to or destruction or loss of any asset or property owned or used by Company or any Subsidiary, whether or not covered by insurance, materially and adversely affecting the properties, assets, business, financial condition, or prospects of Company or any Subsidiary;

(d) entry into, termination of, or receipt of notice of termination of (i) any license, distributorship, dealer, sales representative, joint venture, credit, affiliation or similar agreement, or (ii) any Contract or transaction involving a total remaining commitment by or to Company or any Subsidiary of at least $25,000 except in the Ordinary Course of Business;

(e) sale (other than sales of inventory in the Ordinary Course of Business), lease, or other disposition of any asset or property owned or used by the Companies or mortgage, pledge, or imposition of any Encumbrance on any material asset or property owned or used by Company or any Subsidiary;

(f) cancellation or waiver of any claims or rights with a value to Company or any Subsidiary in excess of $25,000;

(g) material change in the accounting methods used by Company or any Subsidiary; or

(h) agreement, whether oral or written, by Company or a Subsidiary to do any of the foregoing.

Section 3.16 Contracts; No Defaults.

(a) Schedule 3.16(a) contains a complete and accurate list, and Company has delivered to Parent true and complete copies, of:

(i) each Contract that involves performance of services or delivery of goods or materials by Company or a Subsidiary of an amount or value in excess of $25,000;

(ii) each Contract that involves performance of services or delivery of goods or materials to Company or a Subsidiary of an amount or value in excess of $25,000;

(iii) each Contract that was not entered into in the Ordinary Course of Business and that involves expenditures or receipts of Company or a Subsidiary in excess of $25,000;

(iv) each lease, rental or occupancy agreement, license, installment and conditional sale agreement, and other Contract affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any real or personal property by Company or a Subsidiary (except personal property leases and installment and conditional sales agreements having a value per item or aggregate payments of less than $25,000 and with terms of less than one year);

(v) each licensing agreement or other Contract to which Company or a Subsidiary is a party that pertains to patents, trademarks, copyrights, or other intellectual property, including agreements with current or former employees, consultants, or contractors regarding the appropriation or the non-disclosure of any intellectual property;

(vi) each joint venture, partnership, and other Contract (however named) involving a sharing of profits, losses, costs, or liabilities by Company or a Subsidiary with any other Person;

(vii) each Contract containing covenants that in any way purport to restrict the business activity of Company or a Subsidiary or any Affiliate of a Company or limit the freedom of Company or a Subsidiary or any Affiliate of a Company to engage in any line of business or to compete with any Person;

(viii) each Contract providing for payments to or by Company or a Subsidiary based on sales, purchases, or profits, other than direct payments for goods;

(ix) each power of attorney binding on Company or any Subsidiary that is currently effective and outstanding;

(x) each Contract entered into other than in the Ordinary Course of Business that contains or provides for an express undertaking by Company or a Subsidiary to be responsible for consequential damages;

(xi) each Contract for capital expenditures by Company or a Subsidiary in excess of $25,000;

(xii) each written warranty, guaranty, and or other similar undertaking with respect to contractual performance extended by Company or a Subsidiary other than in the Ordinary Course of Business;

(xiii) each agreement or contract, whether written or verbal, that is a talent or programming agreement or contract or in any way obligates Company to pay any royalty, residual, license fee or other similar payment in respect of any third party's literary, artistic, trademark, copyright, music performance, master use, synchronization or other similar intellectual property rights or their publicity, privacy or publishing or other similar intellectual property rights; and

(xiv) each amendment, supplement, and modification (whether oral or written) in respect of any of the foregoing.

(b) Except as set forth in Schedule 3.16(b), no officer, director, or employee of Company or any Subsidiary is bound by any Contract that purports to limit the ability of such Person to (A) engage in or continue any conduct, activity, or practice relating to the business of Company, or (B) assign to Company or any other Person any rights to any invention, improvement, or discovery.

(c) Except as set forth in Schedule 3.16(c), each Contract listed or required to be listed in Schedule 3.16(a) is in full force and effect and is valid and enforceable in accordance with its terms.

(d) Except as set forth in Schedule 3.16(d):

(i) each of Company and each Subsidiary is and has been in full compliance with all applicable terms and requirements of each Contract listed or required to be listed in Schedule 3.16(a);

(ii) each other party to each Contract listed or required to be listed in Schedule 3.16(a) is, to Company's Knowledge, in full compliance with all applicable terms and requirements of such Contract;

(iii) no event has occurred or circumstance exists that (with or without notice or lapse of time) may contravene, conflict with, or result in a violation or breach of, or give Company or a Subsidiary or other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Contract listed or required to be listed in Schedule 3.16(a); and

(iv) neither Company nor a Subsidiary has given to or received from any other Person, at any time since June 30, 1999, any notice or other communication (whether oral or written) regarding any actual, alleged, possible, or potential violation or breach of, or default under, any Contract listed or required to be listed in Schedule 3.16(a), except for notices of violations, breaches or defaults, the results of which would not result in the ability for the other party to such Contract to exercise a right or remedy that could have a material adverse effect on Company or any Subsidiary.

(e) To Company's Knowledge, there are no renegotiations of, attempts to renegotiate, or outstanding rights to renegotiate any material amounts paid or payable to Company or any Subsidiary or with respect to the business of Company or a Subsidiary under current or completed Contracts with any Person and no such Person has made written demand for such renegotiation.

(f) The Contracts relating to the sale, design, manufacture, or provision of products or services by Company and the Subsidiaries have been entered into in the Ordinary Course of Business and have been entered into without the commission of any act alone or in concert with any other Person, or any consideration having been paid or promised, that is or would be in violation of any Legal Requirement.

(g) Company is not a party to any Contract with any other Person, nor involved in any discussions or other relations with any other Person, that could give rise to any liability on the part of Parent to such other Person by reason of Company considering, entering into, consummating or performing the Contemplated Transactions or any portion thereof.

Section 3.17 Insurance.

(a) Schedule 3.17(a) lists all claims made policies currently held and all occurrence policies held during the past ten years by Company or any Subsidiary. Company has made available to Parent true and complete copies of all policies of insurance to which Company or a Subsidiary is a party or under which Company or a Subsidiary, or any director, officer or manager of Company or a Subsidiary, is or has been covered at any time within the five years preceding the date of this Agreement, copies of all pending applications for policies of insurance; and any statement by the auditor of Company's financial statements with regard to the adequacy of such entity's coverage or of the reserves for claims.

(b) Schedule 3.17(b) sets forth, by year, for the current policy year and each of the five preceding policy years a summary of the loss experience under each policy and a statement describing each claim under an insurance policy for an amount in excess of $10,000.

(c) Except as set forth on Schedule 3.17(c):

(i) All policies to which Company or a Company is a party or that provide coverage to Company, a Subsidiary, or any director, officer or manager of Company or a Subsidiary (A) are valid, outstanding and enforceable; (B) are issued by an insurer that is financially sound and reputable; (C) taken together, provide adequate insurance coverage for the assets and the operations of Company and the Subsidiaries; (D) are sufficient for compliance with all Legal Requirements and Contracts to which Company or a Subsidiary is a party or by which any of them is bound; (E) will continue in full force and effect following the consummation of the Contemplated Transactions; and (F) do not provide for any retrospective premium adjustment or other experienced-based liability on the part of Company or a Subsidiary.

(ii) Neither Company nor a Subsidiary has received any refusal of coverage or any notice that a defense will be afforded with reservation of rights, or any notice of cancellation or any other indication that any insurance policy is no longer in full force or effect or will not be renewed or that the issuer of any policy is not willing or able to perform its obligations thereunder.

(iii) Each of Company and each Subsidiary has paid all premiums due, and has otherwise performed all of its obligations, under each policy to which it is a party or that provides coverage to Company or any Subsidiary or their business or any director, officer or manager thereof.

(iv) Company and the Subsidiaries have given notice to the insurer of all material claims that may be insured thereby.

Section 3.18 Environmental Matters. Except as set forth in Schedule 3.18:

(a) Each of Company and each Subsidiary is, and at all times has been, in full compliance with, and has not been and is not in violation of or liable under, any Environmental Law. Neither Company nor Subsidiary has or has any basis to expect, nor has any of them or any other Person for whose conduct they are or may be held to be responsible received, any actual or Threatened Order, notice, or other communication from (i) any Governmental Body or private citizen acting in the public interest, or (ii) the current or prior owner or operator of any Facilities, of any actual or potential violation or failure to comply with any Environmental Law, or of any actual or Threatened obligation to undertake or bear the cost of any Environmental, Health, and Safety Liabilities with respect to any of the Facilities or any other properties or assets (whether real, personal, or mixed) in which Company or a Subsidiary has or had an interest, or with respect to any property or Facility at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used, or processed by Company, a Subsidiary, or any other Person for whose conduct they are or may be held responsible, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed, recycled, or received.

(b) There are no Hazardous Materials present on or in the Environment at the Facilities. None of Company, Subsidiary, or any other Person for whose conduct they are or may be held responsible has permitted or conducted, or is aware of, any Hazardous Activity conducted with respect to the Facilities or any other properties or assets (whether real, personal, or mixed) in which Company or a Subsidiary has or had an interest except in full compliance with all applicable Environmental Laws.

(c) There has been no Release or, to Company’s Knowledge, threat of Release, of any Hazardous Materials at or from the Facilities or at any other locations where any Hazardous Materials were generated, manufactured, refined, transferred, produced, imported, used, or processed from or by the Facilities, or from or by any other properties and assets (whether real, personal, or mixed) in which Company or a Subsidiary has or had an interest.

(d) Company has delivered to Parent accurate and complete copies and results of any reports, studies, analyses, tests, or monitoring possessed or initiated by Company or a Subsidiary pertaining to Hazardous Materials or Hazardous Activities in, on, or under the Facilities, or concerning compliance by Company, a Subsidiary, or any other Person for whose conduct they are or may be held responsible, with Environmental Laws.

Section 3.19 Employees.

(a) Schedule 3.19 contains a complete and accurate list as of the date of this Agreement of the following information for each employee of Company or any Subsidiary, including each employee on leave of absence or layoff status: name; job title; current compensation paid or payable and any change in compensation since June 30, 2003; vacation accrued; and service credited for purposes of vesting and eligibility to participate under any Company Plan.

(b) No employee of Company or any Subsidiary is a party to, or is otherwise bound by, any agreement or arrangement, including any confidentiality, noncompetition, or proprietary rights agreement, between such employee and any other Person (a "Proprietary Rights Agreement") that in any way adversely affects or will affect (i) the performance of his duties as an employee of Company or such Subsidiary, or (ii) the ability Company or the Subsidiaries to conduct their respective businesses, including any Proprietary Rights Agreement with Company or a Subsidiary. To Company's Knowledge, as of the date of this Agreement, no officer or other key employee of Company or any Subsidiary intends to terminate his employment.

(c) No employee of Company or any Subsidiary is a party to an employment agreement, nor will the Merger contemplated herein, or employment terminations or actions following the Effective Time, if any, result in the obligation to pay any severance, termination or other type of separation pay.

Section 3.20 Labor Relations; Compliance. Since June 30, 2000, neither Company nor any Subsidiary has been a party to any collective bargaining or other labor Contract. Except as set forth on Schedule 3.20, since June 30, 2000, there has not been, there is not presently pending or existing, and to Company's Knowledge there is not Threatened, (a) any strike, slowdown, picketing, work stoppage, or employee grievance process, (b) any Proceeding against or affecting Company or any Subsidiary relating to the alleged violation of any Legal Requirement pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission, or any comparable Governmental Body, organizational activity, or other labor or employment dispute against or affecting Company or any Subsidiary, or (c) any application for certification of a collective bargaining agent. To Company's Knowledge, no event has occurred or circumstance exists that could provide the basis for any work stoppage or other labor dispute by employees of Company or any Subsidiary. There is no lockout of any employees by Company or any Subsidiary, and no such action is contemplated by Company or any Subsidiary. Company and each Subsidiary have complied in all respects with all Legal Requirements relating to employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar taxes, occupational safety and health, and plant closing. Neither Company nor any Subsidiary is liable for the payment of any compensation, damages, taxes, fines, penalties, or other amounts, however designated, for failure to comply with any of the foregoing Legal Requirements.

Section 3.21 Intellectual Property.

(a) Intellectual Property Assets. As used in this Agreement, the term "Intellectual Property Assets" includes:

(i) all fictional business names, trading names, registered and unregistered trademarks, service marks, and applications and rights to station call letters and call signs (collectively, "Marks");

(ii) all patents, patent applications, and inventions and discoveries that may be patentable (collectively, "Patents");

(iii) all copyrights in both published works and unpublished works (collectively, "Copyrights");

(iv) all rights in mask works (collectively, "Rights in Mask Works"); and

(v) all know-how, trade secrets, confidential information, customer lists, software, technical information, data, process technology, plans, drawings, and blue prints (collectively, "Trade Secrets")

in each case owned, used, or licensed by Company or any Subsidiary as licensee or licensor.

(b) Agreements. Schedule 3.21(b) contains a complete and accurate list and summary description, including any royalties paid or received by Company, of all Contracts relating to the Intellectual Property Assets to which Company or any Subsidiary is a party or by which Company or any Subsidiary is bound, except for any license implied by the sale of a product and perpetual, paid-up licenses for commonly available software programs with a value of less than $25,000 under which Company or a Subsidiary is the licensee. There are no outstanding and, to Company's Knowledge, no Threatened disputes or disagreements with respect to any such Contract.

(c) Know-How Necessary for the Business. The Intellectual Property Assets are all those necessary for the operation of the business of Company and each Subsidiary as it is currently conducted. Either Company or a Subsidiary is the owner of all right, title, and interest in and to each of the Intellectual Property Assets, free and clear of all Encumbrances, and Company and each Subsidiary has the right to use without payment to a third party all of the Intellectual Property Assets.

(d) Patents. Except for commercially available software applications and as disclosed on Schedule 3.21(d), neither Company nor any Subsidiary owns or uses any Patents.

(e) Marks.

(i) Schedule 3.21(e) contains a complete and accurate list and summary description of all Marks. Company or a Subsidiary is the owner of all right, title, and interest in and to each of the Marks, free and clear of all Encumbrances.

(ii) All Marks that have been registered with the U.S. Patent and Trademark Office are currently in compliance with all formal legal requirements (including the timely post-registration filing of affidavits of use and incontestability and renewal applications), are valid and enforceable, and are not subject to any maintenance fees or Taxes or actions falling due within 90 days after the Closing Date.

(iii) No Mark has been or is now involved in any opposition, invalidation, or cancellation and, to Company's Knowledge, no such action is Threatened with the respect to any of the Marks.

(iv) To Company's Knowledge, there is no potentially interfering trademark or trademark application of any third party.

(v) Except as Schedule 3.21, no Mark is infringed or, to Company's Knowledge, has been challenged or threatened in any way. None of the Marks used by Company or any Subsidiary infringes or is alleged to infringe any trade name, trademark, or service mark of any third party.

(vi) All products and materials containing a Mark bear the proper federal registration notice where permitted by law.

(f) Copyrights.

(i) Schedule 3.21(f) contains a complete and accurate list and summary description of all Copyrights. Company or a Subsidiary is the owner of all right, title, and interest in and to each of the Copyrights, free and clear of all Encumbrances.

(ii) All the Copyrights have been registered and are currently in compliance with formal legal requirements, are valid and enforceable, and are not subject to any maintenance fees or Taxes or actions falling due within 90 days after the date of Closing.

(iii) No Copyright is infringed or, to Company's Knowledge, has been challenged or threatened in any way. None of the subject matter of any of the Copyrights infringes or is alleged to infringe any copyright of any third party or is a derivative work based on the work of a third party.

(iv) All works encompassed by the Copyrights have been marked with the proper copyright notice.

(g) Trade Secrets.

(i) With respect to each Trade Secret, the documentation relating to such Trade Secret is current, accurate, and sufficient in detail and content to identify and explain it and to allow its full and proper use without reliance on the knowledge or memory of any individual.

(ii) Company and each Subsidiary has taken all reasonable precautions to protect the secrecy, confidentiality, and value of its Trade Secrets.

(iii) Company and each Subsidiary has good title and an absolute (but not necessarily exclusive) right to use the Trade Secrets used by it. The Trade Secrets are not part of the public knowledge or literature, and, to Company's Knowledge, have not been used, divulged, or appropriated either for the benefit of any Person (other than Company or a Subsidiary) or to the detriment of Company and its Subsidiaries. No Trade Secret is subject to any adverse claim or has been challenged or threatened in any way.

Section 3.22 Certain Payments. Since June 30, 1997, neither Company nor a Subsidiary or any director, officer, member, manager, agent, or employee of Company or a Subsidiary, or to Company's Knowledge, any other Person associated with or acting for or on behalf of Company or a Subsidiary, has directly or indirectly (a) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Person, private or public, regardless of form, whether in money, property, or services (i) to obtain favorable treatment in securing business, (ii) to pay for favorable treatment for business secured, (iii) to obtain special concessions or for special concessions already obtained, for or in respect of Company or a Subsidiary or any Affiliate of Company or a Subsidiary, or (iv) in violation of any Legal Requirement, or (b) established or maintained any fund or asset that has not been recorded in the books and records of Company or a Subsidiary.

Section 3.23 FCC Licenses; Operations of Licensed Facilities.

(a) Company and its Subsidiaries own and operate the television stations listed in Schedule 3.23(a) (the "Licensed Facilities").

(b) Company and each of its Subsidiaries have, and are the authorized legal holders of, all FCC licenses and other authorizations necessary or used in the operation of the business of Company and the Subsidiaries as presently operated, including those necessary or used in the operation of the Licensed Facilities (the "FCC Licenses"). Company and its Subsidiaries have operated in material compliance with the terms of the FCC Licenses and the requirements of the Communications Act. Company has, and each of its Subsidiaries has, timely filed or made all applications, reports and other disclosures required by the FCC to be made with respect to the Licensed Facilities and has timely paid all FCC regulatory fees with respect thereto. All FCC Licenses are validly held and are in full force and effect, unimpaired by any act or omission of Company, any of its Subsidiaries (or, to Company's Knowledge, their respective predecessors), or their respective officers, managers, employees or agents. Except as set forth in Schedule 3.23(b), no application or Proceeding (other than investigations of which Company has no Knowledge) is pending before the FCC with respect to any FCC License, and, to Company's Knowledge, there is not pending before the FCC any Proceeding, notice of violation or order of forfeiture relating to any Licensed Facility, and Company has no Knowledge of any basis that could reasonably be expected to cause the FCC not to renew any FCC License or to take any other adverse action against any Licensed Facility (other than Proceedings to amend FCC rules or the Communications Act of general applicability to the television broadcast industry). There is not pending and, to Company's Knowledge, there is not Threatened, any action by or before the FCC to revoke, suspend, cancel, rescind, fail to renew, or modify any FCC License (other than Proceedings to amend FCC rules or the Communications Act of general applicability to the television broadcast industry). Other than in any Contracts transferred to Shop At Home Network, LLC on October 30, 2002, neither Company nor any Subsidiary has waived any must carry rights pertaining to the Licensed Facilities.

Section 3.24 Relationships with Affiliates. None of Company, a Subsidiary or any Affiliate of Company or a Subsidiary has, or since June 30, 1999, has had, any interest in any property (whether real, personal, or mixed and whether tangible or intangible), used in or pertaining to the business of Company and the Subsidiaries. Neither Company nor any Affiliate of Company or of a Subsidiary is, or since June 30, 1999, has owned (of record or as a beneficial owner) an equity interest or any other financial or profit interest in, a Person that has (i) had business dealings or a material financial interest in any transaction with Company or a Subsidiary other than business dealings or transactions conducted in the Ordinary Course of Business with Company or a Subsidiary at substantially prevailing market prices and on substantially prevailing market terms, or (ii) engaged in competition with Company or a Subsidiary with respect to the business of Company and the Subsidiaries. Except as set forth in Schedule 3.24, none of Company, a Subsidiary or any Affiliate of Company or of a Subsidiary is a party to any Contract with, or has any claim or right against, Company or a Subsidiary.

Company has not since July 30, 2002 extended or maintained credit, arranged for the extension of credit or renewed an extension of credit, in the form of a personal loan to or for any director or executive officer (or equivalent thereof) of Company.

Section 3.25 Indemnification Obligations. Schedule 3.25 is a list of all indemnification agreements, by-laws, and other contractual or other requirements that impose obligations of indemnification on Company or its Subsidiaries with respect to claims asserted against Company's or its Subsidiaries' directors and officers. Company is not aware of any indemnification claim any director or officer of Company or its Subsidiaries may have against it or its Subsidiaries.

Section 3.26 Proxy Statement. Other than information supplied in writing by Parent and its Affiliates for inclusion in the Proxy Statement, with respect to which Company gives no representation, the Proxy Statement will not on the date the Proxy Statement is first mailed to shareholders of Company or at the time of the Shareholders Vote, contain any statement which, at such time and in light of the circumstances under which it is made, is false or misleading with respect to any material fact, omits to state any material fact necessary in order to make such statements made in the Proxy Statement not false or misleading, or omits to state any material fact necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Shareholders Meeting which has become false or misleading. If at any time prior to the Shareholders Vote, any event relating to Company or any of its Affiliates that should be set forth in a supplement to the Proxy Statement is discovered by Company, Company shall promptly inform Parent thereof.

Section 3.27 Brokers or Finders. Except for CobbCorp LLC and Avondale Partners, LLC, neither Company nor any Subsidiary of Company has incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions, fairness opinion, or other similar payment in connection with this Agreement and, if the Closing does not occur, shall indemnify and hold Parent and its Affiliates harmless from any such payment alleged to be due by or through Parent or its Affiliates as a result of Company's or its Subsidiaries' action.

Section 3.28 Disclosure. No representation or warranty of Company in this Agreement (including the Schedules) omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances in which they were made, not misleading.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF PARENT

Parent represents and warrants to Company as follows:

Section 4.1 Organization and Good Standing. Parent is a corporation duly organized, validly existing, and in good standing under the laws of the State of Ohio.

Section 4.2 Authority; No Conflict.

(a) This Agreement constitutes the legal, valid, and binding obligation of Parent, enforceable against Parent in accordance with its terms. Parent has the right, power, and authority to execute and deliver this Agreement and each other Transaction Document to which it is a party and to perform its obligations hereunder and thereunder.

(b) Neither the execution and delivery of this Agreement by Parent nor the consummation or performance of any of the Contemplated Transactions by Parent will give any Person the right to prevent, delay, or otherwise interfere with any of the Contemplated Transactions pursuant to:

(i) any provision of Parent's Organizational Documents;

(ii) any resolution adopted by the board of directors or the shareholders of Parent;

(iii) any Legal Requirement or Order to which Parent may be subject; or

(iv) any Contract to which Parent is a party or by which Parent may be bound.

Except for the Governmental Authorizations contemplated by Article VII, Parent is not and will not be required to obtain any Consent from any Person in connection with its execution and delivery of this Agreement or its consummation or performance of any of the Contemplated Transactions.

Section 4.3 Certain Proceedings. There is no pending Proceeding that has been commenced against Parent and that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the Contemplated Transactions. To Parent's Knowledge, no such Proceeding has been Threatened.

Section 4.4 Proxy Statement Preparation. The information supplied in writing by Parent for inclusion in the Proxy Statement will not, on the date the Proxy Statement is first mailed to shareholders of Company or at the time of the Shareholders Vote, contain any statement which, at such time and in light of the circumstances under which it is made, is false or misleading with respect to any material fact, omits to state any material fact necessary in order to make such statements made in the Proxy Statement not false or misleading, or omits to state any material fact necessary to correct any statement made by Parent in any earlier communication with respect to the solicitation of proxies for the Shareholders Meeting which has become false or misleading. If at any time prior to the Shareholders Vote, any event relating to Parent or any of its Affiliates that should be set forth in the supplement to the Proxy Statement is discovered by Parent, Parent shall promptly inform Company thereof.

Section 4.5 Brokers or Finders. Except for Allen & Company, Incorporated, Parent has incurred no obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement and shall indemnify and hold Company harmless from any such payment alleged to be due by or through Company as a result of Parent's action.

ARTICLE V. COVENANTS OF COMPANY PRIOR TO CLOSING DATE

Section 5.1 Access and Investigation. Between the date of this Agreement and the Closing Date, Company shall, and shall cause the Subsidiaries and their Representatives to, (a) afford Parent and its Representatives and, if applicable, prospective lenders and their Representatives (collectively, "Parent's Advisors") full and free access to Company's and the Subsidiaries personnel, properties (including subsurface testing), contracts, books and records, and other documents and data, (b) furnish Parent and Parent's Advisors with copies of all such contracts, books and records, and other existing documents and data as Parent reasonably requests, and (c) furnish Parent and Parent's Advisors with such additional financial, operating, and other data and information as Parent reasonably requests. Any information provided to or obtained by Parent and Parent's Advisors hereunder will be subject to the Confidentiality Agreement.

Section 5.2 Operation of the Business. Between the date of this Agreement and the Closing Date, Company shall, and shall cause each Subsidiary to:

(a) conduct its business only in the Ordinary Course of Business;

(b) use its best efforts to preserve intact its current business organization, keep available the services of its current officers, employees, and agents, and maintain the relations and goodwill with suppliers, customers, landlords, creditors, employees, agents, affiliates, advertisers and others having business relationships with it;

(c) operate the Licensed Facilities in compliance in all material respects with the terms of the FCC Licenses and all applicable Legal Requirements, including, without limitation, the rules and regulations of the FCC and the Communications Act.

(d) confer with Parent concerning operational matters of a material nature;

(e) not cause, by any act or failure to act, or authorize any cable system located within the designated market area of any Licensed Facility to refuse to carry the signal of such Licensed Facility; and

(f) otherwise report periodically to Parent, at Parent's reasonable request, concerning the status of its business, operations, and finances.

Section 5.3 Negative Covenant. Except as otherwise expressly permitted by this Agreement, between the date of this Agreement and the Closing Date, Company shall not, and shall cause the Subsidiaries not to, without Parent's prior consent, take any affirmative action, or fail to take any reasonable action within their or its control, as a result of which any of the changes or events listed in Section 3.15 is likely to occur.

Section 5.4 Notification. Between the date of this Agreement and the Closing Date, Company shall promptly notify Parent in writing if Company or a Subsidiary becomes aware of any fact or condition that causes or constitutes a breach of any of Company's representations and warranties as of the date of this Agreement, or if Company or a Subsidiary becomes aware of the occurrence after the date of this Agreement of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute a breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. During the same period, Company shall promptly notify Parent of the occurrence of any breach of any covenant of Company in this Article V or of the occurrence of any event that may make the satisfaction of the conditions in Article VIII or X impossible, improbable or unlikely.

Section 5.5 Reasonable Best Efforts. Between the date of this Agreement and the Closing Date, Company shall use its reasonable best efforts to cause the conditions in Articles VIII and X to be satisfied.

Section 5.6 No Solicitation.

(a) During the term of this Agreement, Company agrees that it shall not, and it shall not authorize or permit any of its Affiliates or any officer, director, employee, investment banker, attorney or other advisor or representative of Company or any of its Affiliates, directly or indirectly, to (i) solicit, initiate or knowingly encourage the submission of any inquiry, proposal or offer (whether in writing or otherwise) requesting or requiring Company to be involved with (A) any merger, consolidation, share exchange, business combination or other similar transaction other than the Contemplated Transactions, (B) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of any FCC license, any television station, or any other assets representing 10% or more of the assets of Company and its Subsidiaries, taken as a whole, in a single transaction or series of transactions, (C) any acquisition by any Person of beneficial ownership or the right to acquire beneficial ownership of, or formation of any "group" (as such term is defined under Section 13(d) of the 1934 Act) which would beneficially own or have the right to acquire beneficial ownership of, 10% or more of the outstanding voting securities of Company or (D) any issuance, sale or grant of any additional shares of capital stock of Company, or securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of capital stock of Company, which, when aggregated with all other such issuances, sales or grants after the date hereof, constitute, on a fully-diluted basis, 10% or more of the capital stock of Company (any of the foregoing, an "Acquisition Proposal"), (ii) enter into any agreement with respect to any Acquisition Proposal or (iii) participate in any discussions or negotiations regarding, or furnish to any Person any information for the purpose of facilitating the making of, or take any other action to knowingly facilitate any inquiries or the making of, any proposal that constitutes, or may reasonably be expected to lead to, any Acquisition Proposal; provided that nothing contained in this Agreement shall prevent Company upon authorization of its Board of Directors at any time prior to termination of this Agreement from:

(i) providing information in response to a request by a Person who has delivered to the Board of Directors of Company an Acquisition Proposal that was unsolicited or that did not otherwise result from a breach of this Section 5.6 and is more likely than not to lead to a Superior Proposal, as determined pursuant to clause (ii) below, if the Board of Directors of Company receives from the Person so requesting such information an executed confidentiality agreement the terms of which are (without regard to the terms of the Acquisition Proposal) no less favorable to Company and no less restrictive on the Person requesting such information than those contained in the Confidentiality Agreement executed in connection herewith; or

(ii) engaging in negotiations or discussions with a Person who has delivered to the Board of Directors of Company an Acquisition Proposal and a confidentiality agreement in compliance with clause (i) above, if, and only to the extent that, (x) the Board of Directors of Summit determines in good faith (after consultation with its financial advisor and independent outside legal counsel) that the Acquisition Proposal, if accepted, is more likely than not to be consummated, (y) the Board of Directors of Company determines in good faith (after consultation with its financial advisor) that the Acquisition Proposal would, if consummated, result in a transaction that is more favorable to Company's stockholders (with respect to financial and other terms) than the Proposed Transaction and (z) the Board of Directors determines in good faith (after consultation with its financial advisor and independent outside legal counsel) that the failure to engage in negotiations or discussions with respect to such Acquisition Proposal would constitute a breach of its fiduciary duties to Company's stockholders under applicable laws (any Acquisition Proposal as to which such determinations are made, a "Superior Proposal").

Company shall promptly advise Parent of any Acquisition Proposal received (including the terms thereof and the identity of the person making the Acquisition Proposal) and any inquiries made with respect to any Acquisition Proposal. All liabilities of Company arising from breaches of this Section 5.6 by Company shall survive termination of this Agreement unless Company terminates this Agreement and pays the Break-up Fee in accordance with the terms of Section 5.6(b).

(b) Company may terminate this Agreement at any time prior to the receipt of Shareholder Approval if:

(i) Company's Board of Directors authorizes Company, subject to complying with the terms of Section 5.6(a), to enter into a binding written agreement concerning a transaction that constitutes a Superior Proposal with respect to which the Board of Directors of Company has determined, in good faith (after consultation with its financial advisor and outside independent legal counsel), that it would be a breach of its fiduciary duties to Company's stockholders under applicable laws to not terminate this Agreement so as to enter into such agreement and Company notifies Parent in writing that it intends to terminate this Agreement and enter into such agreement;

(ii) Parent does not make, within 15 days of receipt of Company's written notification of its intention to enter into a binding agreement for a Superior Proposal, an offer that the Board of Directors of Company determines, in good faith (after consultation with its financial advisor and independent outside legal counsel), is at least as favorable to the stockholders of Company as the Superior Proposal with respect to financial and other material terms; provided that, during the 15 days following Company's receipt of Parent's written notification (the "Renegotiation Period"), Company shall reasonably consider and discuss in good faith with Parent all proposals submitted by Parent and, without limiting the foregoing, shall meet with, and cause its financial advisors and legal counsel from time to time as reasonably required by Parent to consider and discuss Parent's proposals with Parent and its advisors, attorneys and other representatives; and provided, further, that Company shall not enter into a binding agreement referred to in Section 5.6(b)(i) until at least the 16th day after the beginning of the Renegotiation Period; and provided further that Company shall notify Parent promptly if its intention to enter into the written agreement referred to in its notification shall change at any time after giving such notification; and

(iii) either (A) Company has paid to Parent, in cash by wire transfer of immediately available funds to an account designated by Parent, (1) an amount equal to the aggregate amount of all fees and expenses (including but not limited to all attorneys' fees, accountants' fees, financial advisory fees and filing fees) that have been paid or that may become payable by or on behalf of Parent in connection with the Contemplated Transactions as reasonably supported by documentation, but in no event to exceed $1,500,000, and (2) a non-refundable fee in an amount equal to $6,000,000 (the amounts payable under clauses (1) and (2), collectively, the "Break-up Fee"), or (2) Parent waives the Break-up Fee, in which case Section 4 of the Confidentiality Agreement shall terminate and be of no further force or effect and Parent may pursue all remedies available to it at law or in equity. The Break-up Fee, if not waived by Parent, will serve as the exclusive remedy to Parent under this Agreement in the event of the termination by Company pursuant to this Section 5.6.

Section 5.7 Preparation of Proxy Statement.

(a) As soon as practicable after the execution of this Agreement, Company shall prepare and cause to be filed with the SEC preliminary proxy materials (the "Proxy Statement") for the solicitation of approval of the shareholders of Company of the Contemplated Transactions (the "Shareholder Approval") and such other matters as Company and Parent may reasonably agree. Subject to compliance by Parent with its covenants in Section 6.2, Company shall cause the Proxy Statement related thereto to comply in all material respects with applicable law and the rules and regulations promulgated by the SEC and to respond promptly to any comments of the SEC or its staff and shall use reasonable best efforts to cause the Proxy Statement to be mailed to Company's shareholders as promptly as practicable. Each party shall promptly furnish to the other party all information concerning itself, its shareholders and its affiliates that may be required or reasonably requested in connection with any action contemplated by this Section. If any event relating to any party occurs, or if any party becomes aware of any information, that should be disclosed in an amendment or supplement to the Proxy Statement, then such party shall inform the other thereof and shall cooperate with the other in filing such amendment or supplement with the SEC and, if appropriate, in mailing such amendment or supplement to the shareholders of Company. The Proxy Statement shall include the recommendations of the Board of Directors of Company in favor of Shareholder Approval. Parent and its advisors shall have a reasonable opportunity to review and comment on the proxy materials prior to any filing with the SEC.

(b) Company will notify Parent promptly of the receipt of any comments from the SEC or its staff or any other government official and of any requests by the SEC or its staff or any other government official for amendments or supplements to the Proxy Statement or for additional information, and will supply Parent with copies of all such comments and any correspondence between Company and its representatives, and the SEC or its staff or any other government official with respect thereto. If at any time prior to the Closing Date, any event shall occur that should be set forth in an amendment of, or a supplement to, the Proxy Statement, Company agrees promptly to prepare and file such amendment or supplement and to distribute such amendment or supplement as required by applicable law, including mailing such supplement or amendment to the shareholders of Company. Parent and its advisors shall have a reasonable opportunity to review and comment on any amendment or supplement to the Proxy Statement prior to any filing with the SEC.

Section 5.8 Shareholders Meeting. Company shall take all action necessary in accordance with applicable law and its amended and restated charter, as amended, and its bylaws, to (a) within ten days after the date hereof, set a record date for a meeting of Company's shareholders (the "Shareholders Meeting") to provide for the vote of Company's shareholders (the "Shareholders Vote") with respect to the matters subject to Shareholder Approval and with respect to the other matters to be voted upon pursuant to Section 5.7, and (b) on the date hereof, call and publicly announce such Shareholders Meeting and such record date. Additionally, Company shall use its best efforts to hold and convene the Shareholders Meeting. Except as required by the SEC or applicable court order or Tennessee law, Company shall not postpone or adjourn (other than for the absence of a quorum) the Shareholders Meeting without the consent of Parent. Company shall take all other action necessary or advisable to secure the Shareholder Approval.

Section 5.9 Options. Company shall use its reasonable best efforts to have the holders of outstanding vested options exercise such stock options prior to or contemporaneously with the closing of the Contemplated Transactions. Company shall use its reasonable best efforts prior to the Effective Time to purchase options for which the exercise price exceeds $4.05 in a manner satisfactory to Parent and shall consult and coordinate with Parent regarding such purchases.

Section 5.10 Rights Plan. Prior to January 15, 2004, Company shall amend or modify, to Parent's satisfaction, the Rights Agreement between Company and CompuTrust dated June 2001. Company shall not make any further amendments or modifications to such Rights Agreement without Parent's consent prior to any termination of this Agreement.

ARTICLE VI. COVENANTS OF PARENT PRIOR TO CLOSING DATE

Section 6.1 Reasonable Best Efforts. Between the date of this Agreement and the Closing Date, Parent shall use its reasonable best efforts to cause the conditions in Articles VIII and X to be satisfied.

Section 6.2 Preparation of Proxy Statement. None of the information to be supplied by Parent or its Affiliates for inclusion in the Proxy Statement will, at the time the Proxy Statement is mailed to the shareholders of Company, or as of the Shareholders Vote, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE VII. MISCELLANEOUS COVENANTS

Section 7.1 Required Approvals. As promptly as possible after the date of this Agreement, Parent and Company shall make all filings required by Legal Requirements to be made by them in order to consummate the Contemplated Transactions. Between the date of this Agreement and the Closing Date, Parent and Company shall, and

Company shall cause the Companies to, cooperate with each other with respect to all filings that the other elects to make or is required by Legal Requirements to make in connection with the Contemplated Transactions.

Without limiting the generality of the foregoing, each party hereto shall (a) give the other party prompt notice of the commencement of any Proceeding by or before any Governmental Body with respect to this Agreement or the other Transaction Documents or any of the Contemplated Transactions, (b) keep the other party informed as to the status of any such Proceeding, and (c) promptly inform the other party of any communication to or from the Federal Trade Commission, the Antitrust Division of the Department of Justice, or any other Governmental Body regarding this Agreement or the Contemplated Transaction.

Section 7.2 Hart-Scott-Rodino. Without limiting the generality of Section 7.1, Company and Parent shall, by December 31, 2003, make and effect all registrations, filings and submissions required to be made or effected by them pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") and other applicable Legal Requirements with respect to this Agreement and the other Transaction Documents and the Contemplated Transactions. Each of Company and Parent shall bear one-half of the cost of such filing. Without limiting the generality of the foregoing, each of Parent and Company shall (a) promptly provide all information requested by any Governmental Body in connection with this Agreement and the other Transaction Documents and the Contemplated Transactions, and (b) promptly take all actions and steps necessary to obtain any antitrust clearance or similar clearance required to be obtained from the Federal Trade Commission, the Antitrust Division of the Department of Justice, any state attorney general, any foreign competition authority or any other governmental entity in connection with the Contemplated Transactions. The actions required to be taken by Parent and Company pursuant to this Section in order to obtain required antitrust clearances will include using reasonable efforts to avoid or set aside any preliminary or permanent injunction or other Order but do not include making arrangements for the disposition of particular assets and making arrangements to hold such assets separate pending their disposition.

Section 7.3 FCC Actions. Company and Parent shall, by December 31, 2003, prepare and file applications with the FCC requesting the FCC's consent to the assignment of the FCC Licenses to Parent or its Affiliate (the "FCC Applications"). Company and Parent shall make any submissions required under the FCC's rules or the Communications Act or requested by the FCC or its staff and shall use all commercially reasonable efforts to cooperate with one another to expedite the preparation of the FCC Applications and to pursue an order of the FCC (or its staff) granting the FCC Applications without any material unfavorable condition (the "FCC Order"). Any fee payable to the FCC in connection with filing the FCC Applications will be borne one-half by Company and one-half by Parent. If Parent consents to Closing occurring hereunder before the FCC Order shall have become a Final Order, then the parties' covenants under this Agreement shall survive the Closing until the FCC Order shall have become a Final Order. A "Final Order" means an order of a governmental authority that is in full force and effect and with respect to which no appeal, request for stay, request for reconsideration or other request for review is pending; with respect to which the time for appeal, requesting a stay, requesting reconsideration or requesting other review has expired; and with respect to which the time for the governmental authority to set aside the order *sua sponte* has expired.

Section 7.4 Indemnification of Officers and Directors. For a period of six years following the Effective Time, Parent shall observe, to the fullest extent permitted by Tennessee law, all rights to indemnification existing at or prior to the date hereof in favor of those Persons who are, or were, directors and officers of Company at or prior to the date of this Agreement (the "Indemnitees") by reason of written indemnification agreement and applicable law.

ARTICLE VIII. CONDITIONS PRECEDENT TO EACH PARTY'S OBLIGATION TO CLOSE

Each Party's obligation consummate the Merger and to take the other actions required to be taken by it at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by the parties, in whole or in part):

Section 8.1 Consents. Each of the Consents identified in Schedule 3.2 must have been obtained and must be in full force and effect.

Section 8.2 HSR Act. The waiting period (and any extensions thereof) applicable to the Contemplated Transactions under the HSR Act shall have been terminated or shall have expired.

Section 8.3 Shareholder Approval. The Shareholders Meeting, the Shareholders Vote and the Shareholder Approval shall have been consummated and obtained in favor of the Contemplated Transactions.

Section 8.4 No Proceedings. Since the date of this Agreement, there must not have been commenced or Threatened against either party, or against any Person affiliated with a party, any Proceeding (a) involving any challenge to, or seeking damages or other relief in connection with, any of the Contemplated Transactions, or (b) that may have the likely effect of preventing, delaying, making illegal, or otherwise interfering with any of the Contemplated Transactions.

Section 8.5 No Prohibition. Neither the consummation nor the performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time), materially contravene, or conflict with, or result in a material violation of, or cause either party or any Person affiliated with either party to suffer any material adverse consequence under, (a) any applicable Legal Requirement or Order, or (b) any Legal Requirement or Order that has been published, introduced, or otherwise proposed by or before any Governmental Body.

Section 8.6 No Injunction. There must not be in effect any Legal Requirement or any injunction or other Order that prohibits the Merger.

ARTICLE IX. CONDITIONS PRECEDENT TO PARENT'S OBLIGATION TO CLOSE

Parent's obligation consummate the Merger and to take the other actions required to be taken by Parent at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Parent, in whole or in part):

Section 9.1 Accuracy of Representations. Each of Company's representations and warranties in this Agreement must have been accurate as of the date of this Agreement, and must be accurate, in all material respects, as of the Closing Date as if made on the Closing Date.

Section 9.2 Company's Performance. Each of the covenants and obligations that Company is required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been duly performed and complied with in all material respects.

Section 9.3 Additional Documents. Each of the following documents must have been delivered to Parent:

(a) the Articles of Merger, duly executed by Company;

(b) a certificate executed by Company certifying to Parent that each of Company's representations and warranties in this Agreement was accurate in all respects as of the date of this Agreement and is accurate in all respects as of the Closing Date as if made on the Closing Date;

(c) an opinion of Bone McAllester Norton PLLC, dated the Closing Date, in the form of Exhibit 9.3(c);

(d) an opinion of Wiley, Rein & Fielding, dated the Closing Date, in form and substance acceptable to Parent;

(e) a certificate executed by each director and officer of Company and its Subsidiaries indicating that such Person is not aware of any indemnification claim he has against the Company or its Subsidiaries; and

(f) such other documents as Parent may reasonably request for the purpose of (i) evidencing the accuracy of any of Company's representations and warranties, (ii) evidencing the performance by Company of, or the compliance by Company with, any covenant or obligation required to be performed or complied with by Company, (iii) evidencing the satisfaction of any condition referred to in this Article IX, or (iv) otherwise facilitating the consummation or performance of any of the Contemplated Transactions.

Section 9.4 Indebtedness. Company and the Subsidiaries shall have no indebtedness to third parties other than indebtedness to Parent.

Section 9.5 FCC Actions. The FCC Order shall have become a Final Order.

ARTICLE X. CONDITIONS PRECEDENT TO COMPANY'S OBLIGATION TO CLOSE

Company's obligation to consummate the Merger and to take the other actions required to be taken by Company at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Company, in whole or in part):

Section 10.1 Accuracy of Representations. Each of Parent's representations and warranties in this Agreement must have been accurate in all respects as of the date of this Agreement and must be accurate in all respects as of the Closing Date as if made on the Closing Date.

Section 10.2 Parent's Performance. Each of the covenants and obligations that Parent is required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been performed and complied with in all material respects.

Section 10.3 Additional Documents. Each of the following documents must have been delivered to Company:

(a) the Articles of Merger, executed by Merger Sub;

(b) a certificate executed by Parent certifying to Company that each of Parent's representations and warranties in this Agreement was accurate in all respects as of the date of this Agreement and is accurate in all respects as of the Closing Date as if made on the Closing Date;

(c) such documents as Company may reasonably request for the purpose of (i) evidencing the accuracy of any representation or warranty of Parent, (ii) evidencing the performance by Parent of, or the compliance by Parent with, any covenant or obligation required to be performed or complied with by Parent, (iii) evidencing the satisfaction of any condition referred to in this Article X, or (iv) otherwise facilitating the consummation of any of the Contemplated Transactions.

Section 10.4 FCC Actions. The FCC Order shall have been granted.

ARTICLE XI. TERMINATION

Section 11.1 Termination of Agreement. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing Date:

(a) by mutual written consent of Parent and Company duly authorized by their respective Boards of Directors;

(b) by either Parent or Company if there is any law or regulation that makes consummation of the Contemplated Transactions illegal or otherwise prohibited or if consummation of the Contemplated Transactions would violate any non-appealable final order, decree or judgment of any Governmental Body having competent jurisdiction;

(c) if the Closing shall not have been consummated on or before June 15, 2004 (or, if the only condition on June 15, 2004 yet to be satisfied is that pursuant to Section 9.5 or Section 10.4, on or before August 31, 2004), by Parent or Company on or after June 16, 2004 (or, if the preceding parenthetical applies, on or after September 1, 2004) (the "Termination Date"); provided that such right to terminate this Agreement will not be available to any party whose failure to perform or satisfy any covenant, condition or obligation of such party under this Agreement when performance or satisfaction thereof was due is the cause of such delay;

(d) by either Parent or Company if any of the representations or warranties of the other party contained herein are inaccurate or untrue in any respect if qualified by the word "material" or in any material respect if not so qualified, and such inaccuracy cannot reasonably be expected to be cured prior to the Termination Date and, in the case of Company, the failure of any representation and warranty to satisfy the foregoing standard would reasonably be expected to have a material adverse effect on Company or any of its Subsidiaries;

(e) by Parent if Company has not within 120 days from the date hereof obtained Shareholder Approval;

(f) by Parent, provided it is not then in material breach of any of its obligations under this Agreement, if Company fails to perform or satisfy in any material respect any agreement, covenant, condition or obligation in this Agreement when performance or satisfaction thereof is due and does not cure the failure within 20 business days after Parent delivers written notice thereof;

(g) by Company, provided it is not then in material breach of any of its obligations under this Agreement, if Parent fails to perform or satisfy in any material respect any agreement, covenant, condition or obligation in this Agreement when performance thereof is due and does not cure the failure within 20 business days after notice by Company thereof;

(h) by Company, in accordance with Section 5.6; or

(i) by Parent if (y) the Board of Directors of Company shall have withdrawn or changed its recommendation to shareholders to approve the Merger or (z) Company enters into an agreement with respect to a Superior Proposal.

The party desiring to terminate this Agreement pursuant to this Section 11.1 will give written notice of such termination to the other party.

Section 11.2 Effect of Termination. Each party's right of termination under Section 11.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 11.1(e) at or after the time a competing bid for acquisition of Company or, directly or indirectly, substantially all of Company's assets has been announced to the public, or pursuant to Section 11.1(h) or 11.1(i), then Company shall pay Parent the Break-Up Fee as set forth in Section 5.6 and any obligation hereunder to pay the Break-Up Fee shall survive termination of this Agreement. If this Agreement is otherwise terminated pursuant to Section 11.1, all further obligations of the parties under this Agreement will terminate, except that the obligations in 12.2 and 12.3 will survive; provided, however, that if this Agreement is terminated by a party under Section 11.1,(d), (f) or (g), the terminating party's right to pursue all legal remedies will survive such termination unimpaired.

ARTICLE XII. INDEMNIFICATION; REMEDIES

Section 12.1 Survival. The representations, warranties, covenants, or obligations of the parties set forth in this Agreement, the Schedules, and any other certificate or document delivered pursuant to this Agreement will not survive the Closing. This Section 12.1 shall not limit any covenant or agreement of the parties which by its terms requires or involves performance after the Closing Date.

Section 12.2 Indemnification by Company. If the Closing does not occur, Company shall indemnify and hold harmless Parent, its Affiliates and their respective Representatives (collectively, the "Indemnified Persons") for, and shall pay to the Indemnified Persons the amount of, any loss, liability, claim, damage (including incidental and consequential damages), expense (including costs of investigation and defense and reasonable attorneys' fees) or diminution of value, whether or not involving a third-party claim (collectively, "Damages"), arising, directly or indirectly, from or in connection with (a) any breach of any representation or warranty made by Company in this Agreement or any other certificate or document delivered by Company pursuant to this Agreement; (b) any breach by Company of any covenant or obligation of Company in this Agreement; and (c) any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by any such Person with either Company or any of its Subsidiaries (or any Person acting on their behalf) in connection with any of the Contemplated Transactions. The remedies provided in this Section 12.2 will not be exclusive of or limit any other remedies that may be available to Parent or the other Indemnified Persons.

Section 12.3 Indemnification by Parent. If the Closing does not occur, Parent shall indemnify and hold harmless Company, and shall pay to Company the amount of any Damages arising, directly or indirectly, from or in connection with (a) any breach of any representation or warranty made by Parent in this Agreement or in any certificate delivered by Parent pursuant to this Agreement, (b) any breach by Parent of any covenant or obligation of Parent in this Agreement, or (c) any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by such Person with Parent (or any Person acting on its behalf) in connection with any of the Contemplated Transactions.

ARTICLE XIII. GENERAL PROVISIONS

Section 13.1 Expenses; Attorneys' Fees. Except as otherwise expressly provided in this Agreement, each party will bear its respective expenses incurred in connection with the preparation, execution, and performance of this Agreement and the Contemplated Transactions, including all fees and expenses of agents, representatives, counsel, and accountants. In the event of termination of this Agreement, the obligation of each party to pay its own expenses will be subject to any rights of such party arising from a breach of this Agreement by the other party. In any action to enforce a party's rights and remedies under this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees from the other party.

Section 13.2 Public Announcements. Each party shall issue a press release that has been approved by the other party upon execution of this Agreement. Unless otherwise agreed to in writing by both parties, neither party shall make any other disclosure regarding the Contemplated Transactions except to the extent that, in the opinion of outside counsel to such party, disclosure is required by law or legal process, but only after prior notice to and consultation with the other party and its outside legal counsel has been given and conducted regarding any such disclosure. Company and Parent will consult with each other concerning the means by which a Company's employees, customers, and suppliers and others having dealings with a Company will be informed of the Contemplated Transactions, and Parent has the right to be present for any such communication.

Section 13.3 Confidentiality. The parties shall continue to be bound by the Confidentiality Agreement.

Section 13.4 Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by telecopier (with written confirmation of receipt), provided that a copy is mailed by certified mail, return receipt requested, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and telecopier numbers set forth below (or to such other addresses and telecopier numbers as a party may designate by notice to the other parties):

Company:

SUMMIT AMERICA TELEVISION, INC.
400 Fifth Avenue, Suite 203
Naples, Florida 34102
Attn: George R. Ditomassi, President and Chief Executive Officer
Facsimile No.: (239) 643-3682

with a copy to:

BONE McALLESTER NORTON PLLC
511 Union Street, Suite 1600
Nashville, Tennessee 37219
Attn: Charles W. Bone, Esq.
Facsimile No.: (615) 238-6301

Parent:

THE E.W. SCRIPPS COMPANY
312 Walnut Street
28th Floor
Cincinnati, Ohio 45202
Attn: Tim Peterman, Vice President Corporate Development
Facsimile No.: (513) 977-3024

with a copy to:

BAKER & HOSTETLER LLP
312 Walnut Street
Suite 3200
Cincinnati, Ohio 45202
Attn: William Appleton, Esq.
Facsimile No.: (513) 929-0303

Section 13.5 Jurisdiction; Service Of Process. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties in the courts of the State of Ohio, Hamilton County, or, if it has or can acquire jurisdiction, in the United States District Court for the Southern District of Ohio, and each party consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

Section 13.6 Further Assurances. Each party agrees (a) to furnish to the other party such further information, (b) to execute and deliver to the other party such other documents, and (c) to do such other acts and things, all as the other party reasonably requests for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement.

Section 13.7 Waiver. The parties' rights and remedies are cumulative and not alternative. A party's failure or delay in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will not operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

Section 13.8 Entire Agreement and Modification. This Agreement, together with the Confidentiality Agreement, supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment.

Section 13.9 Schedules.

(a) The disclosures in the Schedules must relate only to the representations and warranties in the Section of the Agreement to which they expressly relate and not to any other representation or warranty in this Agreement.

(b) In the event of any inconsistency between the statements in the body of this Agreement and those in the Schedules (other than an exception expressly set forth as such in the Schedules with respect to a specifically identified representation or warranty), the statements in the body of this Agreement will control.

Section 13.10 Assignments, Successors, and No Third-Party Rights. Neither party may assign any of its rights under this Agreement without the prior consent of the other parties, except that Parent may assign any of its rights under this Agreement to any Affiliate of Parent. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the parties. Nothing expressed or referred to in this Agreement will be construed to give any Person other than the parties any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties and their successors and assigns.

Section 13.11 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

Section 13.12 Section Headings, Construction. The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to “Section” or “Sections” refer to the corresponding Section or Sections of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word “including” does not limit the preceding words or terms.

Section 13.13 Governing Law. This Agreement will be governed by the laws of the State of Ohio without regard to conflicts of laws principles, except that the laws of the State of Tennessee shall govern the effect of the Merger on the Surviving Corporation.

Section 13.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

PARENT:

THE E.W. SCRIPPS COMPANY

By /s/ Rich Bochne

Title Rich Bochne, EVP

COMPANY:

SUMMIT AMERICA TELEVISION, INC.

By /s/ Illegible

Title Illegible

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (including its Exhibits, the "Agreement") is entered into on June______, 2003 (the "Effective Date"), between THE E. W. SCRIPPS COMPANY, an Ohio corporation (together with its successors and assigns, the "Company"), and KENNETH W. LOWE ("Executive").

W I T N E S S E T H :

WHEREAS, Executive is currently employed as President and Chief Executive Officer of the Company and also serves as a member of the board of directors of the Company, and the Company desires to continue to have Executive serve in such positions;

WHEREAS, the Company desires to enter into this Agreement embodying the terms of such continued employment and Executive desires to continue such employment and to enter into this Agreement, subject to the terms and provisions herein;

NOW, THEREFORE, in consideration of the mutual promises herein contained, the Company and Executive (individually a "Party" and together the "Parties") hereby agree as follows:

1. Position; Duties.

(a) The Company hereby employs Executive as President and Chief Executive Officer of the Company, and Executive hereby accepts such continued employment, on the terms and conditions set forth herein. As President and Chief Executive Officer of the Company, Executive shall report directly to the board of directors of the Company (the "Board").

(b) During the term of this Agreement, Executive shall be and have the titles, duties and authority of President and Chief Executive Officer of the Company. Executive shall devote substantially all his business time to, and use his best reasonable efforts to promote, the business and affairs of the Company. During the term of this Agreement, Executive shall have all authorities, duties and responsibilities customarily exercised by an individual serving in those positions in a corporation the size and structure of the Company and shall perform such other duties consistent with his positions as may be reasonably required from time to time by the Board, provided such other duties do not materially impair Executive's ability to discharge his duties and responsibilities as contemplated at the time this Agreement was entered into.

(c) Executive shall not, without the prior written consent of the Company, directly or indirectly, during the term of this Agreement, other than in the ordinary course of performing his duties hereunder, render services of a business, professional or commercial nature to any other person or firm, whether for compensation or otherwise; provided, however, that so long as it does not materially interfere with the performance of his duties hereunder, Executive may attend to outside investments, serve as a member of the board of directors of one other corporation (in addition to service as set forth in Paragraph 2(b) below) and serve as a director, trustee or officer of, or otherwise participate in, trade, professional, educational, welfare, social, religious and civic organizations. Anything herein to the contrary notwithstanding, nothing herein shall prevent Executive from serving on the board of directors of any Company affiliate.

2. Term; Board Position; Place of Employment.

(a) Subject to the provisions for termination hereinafter provided in Paragraph 8 below, the term of this Agreement shall begin on the Effective Date and shall end at the close of business on December 31, 2006, provided, however, that the term of this Agreement shall automatically renew for successive one-year terms, unless either Party gives written notice to the other Party not less than 90 days prior to the expiration of any such term that such Party is electing not to so extend the term of this Agreement. Notwithstanding the foregoing, the term of this Agreement shall end on the date on which Executive's employment is earlier terminated by either Party in accordance with the provisions of Paragraph 8(a) below.

(b) Executive shall serve, and shall be entitled and have the right to serve, as a member of the Board and for service thereon Executive will receive only such compensation, if any, that is paid to officers of the Company for service thereon. In addition, with the Company's prior written consent (which consent shall not be unreasonably withheld), Executive may serve on the board of any joint venture of the Company or any affiliate.

(c) During the term of this Agreement, Executive's principal place of employment shall be Cincinnati, Ohio.

3. Base Salary; Bonus; Equity Incentive Plans.

(a) During the term of this Agreement, the Company shall pay to Executive an annual base salary of not less than $925,000 ("Base Salary"), payable in accordance with the Company's payroll practices. Executive's Base Salary shall be reviewed at least annually by the Compensation Committee of the Board ("Compensation Committee") for increase. After any such increase, the term "Base Salary" as utilized in this Agreement shall thereafter refer to the increased amount. Executive's Base Salary shall not be reduced at any time without his express prior written consent.

(b) During the term of this Agreement, Executive shall participate in the Company's annual bonus plan for senior executives or any successor annual incentive award plan of the Company (the "Bonus Plan"). Under the Bonus Plan, Executive shall have a target bonus opportunity each year equal to no less than 80% of Executive's Base Salary ("Target

Bonus”), payable in that amount if the performance goals established for the relevant year are met. If such performance goals are not met, Executive shall receive a lesser amount (if any) as determined in accordance with the Bonus Plan. If such performance goals are exceeded, Executive may receive a greater amount as determined in accordance with the Bonus Plan. Executive’s Target Bonus as a percentage of Base Salary shall be reviewed periodically by the Compensation Committee for increase, if any. After any such increase, the term “Target Bonus” as utilized in this Agreement shall thereafter refer to the increased amount. Executive’s Target Bonus shall not be reduced at any time without his express prior written consent. Executive shall be paid his annual incentive award no later than other senior executives of the Company are paid such awards for the applicable performance period.

(c) Executive shall participate in all equity incentive plans of the Company, including, but not limited to, the 1997 Long-Term Incentive Plan, as amended, or any successor thereto (the “Incentive Plan”), on a basis no less favorable than the most favorable basis provided other senior executives of the Company.

4. Benefits; Perquisites; Expenses.

(a) (i) During the term of this Agreement, Executive shall be entitled to participate, on a basis no less favorable than the most favorable basis provided any other senior executive, in any employee pension and welfare benefit plan or program available to the Company’s senior-level executives or to its employees generally, as such plans or programs may be in effect from time to time, including, without limitation, pension, profit sharing, savings, estate preservation and other retirement plans or programs, 401(k), medical, dental, hospitalization, short-term and long-term disability and life insurance plans, accidental death and dismemberment protection, travel accident insurance, and any other pension or retirement plans or programs and any other employee welfare benefit plans or programs that may be sponsored by the Company from time to time, including any plans that supplement the above-listed types of plans or programs, whether funded or unfunded. Subject to Paragraph 7(a) hereof, Executive shall be entitled to (i) an annual disability benefit amount of no less than 60% of his per annum rate of Base Salary effective at the time of his Permanent Disability (as defined herein), payable until Executive reaches age 65 and (ii) Company-paid life insurance with a benefit amount equal to his Base Salary determined as of each January 1st during the term of this Agreement. Executive shall be entitled to no less than four (4) weeks paid vacation per year.

(ii) Executive shall at all times be deemed to be a Covered Employee, as such term is defined and for all purposes, under the Scripps Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2003 (the "Supplemental Plan"). In the event that Executive's employment with the Company is terminated prior to April 7, 2005 and such termination is neither for Cause pursuant to Paragraph 8(a)(ii)(A) hereof nor voluntary by Executive (other than for Good Reason, or Permanent Disability where the Company's long-term disability income benefit plan or program does not include provision of age credits through at least age 55) pursuant to Paragraph 9(b) hereof, then for the purpose of determining his benefits under the Supplemental Plan, the Executive shall be deemed to be qualified for Early Retirement under the Scripps Pension Plan as Amended and Restated effective January 1, 1997 (the "Scripps Pension Plan"); provided, however, that if Executive's employment with the Company is terminated prior to April 7, 2005 and such termination is either for Cause pursuant to Paragraph 8(a)(ii)(A) hereof or voluntary by Executive (other than for Good Reason or Permanent Disability) pursuant to Paragraph 9(b) hereof, then upon such termination of employment, the Executive shall not be deemed qualified for Early Retirement under the Scripps Pension Plan. No amendment, suspension or termination of the Supplemental Plan or any other pension plan of the Company shall adversely affect Executive's entitlement to the pension benefits that he shall have accrued as a Covered Employee under the Supplemental Plan immediately prior to such amendment, suspension or termination. In the event that any pension benefits provided pursuant to this Paragraph 4(a)(ii) cannot be paid under the Supplemental Plan, such benefits shall be paid pursuant to this Agreement.

(b) During the term of the Agreement, Executive shall be entitled to perquisites on a basis no less favorable than the most favorable basis provided other senior executives of the Company. In all events, Executive shall be entitled to be reimbursed by the Company for tax and financial planning up to maximum of $15,000 per year, and for the annual membership fees and other dues associated with one country and one luncheon club. In addition, the Company shall pay for the costs of an annual physical.

(c) Upon delivery of proper documentation, Executive shall be reimbursed for reasonable business expenses and shall be entitled to travel first class when on Company business. Executive shall also be reimbursed for reasonable legal fees and other expenses (such fees and expenses not to exceed $100,000 in total) incurred by him relating to negotiation, execution and delivery of this Agreement.

5. Remaining Deferred Stock Units.

(a) In recognition of the value Executive created in the Company's national television networks segment (the "Network Companies") and in order to encourage Executive to use his talents to enhance the operations and profitability of the Network Companies, the Company granted to Executive 96,038 Deferred Stock Units under that certain employment agreement dated July 20, 1999 (the “Previous Employment Agreement”). Prior to the date hereof, eighty percent (80%) of the Deferred Stock Units matured and 76,831 Class A Common Shares of the Company were issued in exchange for such units. Each remaining Deferred Stock Unit entitles Executive to receive from the Company on January 15, 2004 (the “Maturity Date”) one Class A Common Share. Accordingly, the remaining Deferred Stock Units shall mature and be exchanged on the Maturity Date for 19,207 Class A Common Shares.

(b) Upon a Change in Control (as defined in Paragraph 11(a) hereof) of the Company prior to the Maturity Date, the remaining Deferred Stock Units shall immediately be exchanged for Class A Common Shares in accordance herewith and such shares shall be promptly delivered to Executive.

(c) If Executive’s employment hereunder is terminated for any reason prior to a Change in Control of the Company (including for “Cause” as defined herein) and prior to the Maturity Date, Executive (or his designated beneficiary or legal representative in case of his death) shall receive Class A Common Shares in exchange for the remaining Deferred Stock Units on the Maturity Date as if Executive were still employed at such time.

(d) No cash dividends or equivalent amounts shall be paid on the remaining Deferred Stock Units. On the Maturity Date, the Company shall pay to Executive an amount in cash which shall be equal to the cash dividends, if any, which would have been paid between July 20, 1999, and the Maturity Date with respect to issued and outstanding Class A Common Shares equal in number to the number of Deferred Stock Units maturing on the Maturity Date. No interest shall be paid on any dividend equivalent or any part thereof. All Class A Common Shares issued in exchange for the remaining Deferred Stock Units shall, if available, be treasury shares of the Company. In the case of a Change in Control, “Maturity Date” for purposes of this Paragraph 5(d) shall be the date of the Change in Control.

6. Restricted Shares; Duff & Phelps Shares.

(a) The Company has granted to Executive under the Incentive Plan 155,319 restricted Class A Common Shares of the Company (the “New Restricted Shares”) vesting in equal annual installments on each January 2 during the four years beginning January 1, 2004. Executive acknowledges that all matters concerning the New Restricted Shares shall be governed by the Incentive Plan, except as otherwise set forth herein or in the restricted share award agreement evidencing the New Restricted Shares attached hereto as Exhibit A.

(b) The New Restricted Shares are granted in lieu of restricted shares that Executive has not earned but was otherwise eligible to earn under the Previous Employment Agreement pursuant to future grants based on possible increases in value of the Network Companies as determined by Duff & Phelps (the “Unearned Duff & Phelps Shares”). Executive agrees that his rights to any grants of Unearned Duff & Phelps Shares with respect to 2002 or thereafter are hereby forfeited.

(c) Under Paragraph 3(c) of the Previous Employment Agreement, Executive has earned a total of 141,783 Class A Common Shares (the “Earned Duff & Phelps Shares”), of which 40,910 shares are vested. The remaining Earned Duff & Phelps Shares, which total 100,873 of the Earned Duff & Phelps Shares, shall continue to vest in accordance with their vesting schedules, except as otherwise provided in this Agreement.

(d) If Executive’s employment hereunder is terminated for Cause under Paragraph 8(a)(ii)(A) by the Company or by Executive upon Early Retirement (as defined in Paragraph 11(d) hereof) prior to January 1, 2007 or for any other reason (other than as set forth in the next sentence of this Paragraph 6(d)), all Earned Duff & Phelps Shares and all New Restricted Shares not vested on the date of any such termination shall be forfeited. If Executive's employment hereunder is terminated by the Company for Cause under Paragraph 8(a)(ii)(B) or (C) or without Cause or by Executive for Good Reason or upon Early Retirement on or after January 1, 2007, or upon death or due to Permanent Disability, all Earned Duff & Phelps Shares and all New Restricted Shares not vested on the date of any such termination shall vest immediately upon such termination. In addition, upon a Change in Control all Earned Duff & Phelps Shares and all New Restricted Shares not vested as of the Change in Control shall vest immediately upon the Change in Control.

7. Entitlements in the Event of Death or Permanent Disability.

(a) In the event of Executive's death or "Permanent Disability" (as hereinafter defined) during the term of this Agreement, the Company shall continue, for the two-year period beginning on the date of such death or Permanent Disability, to pay to Executive (or his successors and assigns under the applicable laws of descent and distribution in the event of his death) Executive's then effective per annum rate of Base Salary, as determined under Paragraph 3(a) above, and provide to Executive (and to his family members covered under his family medical coverage immediately prior to the date of death or Permanent Disability) the same medical coverage as provided to Executive (and such family members) on the date of such death or Permanent Disability; provided that to the extent that the Company's medical plan does not permit continuation of Executive's participation (in the case of Permanent Disability) or his family members' participation (in the case of Executive's death or Permanent Disability) throughout this period, the Company shall provide Executive (or his family members in the case of Executive's death), no less frequently than quarterly in advance, with an amount, which after taxes, is sufficient for him (or such family members, as the case may be) to purchase substantially equivalent medical benefits. Notwithstanding anything to the contrary in the foregoing, the Base Salary payable to Executive pursuant to this Paragraph 7(a) shall be offset and therefore reduced as follows: (i) in the case of Executive's death, on a tax-effected basis, by all proceeds paid to his estate or successors and assigns under applicable laws of descent and distribution pursuant to any life insurance policy or policies (whether an individual or Company-wide policy or policies) maintained on Executive's life by the Company and on which the premiums are paid by the Company; and (ii) in the case of Executive's Permanent Disability, by any payment made in the same year that Executive receives the salary continuation under any plan or plans maintained and paid for by the Company (whether an individual or Company-wide policy or policies) for Executive's benefit. From and after the end of the two-year period beginning on the date of Executive's Permanent Disability and until Executive reaches the age of 65, Executive shall be entitled annually to receive from the Company or under any plan or plans maintained and paid for by the Company (whether an individual or a company-wide policy or policies) payments that equal no less than sixty percent (60%) of his per annum rate of Base Salary effective at the time of his Permanent Disability.

(b) Except as otherwise provided in Paragraph 7(a) above, in the event of Executive's death or Permanent Disability, Executive's employment hereunder shall terminate and Executive shall be entitled to no further compensation or other severance payments or employee benefits under this Agreement, except Executive shall be entitled to:

(i) a lump-sum payment in an amount equal to (x) the bonus, if any, payable based on Executive's Target Bonus for the year of termination that Executive would have earned based on the Company's performance during the year in which death or Permanent Disability occurred had he remained employed by the Company (calculated without taking into account individual or subjective performance standards), times (y) a fraction the numerator of which is the number of days that Executive was employed in the applicable performance period and the denominator of which shall be the number of days in the applicable performance period (“Pro-Rata Bonus”);

(ii) immediate vesting and non-forfeitability of all unmatured Deferred Stock Units, Earned Duff & Phelps Shares and unvested New Restricted Shares, with the Company immediately exchanging the Deferred Stock Units for Class A Common Shares (the “DSU Shares”), and paying any dividends due on the DSU Shares in accordance with Paragraph 5 above;

(iii) immediate vesting and non-forfeitablity of all other outstanding equity awards (including, but not limited to, stock options and restricted shares), with all vested options (including options vesting pursuant to this subclause (iii)) remaining exercisable for the remainder of their original terms;

(iv) the pension benefits as provided pursuant to Paragraph 4(a) of this Agreement;

(v) any earned but unpaid amounts as of the date of termination, including, but not limited to, Base Salary through the date of termination, reimbursement for business expenses and any incentive awards earned for performance periods that have ended; and

(vi) any other right, benefit or entitlement earned and payable, and not subject to forfeiture as a result of such termination, under this Agreement or any other Company plan, policy, program, arrangement of, or other agreement with, the Company or any affiliate.

(c) For purposes of this Agreement, Executive's "Permanent Disability" shall mean Executive's inability, due to physical or mental incapacity, to substantially perform his duties and responsibilities hereunder for a period of one hundred fifty (150) consecutive days as determined by a medical doctor selected by Executive and the Company. If the Parties cannot agree on a medical doctor, each party shall select a medical doctor and the two doctors shall select a third who shall be the approved medical doctor for this purpose. In no event shall any termination of Executive's employment for Permanent Disability, either by Executive or the Company, occur until the Party terminating his employment gives written notice to the other Party in accordance with Paragraph 19 below.

8. Termination.

(a) The employment of Executive pursuant to the terms of this Agreement, and the term of this Agreement:

(i) shall be terminated automatically upon Executive's death or Permanent Disability as provided in Paragraph 7(c) above, or

(ii) may be terminated for Cause (as defined herein) at any time by the Board (with any such termination not being in limitation of any other right or remedy the Company may have under this Agreement or otherwise). For purposes of this Agreement, the term "Cause" shall mean:

(A) Executive's conviction of (without further right to appeal), or his pleading guilty to or no contest with respect to, a felony involving embezzlement or theft; or his conviction of (without further right to appeal) a felony or misdemeanor crime, in either case involving an act or series of acts involving moral turpitude;

(B) Executive's gross misconduct or gross neglect in the performance of his duties under this Agreement, which results in harm to the Company, unless such misconduct or neglect has been cured by Executive in all material respects within twenty (20) days after the Company gives written notice specifying the act constituting Cause to Executive (provided that no act or failure to act shall be deemed to be gross misconduct or gross neglect if Executive believed in good faith that such action or non-action was in, or not opposed to, the best interests of the Company or any affiliate thereof); or

(C) Executive's material breach of any material provision of (i) this Employment Agreement (other than Paragraph 1 or Paragraph 2 hereof which shall be governed by subclause (B) above) or (ii) any written employment policy of the Company which Executive knows about or should have known about, provided that if such breach of such policy is of a type that has been committed by any other employee(s) of the Company then that type of breach has consistently resulted in the termination of such employee(s), and provided such breach (whether or not of the type committed by any other employee) has not been cured by

Executive in all material respects within twenty (20) days after the Company gives written notice specifying the act constituting Cause thereof to Executive.

Anything herein to the contrary notwithstanding, Executive shall not be terminated for Cause within the meaning of subclauses (B) and (C) of this Paragraph 8(a)(ii), unless Executive has an opportunity to be heard before the Board and, after such hearing, there is a vote of no less than a majority of the members of the Board to terminate him for Cause based on the act specified in the aforesaid written notice.

(iii) may be terminated at any time by the Company without Cause; or

(iv) may be terminated by Executive at any time for Good Reason (without prior notice) or otherwise with thirty (30) days' advance written notice to the Company in accordance with Paragraph 19 below.

(b) Upon any termination of Executive's employment, Executive shall be deemed automatically to have resigned from all offices and directorships held by Executive in the Company or any of its subsidiaries, Executive's employment with the Company for all purposes shall be deemed to have terminated as of the effective date of such termination hereunder, irrespective of whether the Company has a continuing obligation under this Agreement to make payments or provide benefits to Executive after such effective date, and Executive shall execute such documents, if any, as are reasonably provided by the Company to effect such resignations.

(c) Anything herein to the contrary notwithstanding, expiration of the term of this Agreement in accordance with the expiration of the original term (or any extension thereof) shall not result in Executive's employment being terminated and in such event Executive shall be an employee at-will, subject to the restrictive covenants of Paragraph 12 hereof and the provisions of Paragraphs 6(a) and 6(d) hereof, which shall survive such expiration along with this Paragraph 8(c), the definitions herein of the defined terms used in this Paragraph 8(c) and Paragraph 25. If Executive terminates such at-will employment for Good Reason (as such term is defined herein) or if the Company terminates Executive's at-will employment without Cause (as such term is defined herein), and upon Executive's death, Permanent Disability, Normal Retirement (as defined in Paragraph 11(c) below) or Early Retirement, in all cases after the expiration of the term of this Agreement, all of Executive's outstanding equity awards (including, but not limited to, stock options, deferred stock units, the New Restricted Shares and restricted shares) shall (to the extent not already vested) automatically vest and shall not be subject to forfeiture and, in the case of options, be exercisable for their full respective terms, notwithstanding anything to the contrary in the applicable plan or option grant or restricted stock award contract, and upon any other termination of such at-will employment, Executive's rights with respect to any such equity awards shall be governed by the applicable plan or award agreement without reference to this Agreement or any of the terms or provisions hereof.

9. Certain Termination Payments and Vesting Events.

(a) If Executive's employment with the Company is terminated by the Company without Cause or by Executive for Good Reason other than within two years following a Change in Control, Executive shall be entitled to the following upon execution and delivery to the Company of the release described in Paragraph 14(c) hereof (the "Termination Release"):

(i) continued payment of Base Salary at the per annum rate then in effect under Paragraph 3(a) above for a period equal to the greater of (A) three years beginning on the date of such termination or (B) the balance of the term of this Agreement remaining at the time of such termination (without regard to early termination of such term hereunder);

(ii) payment of an amount equal to the Target Bonus then in effect under Paragraph 3(b) times the greater of (A) two or (B) if the balance of the term of this Agreement remaining at the time of such termination (without regard to early termination of such term hereunder) is greater than two years, a fraction the numerator of which is the number of months remaining in such term and the denominator of which is 12;

(iii) a Pro-rata Bonus (as defined in Paragraph 7(b)(i) above) for the year of termination;

(iv) immediate vesting of all unmatured Deferred Stock Units, Earned Duff & Phelps Shares and unvested New Restricted Shares, with the Company immediately exchanging the Deferred Stock Units for the DSU Shares and paying any dividends due on the DSU Shares in accordance with Paragraph 5 above;

(v) immediate vesting and non-forfeitability of all other outstanding equity awards (including, but not limited to, stock options and restricted shares other than the New Restricted Shares), with all vested options (including options vesting pursuant to this subclause (v)) remaining exercisable for the remainder of their original terms;

(vi) the pension benefits as provided pursuant to Paragraph 4(a) of this Agreement;

(vii) continued participation for Executive and his eligible dependents in all plans and programs described in Paragraph 4(a) above then in effect for a period equal to the greater of (A) two years beginning on the date of such termination or (B) the balance of the term of this Agreement remaining at the time of such termination (without regard to early termination of such term hereunder) (unless the terms of the applicable plans or relevant laws do not permit the continuation of such benefits after such termination and such plans cannot be amended, with applicability of such amendment limited to Executive, to provide for such continuation; provided that, in all events, if the provisions of relevant law or the terms of the Company's plans do not permit continued participation, the Company shall provide Executive, no less frequently than quarterly in advance, with an amount that, after taxes, is sufficient for him to purchase for himself and his eligible dependents benefits substantially equivalent to those for which continued participation by Executive or his eligible dependents is not permitted); provided, however, that any benefits received pursuant to this subparagraph (vii) of Paragraph 9(a) shall be offset and therefore reduced by any substantially equivalent benefits provided Executive during this benefit continuation period pursuant to any full-time employment or consultancy secured following such termination;

(viii) any earned but unpaid amounts as of the date of termination, including, but not limited to, Base Salary through the date of termination, reimbursement for business expenses and any incentive awards earned for performance periods that have ended; and

(ix) any other right, benefit or entitlement earned and payable, and not subject to forfeiture as a result of the applicable termination event, under this Agreement or any other Company plan, policy, program, arrangement of, or other agreement with, the Company or any affiliate.

(b) If Executive's employment is terminated by the Company for Cause or by Executive for any reason (other than for Good Reason or upon death, Normal Retirement or Early Retirement, or due to Permanent Disability), Executive shall be entitled to no further compensation or other severance payments or employee benefits under this Agreement, shall forfeit all earned and unvested Duff & Phelps Shares and all unvested New Restricted Shares, and all other outstanding equity awards (including, but not limited to, stock options (whether or not vested), deferred stock units and restricted shares) shall be treated in accordance with the applicable plan or award agreement; provided, however, that Executive shall be entitled to:

(i) issuance of 19,207 DSU Shares and payment of dividends with respect thereto on January 15, 2004, in exchange for the remaining Deferred Stock Units;

(ii) any earned but unpaid amounts as of the date of termination, including, but not limited to, Base Salary through the date of termination, reimbursement of business expenses and any incentive awards earned for performance periods that have ended;

(iii) any other right, benefit or entitlement earned and payable, and not subject to forfeiture as a result of the applicable termination event, under this Agreement or any other Company plan, policy, program, arrangement of, or other agreement with, the Company or any affiliate;

(iv) as provided in Paragraph 6(d) hereof, in the case of termination of Executive's employment by the Company for Cause under Paragraph 8(a)(ii)(B) or (C) hereof, all Earned Duff & Phelps Shares and all New Restricted Shares not vested on the date of any such termination shall vest immediately upon such termination and thereafter be non-forfeitable; and

(v) the pension benefits as provided pursuant to Paragraph 4(a) of this Agreement.

Notwithstanding anything to the contrary in this Paragraph 9(b), in the event of Executive's Early Retirement prior to January 1, 2007, all unvested Earned Duff & Phelps Shares and all unvested New Restricted Shares (to the extent such shares are unvested on the date of such retirement) shall be forfeited as provided in Paragraph 6(d) hereof.

(c) If Executive's employment with the Company is terminated within two years after a Change in Control by the Company without Cause or by Executive for Good Reason, Executive shall be entitled to the Change in Control termination payments set forth in Paragraph 10 below upon execution and delivery to the Company of the Termination Release.

(d) If Executive's employment is terminated upon reaching Normal Retirement, whether such termination is voluntary or involuntary, or upon reaching Early Retirement if such termination is voluntary, the Executive shall be entitled to the following:

(i) immediate vesting and non-forfeitablity of all outstanding equity awards (including, but not limited to, stock options and restricted shares), with all vested options (including options vesting pursuant to this subclause (i)) remaining exercisable for the remainder of their original terms; provided, however, in the case of Early Retirement prior to January 1, 2007, Executive shall forfeit all unvested Earned Duff & Phelps Shares and all unvested New Restricted Shares (to the extent such shares are unvested on the date of such retirement), and all other outstanding equity awards (including, but not limited to, stock options and restricted shares) shall be treated in accordance with the applicable plan or award agreement;

(ii) the pension benefits as provided pursuant to Paragraph 4(a) of this Agreement;

(iii) any earned but unpaid amounts as of the date of termination, including, but not limited to, Base Salary through the date of termination, reimbursement for business expenses and any incentive awards earned for performance periods that have ended; and

(iv) any other right, benefit or entitlement earned and payable, and not subject to forfeiture as a result of such retirement, under this Agreement or any other Company plan, policy, program, arrangement of, or other agreement with, the Company or any affiliate.

Anything herein to the contrary notwithstanding, upon Normal Retirement or Early Retirement, Executive shall not be entitled to severance pursuant to Section 9(a) hereof.

(e) Except as otherwise provided herein, all payments required to be made pursuant to this Paragraph 9 or Paragraph 10 below (but not including any pension benefits payable under Paragraph 4(a) hereof, which benefits shall be paid in accordance with Executive's election made pursuant to the applicable plans) shall be paid in a lump-sum within 30 days after the date of termination unless Executive has made an election under a plan or program that the amount or benefit be paid in some other form.

10. Change in Control Protections; Change in Control Termination Payments.

(a) Upon a Change in Control, all outstanding equity awards, including but not limited to Deferred Stock Units, Earned Duff & Phelps Shares, New Restricted Shares, and any stock options and other restricted shares, shall immediately vest and not be subject to forfeiture, with all vested stock options (including those vesting pursuant to this Paragraph 10(a)) remaining exercisable for the remainder of their original terms.

(b) Executive will be entitled to the compensation set forth in Paragraphs 10(b) and 10(d) hereof (the "CIC Compensation") if his employment is terminated within two years after a Change in Control (i) by the Company without Cause, or (ii) by him with Good Reason (in either case, the "CIC Trigger"). Notwithstanding the foregoing, Executive will not be entitled to CIC Compensation in the event of a termination of his employment following a Change in Control on account of his death or Permanent Disability, or Normal Retirement (whether voluntary or involuntary) or Early Retirement or other termination by him on his own initiative other than for Good Reason. In the event of a CIC Trigger, Executive shall be entitled to the CIC Compensation provided below upon execution and delivery to the Company of the Termination Release:

(i) in lieu of any further salary, bonus or other payments to Executive for periods subsequent to the date of termination, the Company shall pay to Executive not later than the thirtieth day following the date of termination a cash amount equal to the sum of: (x) an amount equal to three times the greater of (A) Executive's base salary at the highest annualized rate paid in the three calendar years prior to the date of termination or (B) the Base Salary; and (y) an amount equal to three times the greater of (A) 100% of his Target Bonus for the year of such termination or (B) the highest annual bonus he received for the three calendar years prior to the date of termination;

(ii) until the earlier of (A) the third anniversary of the date of termination or (B) Executive's death (but only in respect to Executive's own benefits) or his securing of full-time employment which provides substantially equivalent benefits, the Company shall provide Executive (and his eligible dependents, as the case may be) with life, medical, dental, and accidental death and disability insurance benefits substantially equivalent to those which Executive and his eligible dependents were receiving immediately prior to the date of termination, or immediately prior to a Change in Control, if greater, provided that Executive shall be obliged to continue to pay that proportion of premiums paid by him immediately prior to the Change in Control. Notwithstanding the foregoing, in the event that participation in any such program is not possible under the terms of such program, the Company shall arrange to provide Executive and his eligible dependents with benefits substantially equivalent to those which they are entitled to receive under such program, or shall provide an after-tax payment equivalent to the value of such program if it cannot be provided in-kind;

(iii) any earned but unpaid amounts as of the date of termination, including, but not limited to, Base Salary through the date of termination, reimbursement for business expenses and any incentive awards earned for performance periods that have ended;

(iv) immediate vesting and non-forfeitability of all other outstanding equity awards (including, but not limited to, stock options and restricted shares), with all vested options (including options vesting pursuant to this subclause (iv)) remaining exercisable for the remainder of their original terms;

(v) the pension benefits as provided pursuant to Paragraph 4(a) of this Agreement; and

(vi) any other right, benefit or entitlement earned and payable, and not subject to forfeiture as a result of such termination, under this Agreement or under any other Company plan, policy, program, arrangement of, or other agreement with, the Company or any affiliate.

(c) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined (as hereafter provided) that any payment, benefit or distribution to or for Executive's benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement or similar right (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986 (or any successor provision thereto), or any interest or penalties with respect to such excise tax (such tax, together with any such interest and penalties, hereafter collectively referred to as the "Excise Tax"), then Executive shall be entitled to receive an additional payment or payments (a "Gross-Up Payment") in an amount such that, after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

All determinations required to be made under this Paragraph 10(c), including whether an Excise Tax is payable by Executive, the amount of such Excise Tax, whether a Gross-Up Payment is required, and the amount of such Gross-Up Payment, shall be made by a nationally-recognized legal or accounting firm (the "Firm") (which may be the Company's independent auditor) selected by the Company in its sole discretion. The Firm shall submit its determination and detailed supporting calculations to Executive and the Company as promptly as practicable. If the Firm determines that any Excise Tax is payable by Executive and that a Gross-Up Payment is required, the Company shall pay Executive the required Gross-Up Payment within thirty (30) days of receipt of such determination and calculations. If the Firm determines that no Excise Tax is payable by Executive, it shall, at the same time it makes such determination, furnish Executive with an opinion that Executive has substantial authority not to report any Excise Tax on Executive's federal income tax return. Any determination by the Firm as to the amount of the Gross-Up Payment shall be binding upon Executive and the Company. As a result of the uncertainty in the application of Section 4999 of the Internal Revenue Code of 1986 (or any successor provision thereto) at the time of the initial determination by the Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the

Company should have been made (an "Underpayment"). If Executive thereafter is required to make a payment of any Excise Tax, the Firm shall determine the amount of the Underpayment (if any) that has occurred and submit its determination and detailed supporting calculations to Executive and the Company as promptly as possible. Any such Underpayment shall be promptly paid by the Company to Executive, or for Executive's benefit, within thirty (30) days of receipt of such determination and calculations.

Executive and the Company shall each provide the Firm access to and copies of any books, records or documents in the possession of the Company or Executive, as the case may be, reasonably requested by the Firm, and shall each otherwise cooperate with the Firm in connection with the preparation and issuance of the determinations contemplated by this Paragraph.

The fees and expenses of the Firm for services in connection with the determinations and calculations contemplated by this Paragraph 10(c) shall be borne by the Company.

(d) In the event of a CIC Trigger, Company shall provide Executive, at the Company's cost, reasonable outplacement services for a period of eighteen months following the date of termination and will reimburse Executive for his reasonable legal expenses in an amount not to exceed $75,000 should he have to institute legal proceedings to enforce the provisions of this Paragraph 10.

11. Definitions.

(a) "Change in Control" of the Company shall mean any of the following:

(i) any “person”, as such term is used in Sections 3(a)(9) and 13(d) of the Securities Exchange Act of 1934, becomes a “beneficial owner”, as such term is used in Rule 13d-3 promulgated under that Act, of a majority of the outstanding Common Voting Shares, $.01 par value, of the Company (or shares of capital stock of the Company with comparable or unlimited voting rights), excluding, however, The Edward W. Scripps Trust (the “Trust”) and the trustees thereof, and any person that is or becomes a party to the Scripps Family Agreement, dated October 15, 1992, as amended currently and as it may be amended from time to time in the future (the “Family Agreement”);

(ii) the majority of the Board consists of individuals other than Incumbent Directors, which term means the members of the Board on the Effective Date; provided that any person becoming a director subsequent to such date whose election or nomination for election was supported by a majority of the directors who then comprised the Incumbent Directors shall be considered to be an Incumbent Director;

(iii) assets of the Company accounting for 90% or more of the Company’s revenues (hereinafter referred to as “substantially all of the Company’s assets”) are disposed of pursuant to a merger, consolidation, sale, or plan of liquidation and dissolution (unless the Trust or the parties to the Family Agreement beneficially own, directly or indirectly, a controlling interest (defined as owning a majority of the voting power) in the entity surviving such merger or consolidation or acquiring such assets upon such sale or in connection with such plan of liquidation and dissolution); or

(iv) any event which would constitute a “Change in Control” under the Incentive Plan.

Notwithstanding anything to the contrary in the foregoing definition, neither the termination of the Trust nor the effectiveness, as a result of such termination, of the Family Agreement shall constitute a “Change in Control”.

(b) “Good Reason” means any of the following:

(i) the reduction of Executive’s Base Salary or Target Bonus below the amount of Base Salary or Target Bonus in effect immediately prior to such reduction;

(ii) any failure by the Company to continue in effect the Incentive Plan or provide other similar plans pursuant to which Executive will be eligible to receive grants relating to securities of the Company (including, without limitation, stock options, stock appreciation rights, restricted stock or other equity based awards) (hereinafter referred to as “Securities Plans”) or provide substitutes for such Securities Plans which in the aggregate provide substantially comparable economic benefits to those he has been receiving;

(iii) the assignment to Executive of any duties inconsistent with, or a material diminution of, Executive’s duties, titles, offices, responsibilities or status from those of Executive with the Company as contemplated by this Agreement, or any removal of Executive from or any failure to reelect or reappoint Executive to any positions set forth in Paragraph 1(a) and Paragraph 2(b) above, including as a Director of the Company, unless such removal or failure to reelect or reappoint results from the termination of Executive’s employment for Cause in accordance with Paragraph 8(a)(ii) above, by reason of death or Permanent Disability in accordance with Paragraph 7(c) above, or as a result of Executive's Normal Retirement or Early Retirement or other termination of employment by him at his own initiative other than for Good Reason;

(iv) a change in reporting structure such that Executive reports to someone other than the Board;

(v) relocation or reassignment of Executive, without his consent, to work in a location more than twenty-five (25) miles outside of the Cincinnati, Ohio metropolitan area;

(vi) the Company's failure to cure within thirty (30) days of notice thereof from Executive any material breach of this Agreement by the Company provided that the Board has not taken steps prior to such notice to terminate Executive for Cause in accordance with this Agreement; or

(vii) the failure of any successor to all or "substantially all of the Company's assets" (as defined in Paragraph 11(a)(iii) hereof) to assume the Company's obligations under this Agreement.

(c) "Normal Retirement" means retirement (whether voluntary or involuntary): (i) under the Scripps Pension Plan on the first day of the month coinciding with or immediately following Executive reaching Normal Retirement Age (as defined under the Scripps Pension Plan), or (ii) if more favorable to Executive, as otherwise defined or determined by the Board with respect to Executive or the senior executives of the Company generally.

(d) "Early Retirement" means retirement on the Executive's own initiative under the Scripps Pension Plan on or after Executive's 55^{th} birthday and prior to the first day of the month coinciding with or immediately following his 65^{th} birthday.

12. Certain Covenants.

(a) Noncompete. During the term of this Agreement and for one year following the date of termination of Executive's employment hereunder, except as otherwise provided in the last sentence of this Paragraph 12(a) or in the ordinary course of performing his duties for the Company or any affiliate, Executive shall not do or suffer any of the following:

(i) directly or indirectly own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any corporation, partnership, proprietorship, firm, association or other business entity which is in competition with any business segment of the Company that generates 5% or more of the Company's revenues as and where conducted by the Company both at the time of Executive's termination of employment and at the time of the alleged violation ("Competitive Enterprise"); provided, however, the following shall not be deemed to be a violation of this Paragraph 12(a): (A) the ownership of not more than two percent (2%) of any class of publicly traded securities of any entity, (B) Executive's ownership of any interest in DNL, Inc., a corporation formed by Executive and certain other persons, or any successor to DNL (including Executive's operating DNL as a sole proprietorship) ("DNL") or his provision of services thereto, so long as DNL is not competing with the Home & Garden Television Network, the Food Network, the Do-It-Yourself Network, the Fine Living Network or any other national television network controlled or operated by the Company or any of its subsidiaries prior to or as of the date Executive's employment is terminated, and so long as Executive's ownership of such interest in DNL, his participation in the management or control of DNL or his employment or engagement thereby or affiliation or association therewith does not materially interfere with his full-time employment hereunder, (C) continued service as a member of the board of directors of any entity on which Executive was serving on the date of termination (subject to the limitations set forth in Paragraph 1(c) hereof during the term of this Agreement), (D) service as a member of the board of directors or as a member of an advisory committee of any entity which is not engaged in a Competitive Enterprise (subject to the limitations set forth in Paragraph 1(c) hereof during the term of this Agreement), or (E) providing services to a subsidiary, division or affiliate of a Competitive Enterprise if such subsidiary, division or affiliate is not itself engaged in a Competitive Enterprise and Executive does not provide services to, or have any responsibilities regarding, the Competitive Enterprise; or

(ii) solicit the employment of, or knowingly assist another in soliciting the employment of, any officers of the Company or any of its subsidiaries at the level of vice president or above or induce any such officer to terminate such relationship. Nothing herein shall prevent Executive from giving personal references for any such officer setting forth his personal views about such officer. Anything herein to the contrary notwithstanding, the Company acknowledges that its employees or those of its affiliates may join other entities with which Executive is affiliated and that that event will not constitute a violation of this Agreement if Executive was not involved (directly or through contacts with others) in hiring or in identifying the employee of the Company or its affiliate as a potential recruit or otherwise assisting in, or counseling others concerning, the recruitment of the employee of the Company or affiliate for such entity.

Executive expressly agrees and understands that the remedy at law for any breach by him of this Paragraph 12(a) may be inadequate and that the damages flowing from such breach are not readily susceptible to being measured in monetary terms. Accordingly, it is acknowledged that, upon adequate proof of Executive's violation of any provision of this Paragraph 12(a), the Company shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach. Furthermore, if the Board makes a good faith determination based upon adequate proof that Executive has violated any material provision of this Paragraph 12(a), the Company may withhold any amounts owed pursuant to this Agreement to Executive at the time the Board makes such good faith determination, provided that in no event shall the Company withhold or fail to pay any pension benefit (whether payable under any qualified or non-qualified plan (including the Supplemental Plan) of the Company or any affiliate or under Paragraph 4(a) hereof) and provided, further, that if it is subsequently determined by an arbitrator pursuant to Paragraph 18 below that Executive did not commit such violation, the Company shall promptly pay all such unpaid amounts to Executive with interest on a cumulative daily compounded basis at the rate of LIBOR from the date such payment was due until the date it is actually paid to Executive. Nothing in this Paragraph 12(a) shall be deemed to limit the Company's remedies at law or in equity for any breach by Executive of any of the provisions of this Paragraph 12(a) which may be pursued or availed of by the Company. If an arbitrator determines that Executive violated any legally enforceable provision of this Paragraph 12(a) as to which there is a specific time period during which he is prohibited from taking certain actions or from engaging in certain activities as set forth in such provision, then such violation shall toll the running of such time period from the date of such violation until such violation shall cease. Executive has carefully considered the nature and extent of the restrictions upon him and the rights and remedies conferred upon the Company under this Paragraph 12(a), and hereby acknowledges and agrees that the same are reasonable in time and territory, are designed to eliminate competition which otherwise would be unfair to the Company, do not stifle the inherent skill and experience of Executive, would not operate as a bar to Executive's sole means of support, are fully required to protect the legitimate interests of the Company and do not confer a benefit upon the Company disproportionate to the detriment to Executive. Notwithstanding anything to the contrary in this Paragraph 12(a), if Executive terminates his employment for Good Reason or if his employment is terminated by the Company without Cause (whether before or after a Change in Control), the provisions of this Paragraph 12(a) shall be deemed null and void from and after any such termination.

(b) Intellectual Capital. All copyrightable material originated and developed by Executive during the term of this Agreement (the "Works") relating to the business of the Company shall constitute "works made for hire" for the Company, as the phrase is defined in Sections 101 and 201 of the Copyright Act of 1976 (Title 17, United States Code), and the Company shall be considered the author and shall be the copyright owner of all such Works. Upon the Company's request and at its sole expense, Executive shall execute such documents and do such other acts as may be reasonably necessary to further evidence or effectuate the Company's rights in and to the Works. If any of the Works do not qualify for treatment as a "work made for hire" or if Executive retains any interest in any components of the Works for any other reason except a specific written agreement to the contrary, Executive hereby grants, assigns and transfers to the Company all worldwide right, title, and interest in and to the Works, including, but not limited to, all United States and international copyrights and all other intellectual property rights in the Works, and all subsidiary rights therein, free and clear of any and all claims for royalties or other compensation except as stated in this Agreement.

(c) Trade Secrets And Confidential Information.

(i) Executive recognizes and acknowledges that by virtue of Executive's employment with the Company, Executive will have access to certain trade secrets and confidential information of the Company and its subsidiaries and that such information constitutes valuable, special and unique property of the Company and its subsidiaries, and derives economic value because it is not generally known to the public or within the relevant trade or industry ("Trade Secrets and Confidential Information"). Trade Secrets and Confidential Information includes, but is not limited to, the following Company information: (A) customer information, including, without limitation, customer lists and other information concerning particular needs, problems, likes or dislikes of the Company's customers; (B) the identities of the Company's customers; (C) price information, such as price lists, the contents of bids, and other information concerning costs or profits; (D) technical information, such as formulae, know-how, computer programs, software, secret processes or machines, inventions and research projects or other methods or processes; (E) business information relating to costs, profits, sales, markets, suppliers, plans for further development, market studies, methods of doing business or research projects; (F) compilation of data by the Company concerning the Company's employees and independent contractors relating to employment by the Company of its personnel; and (G) any other Company information valuable because of its private or confidential nature. Trade Secrets and Confidential Information may be oral or written and may be information which Executive originates or which otherwise comes into Executive's possession or knowledge.

(ii) Executive agrees that Executive shall treat all Trade Secrets and Confidential Information of the Company obtained by Executive during the course of his employment as confidential and shall not knowingly divulge or disclose any of same gained by Executive in connection with Executive's employment by the Company to any other person, firm, corporation or entity, except upon the written request or instruction of the Company or in the ordinary course of Executive's performing his duties for the Company or any affiliate. Anything herein to the contrary notwithstanding, the provisions of this Paragraph 12(c) shall not apply (A) when disclosure is required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with apparent or actual jurisdiction to order Executive to disclose or make accessible any information, (B) with respect to any other litigation, arbitration or mediation involving this Agreement or any other agreement Executive may have with the Company, including, but not limited to, the enforcement of such agreements or (C) as to Trade Secrets or Confidential Information that becomes generally known to the public or within the relevant trade or industry other than due to Executive's violation of this Paragraph 12(c).

(iii) Return of Confidential Information. Upon separation from employment with the Company, Executive shall immediately surrender to the Company all Trade Secrets and Confidential Information and any and all documents, materials or other tangible items pertaining to Trade Secrets and Confidential Information that Executive may possess. All Trade Secrets and Confidential Information shall be and remain the sole property of the Company and its subsidiaries. If Executive is in doubt as to whether any information, material, or document is a Trade Secret or is Confidential Information, Executive will use his best efforts to contact the Board before disclosing or using same for any purpose other than in the ordinary course of performing his duties for the Company and its affiliates or as otherwise permitted under Paragraph 12(c)(ii) above. The covenants of this Paragraph 12(c)(iii) shall continue for as long after the termination of this Agreement as any Trade Secret or Confidential Information continues to constitute a trade secret under applicable law. Anything herein to the contrary notwithstanding, Executive shall be entitled to retain (A) any home office equipment provided that any Trade Secret or Confidential Information is not retained by Executive on such equipment, (B) papers and other materials of a personal nature, including, but not limited to, photographs, correspondence, personal diaries, calendars and rolodexes, personal files and phone books, (C) information showing Executive's compensation or benefits or relating to reimbursement of business expenses, (D) information that he reasonably believes may be needed for tax purposes, (E) copies of plans, programs and agreements relating to his employment, or termination thereof, with the Company and (F) minutes, presentation materials and personal notes from any meeting of the Board, or any committee thereof, while he was a member of the Board.

13. Withholding Taxes.

All payments to Executive hereunder shall be subject to withholding on account of federal, state and local taxes as required by law.

14. No Conflicting Agreements; Mutual Releases.

(a) No Conflicting Agreements. Executive represents and warrants that he is not a party to any agreement, contract or understanding, whether employment or otherwise, which would restrict or prohibit him from undertaking or performing employment in accordance with the terms and conditions of this Agreement. This Agreement supercedes the Previous Employment Agreement. The Previous Employment Agreement is hereby terminated.

(b) Mutual Release Regarding Previous Employment. Each of the Company and Executive acknowledges that any and all obligations of the other to it or him arising under the Previous Employment Agreement have been fulfilled to its or his satisfaction, as the case may be, and each of the Company and Executive hereby releases the other of any and all claims it or he may have against the other arising under or in connection with the Previous Employment Agreement.

(c) Mutual Termination Release. Each of the Company and Executive shall execute and deliver to the other a release in the form attached hereto as Exhibit B upon any termination of Executive's employment by Executive for Good Reason or by the Company of Executive's employment without Cause. Executive's execution and delivery of such release shall be a condition to Executive's receiving any payment or other benefit that he would otherwise not be entitled to upon such termination absent this Agreement.

15. Indemnification; D&O Liability Insurance.

(a) The Company agrees that if Executive is made a party to, is threatened to be made a party to, receives any legal process in, or receives any discovery request or request for information in connection with, any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he was a director, officer, employee, consultant or agent of the Company, or was serving at the request of, or on behalf of, the Company as a director, officer, member, employee, consultant or agent of another corporation, limited liability corporation, partnership, joint venture, trust or other entity, including service with respect to employee benefit plans, whether or not the basis of such Proceeding is Executive's alleged action in an official capacity while serving as a director, officer, member, employee, consultant or agent of the Company or other entity, Executive shall be indemnified and held harmless by the Company to the fullest extent permitted or authorized by the Company's Articles of Incorporation or Code of Regulations or, if greater, by the laws of the State of Ohio, against any and all costs, expenses, liabilities and losses (including, without limitation, attorneys' fees reasonably incurred, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement and any reasonable cost and fees incurred in enforcing his rights to indemnification or contribution) incurred or suffered by Executive in connection therewith, and such indemnification shall continue as to Executive even though he has ceased to be a director, officer, member, employee, consultant or agent of the Company or other entity and shall inure to the benefit of Executive's heirs, executors and administrators. The Company shall reimburse Executive for all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by him in connection with any Proceeding within 20 business days after receipt by the Company of a written request for such reimbursement and appropriate documentation associated with these expenses. Such request shall include an undertaking by Executive to repay the amount of such advance if it shall ultimately be determined that he is not entitled to be indemnified against such costs and expenses; provided that the amount of such obligation to repay shall be limited to the after-tax amount of any such advance except to the extent Executive is able to offset such taxes incurred on the advance by the tax benefit, if any, attributable to a deduction for repayment.

(b) Neither the failure of the Company (including its Board, independent legal counsel or stockholders) to have made a determination prior to the commencement of any proceeding concerning payment of amounts claimed by Executive under Paragraph 15(a) above that indemnification of Executive is proper because he has met the applicable standard of conduct, nor a determination by the Company (including its Board, independent legal counsel or stockholders) that Executive has not met such applicable standard of conduct, shall create a presumption or inference that Executive has not met the applicable standard of conduct.

(c) The Company agrees to continue and maintain a directors' and officers' liability insurance policy or policies covering Executive at a level, and on terms and conditions, no less favorable to him than the coverage the Company provides its directors and senior-level officers currently (subject to any future improvement in such terms and conditions), until such time as suits against Executive are no longer permitted by law.

(d) Nothing in this Paragraph 15 shall be construed as reducing or waiving any right to indemnification, or advancement of expenses, Executive would otherwise have under the Company's Articles of Incorporation or Code of Regulations or under applicable law.

16. Severable Provisions.

The provisions of this Agreement are severable and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions and any partially unenforceable provision to the extent enforceable in any jurisdiction nevertheless shall be binding and enforceable.

17. Binding Agreement.

The rights and obligations of the Company under this Agreement shall inure to the benefit of, and shall be binding on, the Company and its successors and assigns, and the rights and obligations (other than obligations to perform services) of Executive under this Agreement shall inure to the benefit of, and shall be binding upon, Executive and his heirs and personal representatives. Executive may not assign this Agreement or any of his rights or obligations hereunder without the Company’s prior written consent, other than his rights to compensation and benefits, which may be assigned or transferred by will or operation of law, provided that Executive shall be entitled, to the extent permitted under applicable law or the relevant plans, to select and change a beneficiary or beneficiaries to receive any compensation or benefit hereunder following his death by giving the Company written notice thereof. In the event of Executive’s death or a judicial determination of his incompetence, references in this Agreement to Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative.

The Company may not assign its rights or obligations under this Agreement, without Executive’s prior written consent, except that such rights and obligations may be assigned or transferred pursuant to a merger or consolidation in which the Company is not the continuing entity, or a sale, liquidation or other disposition of all or “substantially all of the Company’s assets” (as defined in Paragraph 11(a)(iii) hereof) of the Company, provided that the assignee or transferee is the successor to all or “substantially all of the Company’s assets” (as defined in Paragraph 11(a)(iii) hereof) and assumes the liabilities, obligations and duties of the Company under this Agreement, either contractually or as a matter of law.

18. Arbitration; Jurisdiction.

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, any other agreement or arrangement in writing between Executive and the Company or any affiliate or Executive’s employment with the Company or any affiliate, or the termination thereof (collectively “Covered Claims”) shall be settled by binding arbitration in the City of Cincinnati, Ohio, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then pertaining in such city, and judgment upon the award rendered by the arbitrator or arbitrators may be entered in any court in Hamilton County, Ohio, having jurisdiction thereof. The arbitrator or arbitrators shall be deemed to possess the powers to issue mandatory orders and restraining orders in connection with such arbitration; provided, however, that nothing in this Paragraph 18 shall be construed so as to deny the Company the right and power to seek and obtain injunctive relief in a court of equity in Hamilton County, Ohio, for any breach or threatened breach by Executive of any of his covenants contained in Paragraph 12 hereof, and provided, further, that neither party shall be liable for punitive or exemplary damages. Each Party shall be responsible for its or his own costs and expenses (including attorneys' fees). The Parties hereto agree that federal and state courts in Hamilton County, Ohio, shall have exclusive jurisdiction with respect to the entry of judgment upon any arbitration award hereunder or the granting of any injunctive relief for any breach or threatened breach by Executive of the covenants contained in Paragraph 12 hereof, and such courts shall have exclusive jurisdiction with respect to any other controversy or claim arising out of or relating to this Agreement, or the breach thereof, that may properly be brought therein if the provisions herein mandating arbitration are held to be unenforceable. Pending the resolution of any Covered Claim, and except as set forth in Paragraph 12(a) hereof, Executive (and his beneficiaries) shall continue to receive all payments, benefits and entitlements due under this Agreement or otherwise.

19. Notices.

Any notice, request or other communication given in connection with this Agreement shall be in writing and shall be deemed to have been duly given (i) when personally delivered to the recipient provided that a written acknowledgement of receipt is obtained, (ii) three days after being sent by certified or registered mail, postage prepaid or (iii) two days after being sent by a nationally recognized overnight courier provided that a written acknowledgement of receipt is obtained, in each case addressed to the intended recipient at the address set forth at the end of this Agreement, or at such other address as such intended recipient hereafter may have designated by ten (10) days' advance written notice given to the other party hereto in accordance with this Paragraph 19.

20. No Mitigation/No Offset.

In the event of any termination of his employment, Executive shall be under no obligation to seek other employment and, except as otherwise expressly provided herein, there shall be no offset against or reduction of amounts due to him on account of any remuneration or benefits provided by any subsequent employment he may obtain. Except to the extent expressly provided in Paragraph 12(a) hereof with regard to the Company's ability to withhold certain payments, the Company's obligation to make any payment pursuant to, and otherwise perform its obligations under, this Agreement shall not be affected by any offset, counterclaim or other right that the Company may have against Executive for any reason.

21. Company's Representations and Warranties.

The Company represents and warrants that (i) all corporate action required to be taken by the Company to fully authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby has been duly and effectively taken, (ii) the officer signing this Agreement on behalf of the Company is duly authorized to do so, (iii) the execution, delivery and performance of this Agreement does not violate any applicable law, regulation, order, judgment or decree or any agreement, plan or corporate governance document to which the Company is a party or by which it is bound and (iv) upon execution and delivery of this Agreement by the Parties, it shall be a valid and binding obligation of the Company enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

22. Waiver.

The failure of either Party to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision as to any future violation thereof, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted the Parties herein are cumulative and the waiver of any single remedy shall not constitute a waiver of such Party's right to assert all other legal remedies available to him or it under the circumstances. Any waiver of any provision of this Agreement must be in writing, specifically refer to the provision being waived and be signed by the party against whom the waiver is being enforced.

23. Amendment.

No amendment or modification of any provision of this Agreement shall be valid, unless such amendment or modification is in writing and signed by Executive and an authorized officer of the Company.

24. Governing Law.

This Agreement shall be governed by and construed according to the laws of the State of Ohio without reference to principles of conflicts of law. In the event of any inconsistency between the provisions of this Agreement and any other agreement, plan, policy, program or agreement of the Company or any of its affiliates, the provision that is most favorable to Executive shall govern. Notwithstanding anything in this Agreement, any other agreement or any plan, policy or program of the Company to the contrary, the Company's plans, policies and programs, including but not limited to the Incentive Plan, and any applicable award agreement, shall be deemed to be amended by this Agreement to the extent necessary to provide the entitlements set forth herein and to the extent there is any inconsistency, the terms most favorable to Executive shall govern.

25. Survivability.

Except as otherwise expressly provided in this Agreement, upon the termination of, or expiration of the term of, this Agreement in accordance herewith, the respective rights and obligations of the Parties shall survive such termination or expiration to the extent necessary to carry out the intentions of the Parties as embodied in the rights and obligations of the Parties under this Agreement.

26. Captions and Paragraph Headings.

Captions and paragraph headings used herein are for convenience and are not a part of this Agreement and shall not be used in construing it.

27. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. Signatures delivered by facsimile shall be effective for all purposes.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first set forth above.

THE E. W. SCRIPPS COMPANY

By: ____________________________

Name: ____________________________

Title: ____________________________

Address: 312 Walnut Street
28th Floor
Cincinnati, Ohio 45202

____

Kenneth W. Lowe

Address: 312 Walnut Street
28th Floor
Cincinnati, Ohio 45202

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

EXHIBIT 12

(in thousands)

	Years ended December 31, 2003	2002	2001
EARNINGS AS DEFINED:			
Earnings from operations before income taxes after eliminating undistributed earnings of 20%- to 50%-owned affiliates	$ 432,086	$ 316,889	$ 266,040
Fixed charges excluding capitalized interest and preferred stock dividends of majority-owned subsidiary companies	38,226	34,618	44,791
Earnings as defined	$ 470,312	$ 351,507	$ 310,831
FIXED CHARGES AS DEFINED:			
Interest expense, including amortization of debt issue costs	$ 31,593	$ 28,301	$ 39,197
Interest capitalized	491	625	730
Portion of rental expense representative of the interest factor	6,633	6,317	5,594
Preferred stock dividends of majority-owned subsidiary companies	80	80	80
Fixed charges as defined	$ 38,797	$ 35,323	$ 45,601
RATIO OF EARNINGS TO FIXED CHARGES	12.12	9.95	6.82

MATERIAL SUBSIDIARIES OF THE COMPANY

EXHIBIT 21

Name of Subsidiary	Jurisdiction of Incorporation
BRV, Inc. *(The (Bremerton) Sun, Redding Record Searchlight, Ventura County Newspapers)*	California
Birmingham Post Company *(Birmingham Post-Herald)*	Alabama
Boulder Publishing Company *(Daily Camera)*	Colorado
Channel 7 of Detroit, Inc., *(WXYZ)*	Michigan
Collier County Publishing Company *(Naples Daily News)*	Florida
Denver Publishing Company *(Rocky Mountain News)*	Colorado
Evansville Courier Company, Inc., approximately 90%-owned *(The Evansville Courier, The Henderson Gleaner)*	Indiana
Independent Publishing Company *(Anderson Independent-Mail)*	South Carolina
Knoxville News-Sentinel Company	Delaware
Memphis Publishing Company, approximately 90%-owned *(The Commercial Appeal)*	Delaware
New Mexico State Tribune Company *(The Albuquerque Tribune)*	New Mexico
Scripps Texas Newspapers L.P. *(Corpus Christi Caller-Times, Abilene Reporter-News, Wichita Falls Times Record News, San Angelo Standard-Times)*	Delaware
Scripps Howard Broadcasting Company, *(WMAR, Baltimore; WCPO, Cincinnati; WEWS, Cleveland; KSHB, Kansas City; KMCI, Lawrence; KNXV, Phoenix, KJRH, Tulsa; WPTV, West Palm Beach)*	Ohio
Scripps Networks, Inc., *(Home & Garden Television; DIY – Do It Yourself Network; The Television Food Network, G.P., approximately 70%-owned; Fine Living Network, LLC, approximately 90%-owned)*	Delaware
Scripps Howard Publishing Co. *(Scripps Howard News Service)*	Delaware
Scripps Ventures, LLC	Delaware
Scripps Treasure Coast Publishing Company *(Ft. Pierce Tribune, Jupiter Courier, Stuart News, Vero Beach Press Journal)*	Florida
Shop At Home Network, LLC, approximately 70% owned	Tennessee
Tampa Bay Television, Inc., *(WFTS)*	Delaware
United Feature Syndicate, Inc., *(United Media, Newspaper Enterprise Association)*	New York

INDEPENDENT AUDITORS' CONSENT **EXHIBIT 23**

We consent to the incorporation by reference in Registration Statements Nos. 33-53953, 33-32740, 33-35525, 33-47828, 33-63398, 33-59701, 333-27621, 333-27623 and 333-40767 of The E. W. Scripps Company and subsidiary companies on Form S-8 and Registration Statement Nos. 33-36641 and 333-100390 of The E. W. Scripps Company and subsidiary companies on Form S-3 of our report dated March 3, 2004, appearing in this Annual Report on Form 10-K of The E. W. Scripps Company and subsidiary companies for the year ended December 31, 2003.

DELOITTE & TOUCHE LLP
Cincinnati, Ohio
March 10, 2004

EXHIBIT 31(a)
Rule 13a-14(a)/15d-14(a) Certifications

CERTIFICATIONS

I, Kenneth W. Lowe, certify that:

1. I have reviewed this annual report on Form 10-K of The E. W. Scripps Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) *not required;*
   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Date: March 11, 2004

BY: /s/ Kenneth W. Lowe

Kenneth W. Lowe
President and Chief Executive Officer

EXHIBIT 31(b)

Rule 13a-14(a)/15d-14(a) Certifications

CERTIFICATIONS

I, Joseph G. NeCastro, certify that:

1. I have reviewed this annual report on Form 10-K of The E. W. Scripps Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) *not required;*
   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Date: March 11, 2004

BY: /s/ Joseph G. NeCastro

Joseph G. NeCastro
Senior Vice President and Chief Financial Officer

EXHIBIT 32(a)

Section 1350 Certifications

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kenneth W. Lowe, President and Chief Executive Officer of The E. W. Scripps Company (the "Company"), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report on Form 10-K of the Company for the year ended December 31, 2003 (the "Report"), which this certification accompanies, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kenneth W. Lowe

Kenneth W. Lowe
President and Chief Executive Officer

March 11, 2004

EXHIBIT 32(b)

Section 1350 Certifications

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph G. NeCastro, Senior Vice President and Chief Financial Officer of The E. W. Scripps Company (the “Company”), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report on Form 10-K of the Company for the year ended December 31, 2003 (the “Report”), which this certification accompanies, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph G. NeCastro

Joseph G. NeCastro
Senior Vice President and Chief Financial Officer

March 11, 2004