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

FORM 10-Q

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

For the quarterly period ended June 30, 2006

OR

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

For the transition period from _____ to _____

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
(I.R.S. 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

Not Applicable
(Former name, former address and former fiscal year, if changed since last report.)

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 and 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 whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of July 31, 2006 there were 126,832,164 of the Registrant's Class A Common Shares outstanding and 36,568,226 of the Registrant's Common Voting Shares outstanding.

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PART I

As used in this Quarterly Report on Form 10-Q, the terms “we,” “our,” “us” or “Scripps” 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.

ITEM 1. FINANCIAL STATEMENTS

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

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

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

PART II

ITEM 1. LEGAL PROCEEDINGS

We are involved in litigation arising in the ordinary course of business, such as defamation actions, employment and employee relations and various governmental and administrative proceedings, none of which is expected to result in material loss.

ITEM 1A. RISK FACTORS

There have been no material changes to the factors disclosed in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2005.

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ITEM 2. UNREGISTERED SALES OF EQUITY AND USE OF PROCEEDS

There were no sales of unregistered equity securities during the quarter for which this report is filed.

The following table provides information about Company purchases of equity securities that are registered by the Company pursuant to Section 12 of the Exchange Act during the quarter ended June 30, 2006:

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Number of Shares that May Yet Be Purchased Under the Plans Or Programs</u>
4/1/06 - 4/30/06	133,000	\$ 44.87	133,000	3,697,000
5/1/06 - 5/30/06	147,000	\$ 46.18	147,000	3,550,000
6/1/06 - 6/30/06				3,550,000
Total	<u>280,000</u>	<u>\$ 45.55</u>	<u>280,000</u>	<u>3,550,000</u>

Under a share repurchase program authorized by the Board of Directors on October 28, 2004, we were authorized to repurchase up to 5.0 million Class A Common Shares. There is no expiration date for the program and we are under no commitment or obligation to repurchase any particular amount of Class A Common Shares under the program.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

There were no defaults upon senior securities during the quarter for which this report is filed.

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

The following table presents information on matters submitted to a vote of security holders at the May 4, 2006 Annual Meeting of Shareholders:

<u>Description of Matters Submitted</u>	<u>In Favor</u>	<u>Authority Withheld</u>
1. Election of Directors:		
Class A Common Shares:		
David A. Galloway	108,452,372	2,614,329
Nicholas B. Paumgarten	103,040,759	8,025,942
Ronald W. Tysoe	106,213,841	4,852,860
Julie A. Wrigley	107,870,334	3,196,367
Common Voting Shares:		
William R. Burleigh	32,121,640	770,000
John H. Burlingame	32,891,640	
Kenneth W. Lowe	32,891,640	
Jarl Mohn	32,891,640	
Jeffrey Sagansky	32,891,640	
Nackey E. Scagliotti	32,891,640	
Edward W. Scripps	32,891,640	
Paul K. Scripps	32,891,640	
2. Approve technical amendment to the Code of Regulations:		
Common Voting Shares:	32,891,640	

ITEM 5. OTHER INFORMATION

Item 1.01 Entry into a Material Definitive Agreement

On June 29, 2006, we entered into a 5-Year Competitive Advance and Revolving Credit Facility Agreement (the "Revolver") that permits \$750 million in aggregate borrowings and expires in July 2011.

The Revolver replaced our prior Competitive Advance and Revolving Credit Facilities that collectively permitted aggregate borrowings up to \$550 million and consisted of two facilities that were due to expire in March 2007 and July 2009.

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 Revolver is filed as Exhibit 10.40 to this Form 10-Q.

ITEM 6. EXHIBITS

Exhibits

The information required by this item is filed as part of this Form 10-Q. See Index to Exhibits at page E-1 of this Form 10-Q.

SIGNATURES

Pursuant to the requirements 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.

Dated: August 9, 2006

THE E. W. SCRIPPS COMPANY

BY: /s/ Joseph G. NeCastro
Joseph G. NeCastro
Executive Vice President and Chief Financial Officer

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THE E. W. SCRIPPS COMPANY

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<i>(in thousands)</i>	<u>June 30, 2006</u>	<u>As of December 31, 2005</u>	<u>June 30, 2005</u>
	<u>(Unaudited)</u>		<u>(Unaudited)</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 33,733	\$ 19,243	\$ 26,434
Short-term investments	1,110	12,800	13,796
Accounts and notes receivable (less allowances - \$16,253, \$18,463, \$17,967)	524,164	493,075	450,152
Programs and program licenses	191,171	172,879	148,481
Inventories	12,341	11,725	11,270
Deferred income taxes	32,666	32,269	30,507
Assets of discontinued operations	175,478	230,694	332,567
Miscellaneous	24,147	22,841	19,100
Total current assets	<u>994,810</u>	<u>995,526</u>	<u>1,032,307</u>
Investments	<u>231,399</u>	<u>210,021</u>	<u>226,596</u>
Property, plant and equipment	<u>475,633</u>	<u>490,891</u>	<u>475,471</u>
Goodwill and other intangible assets:			
Goodwill	1,940,374	1,647,794	1,653,374
Other intangible assets	324,041	227,585	240,915
Total goodwill and other intangible assets	<u>2,264,415</u>	<u>1,875,379</u>	<u>1,894,289</u>
Other assets:			
Programs and program licenses (less current portion)	189,748	169,624	172,636
Unamortized network distribution incentives	164,303	172,271	181,792
Prepaid pension	54,442	66,153	24,409
Miscellaneous	45,898	52,763	48,527
Total other assets	<u>454,391</u>	<u>460,811</u>	<u>427,364</u>
TOTAL ASSETS	<u>\$ 4,420,648</u>	<u>\$ 4,032,628</u>	<u>\$ 4,056,027</u>

See notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS

<i>(in thousands, except share data)</i>	<u>June 30, 2006</u> <i>(Unaudited)</i>	<u>As of December 31, 2005</u>	<u>June 30, 2005</u> <i>(Unaudited)</i>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 85,375	\$ 92,084	\$ 108,089
Customer deposits and unearned revenue	49,254	53,521	53,593
Accrued liabilities:			
Employee compensation and benefits	67,221	75,069	61,396
Network distribution incentives	7,969	8,871	14,372
Accrued income taxes	10,203	4,705	46,771
Miscellaneous	90,103	83,720	76,228
Liabilities of discontinued operations	44,964	46,863	58,401
Other current liabilities	30,854	29,103	24,016
Total current liabilities	<u>385,943</u>	<u>393,936</u>	<u>442,866</u>
Deferred income taxes	355,932	312,961	262,192
Long-term debt (less current portion)	1,042,434	825,775	899,845
Other liabilities (less current portion)	122,752	121,616	107,086
Minority interests	97,783	91,261	94,438
Shareholders' equity:			
Preferred stock, \$.01 par - authorized: 25,000,000 shares; none outstanding			
Common stock, \$.01 par:			
Class A - authorized: 240,000,000 shares; issued and outstanding: 126,939,429, 126,994,386; and 127,072,394 shares	1,269	1,270	1,270
Voting - authorized: 60,000,000 shares; issued and outstanding: 36,568,226, 36,668,226 and 36,668,226 shares	366	367	367
Total	<u>1,635</u>	<u>1,637</u>	<u>1,637</u>
Additional paid-in capital	395,614	363,416	341,000
Stock compensation:			
Performance awards and restricted stock units		4,828	2,634
Unvested restricted stock awards		(1,634)	(2,887)
Retained earnings	2,008,434	1,930,994	1,920,486
Accumulated other comprehensive income (loss), net of income taxes:			
Unrealized gains on securities available for sale	4,751	4,906	4,321
Pension liability adjustments	(18,550)	(18,550)	(18,495)
Foreign currency translation adjustment	23,920	1,482	904
Total shareholders' equity	<u>2,415,804</u>	<u>2,287,079</u>	<u>2,249,600</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$4,420,648</u></u>	<u><u>\$4,032,628</u></u>	<u><u>\$4,056,027</u></u>

See notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

<i>(in thousands, except per share data)</i>	Three months ended		Six months ended	
	June 30,		June 30,	
	2006	2005	2006	2005
Operating Revenues:				
Advertising	\$465,387	\$427,995	\$ 884,145	\$ 802,051
Referral fees	64,531	1,047	122,684	1,047
Network affiliate fees, net	49,247	39,624	97,533	81,599
Circulation	30,423	31,784	62,957	65,573
Licensing	17,580	16,772	36,510	37,880
Other	14,746	23,249	27,814	35,224
Total operating revenues	<u>641,914</u>	<u>540,471</u>	<u>1,231,643</u>	<u>1,023,374</u>
Costs and Expenses:				
Employee compensation and benefits (exclusive of JOA editorial compensation costs)	157,170	136,363	318,899	273,393
Marketing and advertising	53,153	28,043	111,474	55,150
Programs and program licenses	58,260	55,101	113,738	109,276
Newsprint and ink	22,277	20,335	45,751	41,154
JOA editorial costs and expenses	8,760	9,277	17,973	18,274
Other costs and expenses	121,329	104,377	235,351	203,943
Total costs and expenses	<u>420,949</u>	<u>353,496</u>	<u>843,186</u>	<u>701,190</u>
Depreciation, Amortization, and Losses (Gains):				
Depreciation	18,851	14,890	36,105	28,897
Amortization of intangible assets	14,582	1,282	22,676	2,578
Gain on formation of Colorado newspaper partnership			(3,535)	
Losses (gains) on disposal of property, plant and equipment	60	(91)	156	(42)
Hurricane recoveries, net	(1,750)	(1,892)	(1,750)	(1,892)
Net depreciation, amortization and losses (gains)	<u>31,743</u>	<u>14,189</u>	<u>53,652</u>	<u>29,541</u>
Operating income	189,222	172,786	334,805	292,643
Interest expense	(15,537)	(7,559)	(27,690)	(14,931)
Equity in earnings of JOAs and other joint ventures	14,611	21,203	25,981	39,360
Interest and dividend income	609	374	1,151	582
Miscellaneous, net	942	(400)	1,979	(67)
Income from continuing operations before income taxes and minority interests	189,847	186,404	336,226	317,587
Provision for income taxes	65,249	66,157	115,797	113,073
Income from continuing operations before minority interests	124,598	120,247	220,429	204,514
Minority interests	19,726	17,290	34,075	28,625
Income from continuing operations	104,872	102,957	186,354	175,889
Income (loss) from discontinued operations, net of tax	(33,728)	(5,368)	(40,145)	(8,289)
Net income	<u>\$ 71,144</u>	<u>\$ 97,589</u>	<u>\$ 146,209</u>	<u>\$ 167,600</u>
Net income (loss) per basic share of common stock:				
Income from continuing operations	\$.64	\$.63	\$ 1.14	\$ 1.08
Income (loss) from discontinued operations	(.21)	(.03)	(.25)	(.05)
Net income per basic share of common stock	<u>\$.44</u>	<u>\$.60</u>	<u>\$.90</u>	<u>\$ 1.03</u>
Net income (loss) per diluted share of common stock:				
Income from continuing operations	\$.64	\$.62	\$ 1.13	\$ 1.06
Income (loss) from discontinued operations	(.20)	(.03)	(.24)	(.05)
Net income per diluted share of common stock	<u>\$.43</u>	<u>\$.59</u>	<u>\$.89</u>	<u>\$ 1.01</u>

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

See notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)	Six months ended June 30,	
	2006	2005
Cash Flows from Operating Activities:		
Income from continuing operations	\$ 186,354	\$ 175,889
Adjustments to reconcile income from continuing operations to net cash flows from operating activities:		
Depreciation and amortization	58,781	31,475
Gain on formation of Colorado newspaper partnership	(3,535)	
Deferred income taxes	3,982	1,146
Excess tax benefits of stock compensation plans		5,070
Dividends received greater (less) than equity in earnings of JOAs and other joint ventures	12,135	2,172
Stock and deferred compensation plans	19,034	7,176
Minority interests in income of subsidiary companies	34,075	28,625
Affiliate fees billed greater than amounts recognized as revenue	7,041	10,821
Network launch incentive payments	(3,090)	(9,270)
Payments for programming less (greater) than program cost amortization	(39,064)	(16,352)
Prepaid and accrued pension expense	11,711	7,770
Other changes in certain working capital accounts, net	(36,204)	(4,045)
Miscellaneous, net	4,372	(4,851)
Net cash provided by continuing operating activities	255,592	235,626
Net cash provided by (used in) discontinued operating activities	656	(526)
Net operating activities	256,248	235,100
Cash Flows from Investing Activities:		
Purchase of subsidiary companies, minority interest, and long-term investments	(396,038)	(536,706)
Proceeds from formation of Colorado newspaper partnership, net of transaction costs	20,029	
Additions to property, plant and equipment	(29,299)	(15,879)
Decrease in short-term investments	11,690	7,120
Sale of long-term investments	2,422	2,359
Miscellaneous, net	1,750	800
Net cash provided by (used in) continuing investing activities	(389,446)	(542,306)
Net cash provided by (used in) discontinued investing activities	14,046	(3,957)
Net investing activities	(375,400)	(546,263)
Cash Flows from Financing Activities:		
Increase in long-term debt	216,894	367,432
Payments on long-term debt	(50)	(52)
Dividends paid	(37,605)	(34,335)
Dividends paid to minority interests	(25,248)	(7,816)
Repurchase Class A Common shares	(32,984)	(2,959)
Proceeds from employee stock options	11,501	18,027
Excess tax benefits of stock compensation plans	1,473	
Miscellaneous, net	(1,022)	(15,083)
Net cash provided by continuing financing activities	132,959	325,214
Net cash provided by (used in) discontinued financing activities	(106)	104
Net financing activities	132,853	325,318
Effect of exchange rate changes on cash and cash equivalents	789	
Increase in cash and cash equivalents	14,490	14,155
Cash and cash equivalents:		
Beginning of year	19,243	12,279
End of period	<u>\$ 33,733</u>	<u>\$ 26,434</u>
Supplemental Cash Flow Disclosures:		
Interest paid, excluding amounts capitalized	\$ 27,353	\$ 15,505
Income taxes paid continuing operations	\$ 102,180	\$ 65,221
Income taxes paid (refunds received) discontinued operations	(25,023)	(5,435)
Total income taxes paid	<u>\$ 77,157</u>	<u>\$ 59,786</u>

See notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND SHAREHOLDERS' EQUITY (UNAUDITED)

<i>(in thousands, except share data)</i>	Common Stock	Additional Paid-in Capital	Stock Compensation	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity	Comprehensive Income for the Three Months Ended June 30
As of December 31, 2004	\$ 1,632	\$320,359	\$ (4,090)	\$1,787,221	\$ (9,001)	\$2,096,121	
Comprehensive income:							
Net income				167,600		167,600	\$ 97,589
Unrealized gains (losses) on investments, net of tax of \$2,354 and \$703					(4,482)	(4,482)	(1,418)
Adjustment for losses (gains) in income, net of tax of (\$480) and (\$133)					891	891	248
Change in unrealized gains (losses) on investments					(3,591)	(3,591)	(1,170)
Currency translation, net of tax of \$175 and \$143					(678)	(678)	(316)
Total				167,600	(4,269)	163,331	\$ 96,103
Dividends: declared and paid - \$.21 per share				(34,335)		(34,335)	
Repurchase 60,000 Class A Common shares	(1)	(2,958)				(2,959)	
Compensation plans, net: 668,980 shares issued;							
55,918 shares repurchased; 2,500 shares forfeited	6	18,529	3,837			22,372	
Tax benefits of compensation plans		5,070				5,070	
As of June 30, 2005	<u>\$ 1,637</u>	<u>\$341,000</u>	<u>\$ (253)</u>	<u>\$1,920,486</u>	<u>\$ (13,270)</u>	<u>\$2,249,600</u>	
As of December 31, 2005	\$ 1,637	\$363,416	\$ 3,194	\$1,930,994	\$ (12,162)	\$2,287,079	
Comprehensive income:							
Net income				146,209		146,209	\$ 71,144
Unrealized gains (losses) on investments, net of tax of \$77 and \$(367)					(144)	(144)	682
Adjustment for losses (gains) in income, net of tax of \$6					(11)	(11)	
Change in unrealized gains (losses) on investments					(155)	(155)	682
Currency translation, net of tax of \$(264) and \$(284)					22,438	22,438	24,098
Total				146,209	22,283	168,492	\$ 95,924
Adoption of FAS 123-R		3,194	(3,194)				
Dividends: declared and paid - \$.23 per share				(37,605)		(37,605)	
Convert 100,000 Voting Shares to Class A Shares							
Repurchase 700,000 Class A Common shares	(7)	(1,813)		(31,164)		(32,984)	
Compensation plans, net: 619,470 shares issued;							
71,611 shares repurchased; 2,816 shares forfeited	5	28,246				28,251	
Tax benefits of compensation plans		2,571				2,571	
As of June 30, 2006	<u>\$ 1,635</u>	<u>\$395,614</u>	<u>\$</u>	<u>\$2,008,434</u>	<u>\$ 10,121</u>	<u>\$2,415,804</u>	

See notes to condensed consolidated financial statements.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Aside from information disclosed in this Form 10-Q, the information disclosed in the notes to consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2005, has not changed materially. Financial information as of December 31, 2005, included in these financial statements has been derived from the audited consolidated financial statements included in that report. In management's opinion all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the interim periods have been made.

Results of operations are not necessarily indicative of the results that may be expected for future interim periods or for the full year.

Nature of Operations - We are a diverse media concern with interests in national television networks, newspaper publishing, broadcast television, interactive media, and licensing and syndication. All of our media businesses provide content and advertising services via the Internet. Our media businesses are organized into the following reportable business segments: Scripps Networks, Newspapers, Broadcast television, and Interactive media.

Scripps Networks includes five national television networks and their affiliated websites, Home & Garden Television ("HGTV"), Food Network, DIY Network ("DIY"), Fine Living and Great American Country ("GAC"); and our 12% interest in FOX Sports Net South, a regional television network. Our networks also operate internationally through licensing agreements and joint ventures with foreign entities. We own approximately 70% of Food Network and approximately 90% of Fine Living. Each of our networks is distributed by cable and satellite television systems. Scripps Networks earns revenue primarily from the sale of advertising time and from affiliate fees from cable and satellite television systems.

Our newspaper business segment includes daily and community newspapers in 18 markets in the U.S. Three of our newspapers are operated pursuant to the terms of joint operating agreements (See Note 7). Each of those newspapers maintains an independent editorial operation and receives a share of the operating profits of the combined newspaper operations. Newspapers earn revenue primarily from the sale of advertising space to local and national advertisers and from the sale of newspapers to readers.

Broadcast television includes six ABC-affiliated stations, three NBC-affiliated stations and one independent. Each station is located in one of the 61 largest television markets in the U.S. Broadcast television stations earn revenue primarily from the sale of advertising time to local and national advertisers.

Interactive media includes our online comparison shopping services, Shopzilla and uSwitch. Shopzilla, acquired on June 27, 2005, operates a product comparison shopping service that helps consumers find products offered for sale on the Web by online retailers. Shopzilla aggregates and organizes information on millions of products from thousands of retailers. Shopzilla also operates BizRate, a Web-based consumer feedback network which collects millions of consumer reviews of stores and products each year. We acquired uSwitch on March 16, 2006. uSwitch operates an online comparison service that helps consumers compare prices and arrange for the purchase of a range of essential home services including gas, electricity, home phone, broadband providers and personal finance products primarily in the United Kingdom. Our interactive media businesses earn revenue primarily from referral fees and commissions paid by participating online retailers and service providers.

Financial information for our business segments is 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.

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The six largest cable television systems and the two largest satellite television systems provide service to more than 95% 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 not lost carriage upon the expiration of our distribution contracts with any of these cable and satellite television systems.

One customer accounts for approximately 30% of interactive media's annual operating revenues. While we can provide no assurance that the revenues from this customer would be replaced, we believe we could reach agreement with alternative providers to offset any adverse financial impact from the loss of this customer.

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; rebates due to customers; the periods over which long-lived assets are depreciated or amortized; the fair value of such long-lived assets; income taxes payable; estimates for uncollectible accounts receivable; and self-insured risks.

While we re-evaluate our estimates and assumptions on an ongoing basis, actual results could 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
- Referral fees paid by participating online retailers and service providers
- Subscriber fees paid by cable and satellite television systems for our programming services ("network affiliate fees")
- The sale of newspapers to distributors and to individual subscribers
- Royalties from licensing copyrighted characters

Revenue is reported net of our remittance of sales taxes and other taxes collected from our customers.

The revenue recognition policies for each source of revenue are described in our annual report on Form 10-K for the year ended December 31, 2005.

Newspaper Joint Operating Agreements ("JOA") - We include our share of JOA earnings in "Equity in earnings of JOAs and other joint ventures" in our Condensed 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 Condensed Consolidated Balance Sheets. We do not have a residual interest in the net assets of the Cincinnati JOA.

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Stock-Based Compensation – We have a Long-Term Incentive Plan (the “Plan”), which is described more fully in Note 18 to this Form 10-Q. The Plan provides for the award of incentive and nonqualified stock options, stock appreciation rights, restricted and unrestricted Class A Common Shares and performance units to key employees and non-employee directors.

As discussed in Note 2, we adopted Financial Accounting Standard No. 123-R - Share Based Payment (“FAS 123-R”), effective January 1, 2006. In accordance with FAS 123-R, compensation cost is based on the grant-date fair value of the award. The fair value of awards that grant the employee the right to the appreciation of the underlying shares, such as stock options, is measured using a binomial lattice model. The fair value of awards that grant the employee the underlying shares is measured by the fair value of a Class A Common Share.

Compensation costs, net of estimated forfeitures due to termination of employment or failure to meet performance targets, are recognized on a straight-line basis over the requisite service period of the award. The requisite service period is generally the vesting period stated in the award. However, because stock compensation grants vest upon the retirement of the employee, grants to retirement-eligible employees are expensed immediately and grants to employees who will become retirement eligible prior to the end of the stated vesting period are expensed over such shorter period. The vesting of certain awards is also accelerated if performance measures are met. If it is expected those performance measures will be met, compensation costs are expensed over the accelerated vesting period.

Prior to January 1, 2006, we applied the provisions of Accounting Principles Board (“APB”) Opinion No. 25, “Accounting for Stock Issued to Employees,” in accounting for stock-based compensation. Under APB 25 we recognized compensation costs equal to the intrinsic value of the award on the date of grant over the vesting period, including grants to retiree-eligible employees. Because stock options were granted with exercise prices equal or greater than the market price of a Class A Common Share on the date of grant, no compensation costs were recognized unless the terms of those options were later modified. Compensation costs were expensed over the requisite service period as each tranche of an award vested. Forfeitures were recognized as they occurred. Any unrecognized compensation cost was recognized upon retirement of an employee prior to the end of the stated vesting period.

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

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Basic weighted-average shares outstanding	163,244	163,365	163,331	163,131
Effect of dilutive securities:				
Unvested restricted stock held by employees	218	287	225	295
Stock options held by employees and directors	1,323	2,124	1,428	1,993
Diluted weighted-average shares outstanding	164,785	165,776	164,984	165,419

Stock options to purchase 5,844,938 common shares were anti-dilutive as of June 30, 2006 and are therefore not included in the computation of diluted weighted-average shares outstanding.

2. ACCOUNTING CHANGES AND RECENTLY ISSUED ACCOUNTING STANDARDS

Accounting Changes - We adopted FAS 123-R using the modified prospective application method. Under the modified prospective application transition method, the provisions of FAS 123-R are applied to awards granted after the date of adoption and to the unvested portion of awards outstanding as of January 1, 2006. There are no changes in the accounting for awards which vested prior to adoption of FAS 123-R unless the terms of those awards are subsequently modified. Prior period reported amounts have not been restated to apply the provisions of FAS 123-R.

Income from continuing operations in the second quarter of 2006 was reduced by \$2.7 million, \$0.02 per share, as a result of the adoption of FAS 123-R. Income from continuing operations in the year-to-date period was reduced by \$8.0 million, \$0.05 per share.

Net income and earnings per share as if the fair-value based principles of FAS 123-R were applied to all periods presented, on an as reported basis for periods after the adoption of FAS 123-R and on a pro forma period for periods prior to the adoption of FAS 123-R, are as follows:

<i>(in thousands, except per share data)</i>	<u>Three months ended</u> <u>June 30,</u>		<u>Six months ended</u> <u>June 30,</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Net income:				
Reported net income for 2005		\$97,589		\$167,600
Additional compensation to adjust intrinsic value to fair value		(3,104)		(7,176)
Net income under fair-value based method for all periods	<u>\$71,144</u>	<u>\$94,485</u>	<u>\$146,209</u>	<u>\$160,424</u>
Net income per share of common stock				
Basic earnings per share:				
As reported		\$ 0.60		\$ 1.03
Additional compensation to adjust intrinsic value to fair value		(0.02)		(0.04)
Basic earnings per share under fair-value based method	<u>\$ 0.44</u>	<u>\$ 0.58</u>	<u>\$ 0.90</u>	<u>\$ 0.98</u>
Diluted earnings per share:				
As reported		\$ 0.59		\$ 1.01
Additional compensation to adjust intrinsic value to fair value		(0.02)		(0.04)
Diluted earnings per share under fair-value based method	<u>\$ 0.43</u>	<u>\$ 0.57</u>	<u>\$ 0.89</u>	<u>\$ 0.97</u>

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

Prior to the adoption of FAS 123-R, tax benefits for tax deductions in excess of compensation expense were classified as operating cash flows. Upon the adoption of FAS 123-R, tax benefits related to recorded stock compensation are presented as operating cash flows, while tax benefits resulting from tax deductions in excess of recorded compensation expense are classified as financing cash flows.

Cash flows from operating activities was reduced by \$1.5 million and cash flows from financing activities was increased by \$1.5 million in the 2006 year-to-date period.

In addition, prior to adoption of FAS 123-R, additional paid-in capital was increased by the intrinsic value of the award on the date of grant. The unvested portion of the award as of each balance sheet date was presented as a reduction in shareholders' equity as of that date. Upon adoption of FAS 123-R, additional paid-in capital is increased as the fair value of the award is recognized as compensation expense in our statements of income.

Recently Issued Accounting Standards - In July 2006, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 48 ("FIN 48"), Accounting for Uncertainty in Income Taxes, which clarifies the accounting for uncertainty in income taxes recognized in the financial statements in accordance with FASB Statement No. 109, Accounting for Income Taxes. FIN 48 provides guidance on the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. We are currently evaluating the impact of this standard on our Consolidated Financial Statements.

3. ACQUISITIONS

2006 - On March 16, 2006, we acquired 100% of the common stock of uSwitch Ltd. for approximately \$383 million in cash. Assets acquired in the transaction included approximately \$10.9 million of cash. The acquisition, financed using a combination of cash on hand and borrowing on both existing and new credit facilities, enables us to further capitalize on the increasing use and profitability of specialized Internet search businesses and to extend the reach of our interactive media businesses into essential home services and international markets.

In the first and second quarter of 2006, we acquired an additional 4% interest in our Memphis newspaper and 2% interest in our Evansville newspaper for total consideration of \$22.4 million. We also acquired a newspaper publication for total consideration of \$0.7 million.

2005 - On June 27, 2005, we acquired 100% ownership of Shopzilla for approximately \$570 million in cash. Assets acquired in the transaction included approximately \$34.0 million of cash and \$12.3 million of short-term investments. The acquisition was financed using a combination of cash on hand and additional borrowings. The acquisition enabled us to capitalize on the rapid growth and rising profitability of specialized Internet search businesses and expand our electronic media platform.

In the third quarter and fourth quarter of 2005, we acquired newspapers and other publications in areas contiguous to our existing newspaper markets. Cash consideration paid for these transactions totaled \$8.5 million.

The following table summarizes the fair values of the assets acquired and the liabilities assumed as of the dates of acquisition. The allocation of the purchase price to the assets and liabilities of the uSwitch acquisition is based upon preliminary appraisals and estimates and is therefore subject to change. The allocation of the purchase price for the other acquisitions summarized below reflects final values assigned which may differ from preliminary values reported in the financial statements for prior periods.

<i>(in thousands)</i>	2006		2005	
	<u>uSwitch</u>	<u>Newspapers</u>	<u>Shopzilla</u>	<u>Newspapers</u>
Short-term investments			\$ 12,279	
Accounts receivable	\$ 9,486		12,670	\$ 454
Other current assets	583		8,046	93
Property, plant and equipment	5,367		25,728	268
Amortizable intangible assets	108,091	\$ 7,443	142,400	1,840
Goodwill	288,320	13,297	401,492	5,851
Other assets			138	
Net operating loss carryforwards			23,499	
Total assets acquired	<u>411,847</u>	<u>20,740</u>	<u>626,252</u>	<u>8,506</u>
Current liabilities	(8,159)		(24,195)	(47)
Deferred income taxes	(31,531)		(66,271)	
Other long-term obligations			(719)	
Minority interest		2,305		10
Net purchase price	<u>\$372,157</u>	<u>\$ 23,045</u>	<u>\$535,067</u>	<u>\$ 8,469</u>

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Pro forma results of operations of Scripps, assuming the uSwitch and Shopzilla acquisitions had taken place at the beginning of each respective period, are included in the following table. The pro forma information includes adjustments for interest expense that would have been incurred to finance the acquisition, additional depreciation and amortization of the assets acquired and excludes transaction related expenses incurred by the acquired companies. The unaudited pro forma financial information is not necessarily indicative of the results that actually would have occurred had the acquisitions been completed at the beginning of the period. Pro forma results are not presented for the other acquisitions completed during 2005 and 2006 because the combined results of operations would not be significantly different from reported amounts.

<i>(in thousands, except per share data)</i>	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Operating revenues	\$ 641,914	\$ 573,667	\$ 1,241,909	\$ 1,090,014
Income from continuing operations	104,872	93,653	182,775	157,545
Income from continuing operations per share of common stock:				
Basic	\$.64	\$.57	\$ 1.12	\$.97
Diluted	.64	.56	1.11	.95

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4. DISCONTINUED OPERATIONS

On June 21, 2006, we reached agreement to sell the operations of the Shop At Home television network and certain of its assets to Jewelry Television. Under the terms of the agreement, Jewelry Television also assumed a number of Shop At Home's television affiliation agreements.

We continue to seek a buyer for the five Shop At Home-affiliated broadcast television stations. Under the terms of the agreement with Jewelry Television, these stations will continue to air a mix of Shop At Home and Jewelry Television programming. We expect to reach an agreement to sell the stations prior to the end of 2006.

In the third quarter of 2005, we reached an agreement with Advance Publications, Inc., the publisher of the Birmingham News ("News"), to terminate the Birmingham joint operating agreement between the News and our Birmingham Post-Herald newspaper. During the third quarter of 2005, we also ceased publication of our Birmingham Post-Herald newspaper and sold certain assets to the News.

In accordance with the provisions of Financial Accounting Standards ("FAS") 144, Accounting for the Impairment or Disposal of Long-Lived Assets, the results of businesses held for sale or that have ceased operations are presented as discontinued operations within our results of operations. Accordingly, these businesses have also been excluded from segment results for all periods presented.

Assets and liabilities of our discontinued operations consisted of the following:

<i>(in thousands)</i>	June 30, 2006	As of December 31, 2005	June 30, 2005
Assets:			
Accounts receivable			\$ 898
Inventories	\$ 2,869	\$ 31,592	29,498
Property, plant and equipment	8,398	35,330	33,807
Goodwill			101,135
Intangible assets	163,600	163,600	167,186
Other assets	611	172	43
Assets of discontinued operations	<u>\$175,478</u>	<u>\$ 230,694</u>	<u>\$332,567</u>
Liabilities:			
Deferred income taxes	\$ 44,402	\$ 45,237	\$ 58,389
Other liabilities	562	1,626	12
Liabilities of discontinued operations	<u>\$ 44,964</u>	<u>\$ 46,863</u>	<u>\$ 58,401</u>

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Operating results of our discontinued operations were as follows:

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Operating revenues:				
Shop At Home	\$ 80,232	\$86,868	\$ 164,622	\$ 189,012
Birmingham-Post Herald		4		18
Total	<u>\$ 80,232</u>	<u>\$86,872</u>	<u>\$ 164,622</u>	<u>\$ 189,030</u>
Share of earnings of JOA		<u>\$ 1,870</u>		<u>\$ 3,453</u>
Income (loss) from discontinued operations:				
Shop At Home:				
Loss from operations	\$ (40,465)	\$ (9,452)	\$ (50,502)	\$ (14,852)
Loss on divestiture	<u>(12,054)</u>		<u>(12,054)</u>	
Total Shop At Home	(52,519)	(9,452)	(62,556)	(14,852)
Birmingham-Post Herald		1,181	(2)	2,141
Income (loss) from discontinued operations, before tax	(52,519)	(8,271)	(62,558)	(12,711)
Income taxes (benefit)	<u>(18,791)</u>	<u>(2,903)</u>	<u>(22,413)</u>	<u>(4,422)</u>
Income (loss) from discontinued operations	<u>\$ (33,728)</u>	<u>\$ (5,368)</u>	<u>\$ (40,145)</u>	<u>\$ (8,289)</u>

Shop At Home's loss from operations includes \$12.3 million in costs associated with employee termination benefits, \$4.4 million in costs associated with the termination of long-term agreements, and a \$6.2 million non-cash charge to write-down assets on the Shop At Home television network. Cash expenditures related to the termination of long-term agreements and the employee termination benefits were \$1.2 million through the second quarter of 2006. We expect that cash expenditures for the majority of the remaining obligations will be disbursed in the third quarter of 2006.

The loss on divestiture represents losses on the sale of property and other assets to Jewelry Television.

5. GAIN ON FORMATION OF COLORADO NEWSPAPER PARTNERSHIP AND OTHER ITEMS

Gain on formation of Colorado newspaper partnership - In February of 2006, we completed the formation of a newspaper partnership with MediaNews Group, Inc. (“MediaNews”) that will operate certain of both companies’ newspapers in Colorado. We contributed the assets of our Boulder Daily Camera, Colorado Daily and Bloomfield Enterprise newspapers for a 50% interest in the partnership. MediaNews contributed the assets of publications they operate in Colorado. In addition, MediaNews also paid us cash consideration of \$20.4 million. We recognized a pre-tax gain of \$3.5 million in the first quarter of 2006 upon completion of the transaction. Net income was increased by \$2.1 million.

Denver newspaper production facilities - In the third quarter of 2005, the management committee of the Denver Newspaper Agency (“DNA”) approved plans to consolidate DNA’s newspaper production facilities. As a result, assets used in certain of the existing facilities will be retired earlier than previously estimated. The reduction in these assets’ estimated useful lives increased DNA’s depreciation expense. The increased depreciation resulted in a \$3.1 million decrease in our equity in earnings from JOAs in the second quarter of 2006 and decreased year-to-date equity in earnings from JOAs \$6.3 million. Net income was decreased by \$1.9 million in the second quarter of 2006 and \$3.9 million for the year-to-date period of 2006. The increased depreciation is expected to decrease equity in earnings from JOAs approximately \$3.0 million in each quarter until the second quarter of 2007.

Hurricanes - Certain of our Florida operations sustained hurricane damages in 2004 and 2005. Throughout the course of 2005 and 2006, we reached agreements with insurance providers and other responsible third parties on certain of our property and business interruption claims and recorded insurance recoveries of \$1.8 million in the second quarter of 2006 and \$2.2 million in the second quarter of 2005. The insurance recoveries recorded in 2005 were partially offset by additional estimated losses of \$0.3 million. Net income was increased by \$1.1 million in 2006 and \$1.2 million in 2005. We are still in negotiations with insurance carriers regarding property and business interruption claims sustained by our newspaper operations and are seeking additional recoveries of \$0.3 million. Recoveries of unsettled claims will not be recorded until settlement agreements are reached with the insurance providers.

6. INCOME TAXES

We file a consolidated federal income tax return and separate state income tax returns for each subsidiary company. Included in our federal and state income tax returns is our proportionate share of the taxable income or loss of partnerships and incorporated limited liability companies that have elected to be treated as partnerships for tax purposes (“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.

Food Network is operated under the terms of a general partnership agreement. Fine Living is a limited liability company (“LLC”) and is treated as a partnership for tax purposes. As a result, federal and state income taxes for these pass-through entities accrue to the individual partners.

Consolidated income before income tax consisted of the following:

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Income allocated to Scripps	\$ 170,329	\$ 171,392	\$ 302,687	\$ 291,857
Income of pass-through entities allocated to non-controlling interests	19,518	15,012	33,539	25,730
Income from continuing operations before income taxes and minority interest	<u>\$ 189,847</u>	<u>\$ 186,404</u>	<u>\$ 336,226</u>	<u>\$ 317,587</u>

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The income tax provision for interim periods is determined based upon the expected effective income tax rate for the full year and the tax rate applicable to certain discrete transactions in the interim period. To determine the annual effective income tax rate for the full year period we must estimate both the total income before income tax for the full year and the jurisdictions in which that income is subject to tax. The actual effective income tax rate for the full year may differ from these estimates if income before income tax is greater or less than what was estimated or if the allocation of income to jurisdictions in which it is taxed is different from the estimated allocations. We review and adjust our estimated effective income tax rate for the full year each quarter based upon our most recent estimates of income before income tax for the full year and the jurisdictions in which we expect that income will be taxed.

Information regarding our expected effective income tax rate from continuing operations for the full year of 2006 and the actual effective income tax rate from continuing operations for the full year of 2005 is as follows:

	<u>2006</u>	<u>2005</u>
Statutory rate	35.0%	35.0%
Effect of:		
State and local income taxes, net of federal income tax benefit	3.4	3.6
Income of pass-through entities allocated to non-controlling interests	(3.4)	(3.1)
Section 199 - Production Activities Deduction	(0.6)	(0.4)
Miscellaneous	0.1	0.3
Effective income tax rate	<u>34.5%</u>	<u>35.4%</u>

7. JOINT OPERATING AGREEMENTS AND NEWSPAPER PARTNERSHIPS

Three 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 in a JOA maintains a separate and independent editorial operation.

The table below provides certain information about our JOAs.

<u>Newspaper</u>	<u>Publisher of Other Newspaper</u>	<u>Year JOA Entered Into</u>	<u>Year of JOA Expiration</u>
The Albuquerque Tribune	Journal Publishing Company	1933	2022
The Cincinnati Post	Gannett Newspapers	1977	2007
Denver Rocky Mountain News	MediaNews Group, Inc.	2001	2051

The JOAs generally provide for renewals unless an advance termination notice ranging from two to five years is given to either party. Gannett Newspapers has notified us of its intent to terminate the Cincinnati JOA upon its expiration in December 2007.

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”). 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 two JOAs.

Under the terms of a JOA, operating profits earned from the combined newspaper operations 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, a 40% share of the Albuquerque JOA profits, and approximately 20% to 25% of the Cincinnati JOA profits.

In February of 2006, we formed a newspaper partnership with MediaNews Group, Inc. (“MediaNews”) that will operate certain of both companies’ newspapers in Colorado, including their editorial operations. We have a 50% interest in the partnership.

Our share of the operating profit (loss) of JOAs and newspaper partnerships are reported as “Equity in earnings of JOAs and other joint ventures” in our financial statements.

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Investments consisted of the following:

<i>(in thousands, except share data)</i>	June 30, 2006	As of December 31, 2005	June 30, 2005
Securities available for sale (at market value):			
Time Warner (common shares - 2006, 2,011,000; 2005, 2,017,000)	\$ 34,794	\$ 35,173	\$ 33,701
Other available-for-sale securities	1,967	1,806	4,462
Total available-for-sale securities	36,761	36,979	38,163
Denver JOA	129,924	142,633	162,432
Colorado newspaper partnership	31,635		
Joint ventures	25,443	24,983	17,828
Other equity securities	7,636	5,426	8,173
Total investments	<u>\$231,399</u>	<u>\$ 210,021</u>	<u>\$226,596</u>
Unrealized gains (losses) on securities available for sale	<u>\$ 7,013</u>	<u>\$ 7,251</u>	<u>\$ 6,816</u>

Investments available for sale represent securities of publicly-traded companies. Investments available for sale are recorded at fair value based upon the closing price of the security on the reporting date. As of June 30, 2006, there were no significant unrealized losses on our available-for-sale securities.

Cash distributions from the Denver JOA have exceeded earnings since the third quarter of 2006, primarily as a result of increased depreciation on assets that will be retired upon consolidation of DNA's newspaper production facilities.

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 values of the other securities approximate their carrying values at June 30, 2006. There can be no assurance we would realize the carrying values of these securities upon their sale.

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

<i>(in thousands)</i>	June 30, 2006	As of December 31, 2005	June 30, 2005
Land and improvements	\$ 54,463	\$ 57,383	\$ 56,984
Buildings and improvements	252,198	258,350	250,034
Equipment	697,374	687,379	654,462
Total	1,004,035	1,003,112	961,480
Accumulated depreciation	528,402	512,221	486,009
Net property, plant and equipment	<u>\$ 475,633</u>	<u>\$ 490,891</u>	<u>\$475,471</u>

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Goodwill and other intangible assets consisted of the following:

<i>(in thousands)</i>	June 30, 2006	As of December 31, 2005	June 30, 2005
Goodwill	<u>\$1,940,374</u>	<u>\$1,647,794</u>	<u>\$1,653,374</u>
Other intangible assets:			
Amortizable intangible assets:			
Carrying amount:			
Acquired network distribution	43,415	43,415	44,215
Broadcast television network affiliation relationships	26,748	26,748	26,748
Customer lists	198,808	118,454	116,639
Copyrights and other trade names	32,657	20,562	20,300
Other	46,211	20,000	17,775
Total carrying amount	<u>347,839</u>	<u>229,179</u>	<u>225,677</u>
Accumulated amortization:			
Acquired network distribution	(6,344)	(4,952)	(3,235)
Broadcast television network affiliation relationships	(1,925)	(1,379)	(824)
Customer lists	(24,749)	(14,123)	(2,879)
Copyrights and other trade names	(3,710)	(2,081)	(181)
Other	(14,875)	(6,864)	(5,492)
Total accumulated amortization	<u>(51,603)</u>	<u>(29,399)</u>	<u>(12,611)</u>
Net amortizable intangible assets	<u>296,236</u>	<u>199,780</u>	<u>213,066</u>
Other indefinite-lived intangible assets:			
FCC licenses	25,622	25,622	25,622
Other	2,087	2,087	2,087
Total other indefinite-lived intangible assets	<u>27,709</u>	<u>27,709</u>	<u>27,709</u>
Pension liability adjustments	96	96	140
Total other intangible assets	<u>324,041</u>	<u>227,585</u>	<u>240,915</u>
Total goodwill and other intangible assets	<u>\$2,264,415</u>	<u>\$1,875,379</u>	<u>\$1,894,289</u>

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Activity related to goodwill and other intangible assets by business segment was as follows:

<i>(in thousands)</i>	Scripps Networks	Newspapers	Broadcast Television	Interactive Media	Licensing and Other	Total
Goodwill:						
Balance as of December 31, 2004	\$ 254,689	\$ 783,464	\$ 219,367	\$	\$ 18	\$1,257,538
Business acquisitions				411,176		411,176
Adjustment to purchase price allocation	(15,340)					(15,340)
Balance as of June 30, 2005	<u>\$ 239,349</u>	<u>\$ 783,464</u>	<u>\$ 219,367</u>	<u>\$ 411,176</u>	<u>\$ 18</u>	<u>\$1,653,374</u>
Balance as of December 31, 2005	\$ 240,502	\$ 789,315	\$ 216,467	\$ 401,492	\$ 18	\$1,647,794
Business acquisitions		13,297		288,320		301,617
Formation of Colorado newspaper partnership		(25,731)				(25,731)
Foreign currency translation adjustment				16,694		16,694
Balance as of June 30, 2006	<u>\$ 240,502</u>	<u>\$ 776,881</u>	<u>\$ 216,467</u>	<u>\$ 706,506</u>	<u>\$ 18</u>	<u>\$1,940,374</u>
Amortizable intangible assets:						
Balance as of December 31, 2004	\$ 29,762	\$ 2,907	\$ 27,441			\$ 60,110
Business acquisitions				\$ 140,000		140,000
Adjustment of purchase price allocations	15,400					15,400
Other additions		134				134
Amortization	(1,370)	(334)	(584)	(290)		(2,578)
Balance as of June 30, 2005	<u>\$ 43,792</u>	<u>\$ 2,707</u>	<u>\$ 26,857</u>	<u>139,710</u>		<u>\$ 213,066</u>
Balance as of December 31, 2005	\$ 41,093	\$ 4,305	\$ 26,266	\$ 128,116		\$ 199,780
Business acquisitions		7,443		108,091		115,534
Formation of Colorado newspaper partnership		(2,407)				(2,407)
Other additions		8				8
Foreign currency translation adjustment				5,997		5,997
Amortization	(1,680)	(462)	(560)	(19,974)		(22,676)
Balance as of June 30, 2006	<u>\$ 39,413</u>	<u>\$ 8,887</u>	<u>\$ 25,706</u>	<u>\$ 222,230</u>		<u>\$ 296,236</u>
Other indefinite-lived intangible assets:						
Balance for all respective periods presented	<u>\$ 919</u>	<u>\$ 1,168</u>	<u>\$ 25,622</u>			<u>\$ 27,709</u>

Goodwill of \$411.2 million and amortizable intangible assets of \$140.0 million were initially allocated to the Shopzilla acquisition in the second quarter of 2005. In the fourth quarter of 2005, we completed an appraisal of the book and tax bases of the assets acquired and liabilities assumed in the Shopzilla acquisition. The amount allocated to goodwill was reduced by \$9.7 million and the amounts allocated to amortizable intangible assets were increased by \$2.4 million.

We expect that \$3.3 million of the goodwill acquired in the Shopzilla acquisition will be deductible for income tax purposes. The goodwill acquired in the uSwitch and Newspaper acquisitions are not expected to be deductible for income tax purposes.

Amortizable intangible assets acquired in the Shopzilla and uSwitch acquisitions include customer lists, technology, trade names and patents. The customer lists intangible assets are estimated to have useful lives of 2 to 20 years. The other acquired intangibles are estimated to have useful lives of 4 to 9 years. The allocation of the purchase price for the uSwitch acquisition is based upon preliminary appraisals and estimates, and is therefore subject to change.

Amortizable intangible assets acquired in the Newspaper acquisitions were customer lists. The customer intangible assets are estimated to have useful lives of 3 to 20 years.

Estimated amortization expense of intangible assets for each of the next five years is expected to be \$21.0 million for the remainder of 2006, \$41.6 million in 2007, \$38.8 million in 2008, \$37.6 million in 2009, \$33.4 million in 2010, \$29.6 million in 2011 and \$94.2 million in later years.

11. PROGRAMS AND PROGRAM LICENSES

Programs and program licenses consisted of the following:

<i>(in thousands)</i>	June 30, 2006	As of December 31, 2005	June 30, 2005
Cost of programs available for broadcast	\$878,738	\$ 798,925	\$845,798
Accumulated amortization	616,395	534,246	595,625
Total	262,343	264,679	250,173
Progress payments on programs not yet available for broadcast	118,576	77,824	70,944
Total programs and program licenses	<u>\$380,919</u>	<u>\$ 342,503</u>	<u>\$321,117</u>

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. Such contracts may require progress payments or deposits prior to the program becoming available for broadcast. Remaining obligations under contracts to purchase or license programs not yet available for broadcast totaled approximately \$299 million at June 30, 2006. If the programs are not produced, our obligations would generally expire without obligation.

Progress payments on programs not yet available for broadcast and the cost of programs and program licenses capitalized totaled \$69.6 million in the second quarter of 2006 and \$56.8 million in 2005. Year to date progress payments and capitalized programs totaled \$131 million in 2006 and \$101 million in 2005.

Estimated amortization of recorded program assets and program commitments for each of the next five years is as follows:

<i>(in thousands)</i>	Programs Available for Broadcast	Programs Not Yet Available for Broadcast	Total
Remainder of 2006	\$ 77,042	\$ 43,182	\$120,224
2007	94,617	114,231	208,848
2008	54,808	95,360	150,168
2009	29,596	75,947	105,543
2010	5,886	59,999	65,885
2011	393	27,999	28,392
Later years	1	1,310	1,311
Total	<u>\$ 262,343</u>	<u>\$ 418,028</u>	<u>\$680,371</u>

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.

12. UNAMORTIZED NETWORK DISTRIBUTION INCENTIVES

Unamortized network distribution incentives consisted of the following:

<i>(in thousands)</i>	June 30, 2006	As of December 31, 2005	June 30, 2005
Network launch incentives	\$315,847	\$ 316,774	\$316,726
Accumulated amortization	191,747	178,241	163,916
Net book value	124,100	138,533	152,810
Unbilled affiliate fees	40,203	33,738	28,982
Total unamortized network distribution incentives	<u>\$164,303</u>	<u>\$ 172,271</u>	<u>\$181,792</u>

We capitalized network launch incentives totaling \$1.2 million year-to-date in 2005.

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.

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Amortization of network launch incentives	<u>\$ 6,492</u>	<u>\$ 7,355</u>	<u>\$13,506</u>	<u>\$12,719</u>

Estimated amortization for the next five years is as follows:

Remainder of 2006	\$ 13,861
2007	20,910
2008	23,404
2009	25,433
2010	16,814
2011	16,523
Later years	7,155
Total	<u>\$ 124,100</u>

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

13. LONG-TERM DEBT

Long-term debt consisted of the following:

<i>(in thousands)</i>	June 30, 2006	As of December 31, 2005	June 30, 2005
Variable-rate credit facilities, including commercial paper	\$ 443,863	\$ 226,966	\$300,437
\$100 million, 6.625% notes, due in 2007	99,982	99,975	99,967
\$50 million, 3.75% notes, due in 2008	50,000	50,000	50,000
\$100 million, 4.25% notes, due in 2009	99,671	99,623	99,575
\$150 million, 4.30% notes, due in 2010	149,808	149,784	149,760
\$200 million, 5.75% notes, due in 2012	199,248	199,185	199,122
Other notes	1,482	1,537	1,590
Total face value of long-term debt less discounts	1,044,054	827,070	900,451
Fair market value of interest rate swap	(1,620)	(1,295)	(606)
Total long-term debt	<u>\$1,042,434</u>	<u>\$ 825,775</u>	<u>\$899,845</u>

In June 2006, we entered into a Competitive Advance and Revolving Credit Facility (the "Revolver") and a commercial paper program that permits aggregate borrowings up to \$750 million and expires in June 2011 (the "Variable-Rate Credit Facilities"). The Revolver replaced our existing Competitive Advance and Revolving Credit facilities that collectively permitted aggregate borrowings up to \$550 million and consisted of two facilities that were due to expire in March 2007 and July 2009. 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 borrowings under the Variable-Rate Credit Facilities was 5.2% at June 30, 2006, 4.3% at December 31, 2005, and 3.4% at June 30, 2005.

We have a U.S. shelf registration statement which allows us to borrow up to an additional \$300 million as of June 30, 2006.

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 5.5% at June 30, 2006, 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 either other assets or other liabilities. 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 Condensed 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 restrictions on the incurrence of additional indebtedness. We were in compliance with all debt covenants as of June 30, 2006.

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

As of June 30, 2006, we had outstanding letters of credit totaling \$9.4 million.

14. OTHER LIABILITIES AND MINORITY INTERESTS

Other liabilities – Other liabilities consisted of the following:

<i>(in thousands)</i>	June 30, 2006	As of December 31, 2005	June 30, 2005
Program rights payable	\$ 20,885	\$ 21,615	\$ 27,043
Employee compensation and benefits	85,927	84,903	72,410
Network distribution incentives	19,203	22,758	32,881
Other	35,952	32,923	27,438
Total other liabilities	161,967	162,199	159,772
Current portion of other liabilities	39,215	40,583	52,686
Other liabilities (less current portion)	<u>\$122,752</u>	<u>\$ 121,616</u>	<u>\$107,086</u>

Minority interests - 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. The remaining put options, comprising an approximate 4% interest in Fine Living, become exercisable in the third quarter of 2006.

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

Minority interests include non-controlling interests of approximately 4% in the capital stock of the subsidiary company that publishes our Memphis newspaper and approximately 6% in the capital stock of the subsidiary company that publishes our Evansville newspaper. The capital stock of these companies does not provide for or require the redemption of the non-controlling interests by us.

15. SUPPLEMENTAL CASH FLOW INFORMATION

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

<i>(in thousands)</i>	Six months ended June 30,	
	2006	2005
Other changes in certain working capital accounts, net:		
Accounts receivable	\$(30,452)	\$(42,537)
Inventories	(1,432)	(395)
Accounts payable	3,758	(2,665)
Accrued income taxes	8,073	42,563
Accrued employee compensation and benefits	(14,211)	(4,725)
Accrued interest	2	41
Other accrued liabilities	881	1,884
Other, net	(2,823)	1,789
Total	<u>\$(36,204)</u>	<u>\$ (4,045)</u>

16. EMPLOYEE BENEFIT PLANS

We sponsor defined benefit pension plans that cover substantially all non-union and certain union-represented employees. Benefits are generally based upon the employee's compensation and years of service.

We also have a non-qualified Supplemental Executive Retirement Plan ("SERP"). The SERP, which is unfunded, provides defined pension benefits in addition to the defined benefit pension plan to eligible executives based on average earnings, years of service and age at retirement.

Substantially all non-union and certain union employees are also covered by a company-sponsored defined contribution plan. We match a portion of employees' 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.

We use a December 31 measurement date for our retirement plans. 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:

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Service cost	\$ 5,112	\$ 4,581	\$ 10,225	\$ 9,163
Interest cost	6,082	5,675	12,164	11,350
Expected return on plan assets, net of expenses	(8,167)	(7,269)	(16,334)	(14,539)
Net amortization and deferral	1,479	777	2,958	1,553
Total for defined benefit plans	4,506	3,764	9,013	7,527
Multi-employer plans	127	167	260	172
SERP	1,050	1,008	2,101	2,016
Defined contribution plans	2,073	1,868	4,210	3,653
Total	<u>\$ 7,756</u>	<u>\$ 6,807</u>	<u>\$ 15,584</u>	<u>\$ 13,368</u>

We made required contributions of \$0.2 million to our defined benefit plans in the first half of 2006. We anticipate contributing \$0.1 million to meet minimum funding requirements of our defined benefit plans during the remainder of fiscal 2006.

During the first half 2006, we have also contributed \$1.2 million to fund current benefit payments for our non-qualified SERP plan. We anticipate contributing an additional \$0.9 million to fund the SERP's benefit payments during the remainder of fiscal 2006.

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 in our Annual Report on Form 10-K for the year ended December 31, 2005.

Each of our segments may provide advertising, programming or other services to our other business segments. In addition, 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 profits exclude interest, income taxes, depreciation and amortization, divested operating units, 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 and newspaper partnerships using the equity method of accounting. Our equity in earnings of JOAs and newspaper partnerships is included in “Equity in earnings of JOAs and other joint ventures” in our Condensed Consolidated Statements of Income. Newspaper segment profits include equity in earnings of JOAs and newspaper partnerships. Scripps Networks segment profits include equity in earnings of FOX Sports Net South and joint ventures with foreign entities.

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Information regarding our business segments is as follows:

<i>(in thousands)</i>	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2006	2005	2006	2005
Segment operating revenues:				
Scripps Networks	\$286,303	\$244,299	\$ 523,905	\$ 446,977
Newspapers:				
Newspapers managed solely by us	181,894	173,630	366,096	349,466
JOAs and newspaper partnerships	56	100	104	150
Total	181,950	173,730	366,200	349,616
Boulder prior to formation of Colorado newspaper partnership		7,066	2,189	13,402
Total newspapers	181,950	180,796	368,389	363,018
Broadcast television	86,445	83,183	170,208	155,443
Interactive media	64,965	1,047	123,608	1,047
Licensing and other media	22,527	31,193	46,131	57,013
Corporate/intercompany	(276)	(47)	(598)	(124)
Total operating revenues	<u>\$641,914</u>	<u>\$540,471</u>	<u>\$1,231,643</u>	<u>\$1,023,374</u>
Segment profit (loss):				
Scripps Networks	\$150,270	\$123,461	\$ 256,815	\$ 204,402
Newspapers:				
Newspapers managed solely by us	52,741	51,965	103,725	107,611
JOAs and newspaper partnerships	2,375	9,462	1,416	16,503
Total	55,116	61,427	105,141	124,114
Boulder prior to formation of Colorado newspaper partnership		1,188	(125)	1,558
Total newspapers	55,116	62,615	105,016	125,672
Broadcast television	26,417	27,074	48,904	43,353
Interactive media	16,463	358	30,384	358
Licensing and other media	3,118	6,329	6,020	11,184
Corporate	(14,058)	(9,767)	(30,951)	(21,533)
Total segment profit	237,326	210,070	416,188	363,436
Depreciation and amortization of intangibles	(33,433)	(16,172)	(58,781)	(31,475)
Gain on formation of Colorado newspaper partnership			3,535	
Gains (losses) on disposal of property, plant and equipment	(60)	91	(156)	42
Interest expense	(15,537)	(7,559)	(27,690)	(14,931)
Interest and dividend income	609	374	1,151	582
Miscellaneous, net	942	(400)	1,979	(67)
Income from continuing operations before income taxes and minority interests	<u>\$189,847</u>	<u>\$186,404</u>	<u>\$ 336,226</u>	<u>\$ 317,587</u>
Depreciation:				
Scripps Networks	\$ 4,230	\$ 3,778	\$ 7,917	\$ 7,000
Newspapers:				
Newspapers managed solely by us	5,502	5,064	10,580	9,929
JOAs and newspaper partnerships	310	309	610	609
Total	5,812	5,373	11,190	10,538
Boulder prior to formation of Colorado newspaper partnership		311	111	615
Total newspapers	5,812	5,684	11,301	11,153
Broadcast television	4,507	4,600	9,132	9,157
Interactive media	3,839	52	6,781	52
Licensing and other media	154	224	322	443
Corporate	309	552	652	1,092
Total depreciation	<u>\$ 18,851</u>	<u>\$ 14,890</u>	<u>\$ 36,105</u>	<u>\$ 28,897</u>

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(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Amortization of intangibles:				
Scripps Networks	\$ 917	\$ 536	\$ 1,680	\$ 1,370
Newspapers:				
Newspapers managed solely by us	344	76	441	161
JOAs and newspaper partnerships		66		133
Total	344	142	441	294
Boulder prior to formation of Colorado newspaper partnership		20	21	40
Total newspapers	344	162	462	334
Broadcast television	282	294	560	584
Interactive media	13,039	290	19,974	290
Total amortization of intangibles	<u>\$14,582</u>	<u>\$ 1,282</u>	<u>\$ 22,676</u>	<u>\$ 2,578</u>
Additions to property, plant and equipment:				
Scripps Networks	\$ 3,086	\$ 1,916	\$ 5,712	\$ 4,772
Newspapers:				
Newspapers managed solely by us	3,528	2,565	7,270	4,967
JOAs and newspaper partnerships	524	568	1,028	925
Total newspapers	4,052	3,133	8,298	5,892
Broadcast television	1,689	2,420	2,996	3,308
Interactive media	8,320		11,098	
Licensing and other media	169	155	276	301
Corporate	2,041	1,146	3,273	1,606
Total additions to property, plant and equipment	<u>\$19,357</u>	<u>\$ 8,770</u>	<u>\$ 31,653</u>	<u>\$ 15,879</u>
Business acquisitions and other additions to long-lived assets:				
Scripps Networks	\$69,656	\$ 56,779	\$ 131,355	\$ 100,922
Newspapers				
Newspapers managed solely by us	181	70	23,045	70
Newspapers operated pursuant to JOAs	18	150	136	250
Total newspapers	199	220	23,181	320
Interactive media	1,456	535,795	372,157	535,795
Corporate	541	25	621	490
Total	<u>\$71,852</u>	<u>\$ 592,819</u>	<u>\$ 527,314</u>	<u>\$ 637,527</u>
Assets:				
Scripps Networks			\$1,228,188	\$ 1,115,957
Newspapers:				
Newspapers managed solely by us			1,076,470	1,052,221
JOAs and newspaper partnerships			181,483	221,715
Total newspapers			1,257,953	1,273,936
Broadcast television			482,156	491,308
Interactive media			1,016,251	618,906
Licensing and other media			28,904	34,016
Investments			44,795	44,336
Corporate			186,923	145,001
Total assets of continuing operations			4,245,170	3,723,460
Discontinued operations			175,478	332,567
Total assets			<u>\$4,420,648</u>	<u>\$ 4,056,027</u>

No single customer provides more than 10% of our revenue. We earn international revenues from our uSwitch business that operates primarily in the United Kingdom. We also earn international revenues from the licensing of comic characters and HGTV and Food Network programming in international markets. We anticipate that approximately one third of our international revenues, which will approximate \$90 million, will be provided from each of the United Kingdom and Japan markets.

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

18. STOCK COMPENSATION 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.

Under a share repurchase program authorized by the Board of Directors on October 28, 2004, we are authorized to repurchase up to 5.0 million Class A Common Shares. A total of 1.5 million shares have been repurchased in 2005 and 2006 at prices ranging from \$43 to \$51 per share. The balance remaining on the authorization is 3.5 million shares. There is no expiration date for the program and we are under no commitment or obligation to repurchase any particular amount of common shares under the program.

Incentive Plans – Scripps’ Long-Term Incentive Plan (the “Plan”) provides for the award of incentive and nonqualified stock options, stock appreciation rights, restricted and unrestricted Class A Common Shares and performance units to key employees and non-employee directors. The Plan expires in 2014, except for options then outstanding.

We satisfy stock option exercises and vested stock awards with newly issued shares. Shares available for future stock compensation grants totaled 5.3 million as of June 30, 2006.

Stock Options – Stock options grant the recipient the right 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 granted to employees generally vest over a three year period, conditioned upon the individual’s continued employment through that period. Vesting of awards is immediately accelerated upon the retirement, death or disability of the employee or upon a change in control of Scripps or in the business in which the individual is employed. Unvested awards are forfeited if employment is terminated for other reasons. Options granted to employees prior to 2005 generally expire 10 years after grant, while options granted in 2005 and later generally have 8 year terms. Stock options granted to non-employee directors generally vest over a one year-period and have a 10 year term.

Compensation costs of stock options are estimated on the date of grant using a lattice-based binomial model. The weighted average assumptions used in the model are as follows:

	Six months ended	
	June 30,	
	2006	2005
Weighted-average fair value of options granted	\$12.75	\$11.52
Assumptions used to determine fair value:		
Dividend yield	0.9%	0.8%
Risk-free rate of return	4.6%	3.8%
Expected life of options (years)	5.38	5.38
Expected volatility	21.3%	22.2%

Dividend yield considers our historical dividend yield and the expected dividend yield over the life of the options. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. Expected life is an output of the valuation model, and primarily considers historical exercise patterns. Unexercised options for grants included in the historical period are assumed to be exercised at the midpoint of the current date and the full contractual term. Expected volatility is based on historical share price volatility and the implied volatility of exchange-traded options on our Class A Common A Shares. The volatility assumption considers historical volatility for the most recent period reflecting the expected life and for a long term period.

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The following table summarizes information about stock option transactions:

	Number of Shares	Weighted Average Exercise Price	Range of Exercise Prices
Options outstanding at December 31, 2004	11,158,734	\$ 35.27	\$13 - 54
Options granted during the period	1,822,700	46.81	46 - 51
Options exercised during the period	(624,057)	28.86	17 - 49
Options forfeited during the period	(68,427)	37.82	24 - 49
Options outstanding at June 30, 2005	<u>12,288,950</u>	<u>\$ 37.30</u>	<u>\$13 - 54</u>
Options exercisable at June 30, 2005	<u>8,472,046</u>	<u>\$ 33.20</u>	<u>\$13 - 54</u>
Options outstanding at December 31, 2005	11,640,330	\$ 37.89	\$13 - 54
Options granted during the period	2,027,664	48.45	45 - 49
Options exercised during the period	(371,512)	30.92	13 - 49
Options forfeited/canceled during the period	(116,891)	46.46	32 - 52
Options outstanding at June 30, 2006	<u>13,179,591</u>	<u>\$ 39.63</u>	<u>\$17 - 54</u>
Options exercisable at June 30, 2006	<u>9,505,210</u>	<u>\$ 36.40</u>	<u>\$17 - 54</u>

The following table presents additional information about exercises of stock options:

<i>(in thousands)</i>	Six months ended June 30,	
	2006	2005
Cash received upon exercise	\$11,501	\$18,027
Intrinsic value (market value on date of exercise less exercise price)	6,363	12,970
Tax benefits realized	2,386	4,540

Substantially all options granted prior to 2004 are exercisable. Options generally become exercisable in increments over a three year period. Information about options outstanding and options exercisable by year of grant is as follows:

<i>(dollars in millions, except per share amounts)</i>	Range of Exercise Prices	Average Remaining Term (in years)	Options Outstanding			Options Exercisable		
			Options on Shares Outstanding	Weighted Average Exercise Price	Aggregate Intrinsic Value (in millions)	Options on Shares Exercisable	Weighted Average Exercise Price	Aggregate Intrinsic Value (in millions)
1997 - expire in 2007	\$17 - 21	0.6	195,600	\$ 17.65	\$ 5.0	195,600	\$ 17.65	\$ 5.0
1998 - expire in 2008	20 - 27	1.6	265,800	23.66	5.2	265,800	23.66	5.2
1999 - expire in 2009	21 - 25	2.6	726,100	23.53	14.2	726,100	23.53	14.2
2000 - expire in 2010	22 - 30	3.7	1,171,466	24.76	21.5	1,171,466	24.76	21.5
2001 - expire in 2011	29 - 35	4.6	1,333,836	32.13	14.7	1,333,836	32.13	14.7
2002 - expire in 2012	36 - 39	5.7	1,741,684	37.67	9.5	1,741,684	37.67	9.5
2003 - expire in 2013	40 - 46	6.7	1,921,999	40.10	5.9	1,908,300	40.08	5.9
2004 - expire in 2014	46 - 54	7.7	1,998,700	49.28		1,443,494	49.36	
2005 - expire in 2013	46 - 51	6.8	1,802,617	46.89		718,930	47.25	
2006 - expire in 2014	45 - 49	7.8	2,021,789	48.45				
Total	<u>\$17 - 54</u>	<u>6.0</u>	<u>13,179,591</u>	<u>\$ 39.63</u>	<u>\$ 76.0</u>	<u>9,505,210</u>	<u>\$ 36.40</u>	<u>\$ 76.0</u>

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Restricted Stock – Awards of Class A Common shares (“restricted stock”) generally require no payment by the employee. Restricted stock awards generally vest over a three year period, conditioned upon the individual’s continued employment through that period. The vesting of certain awards may also be accelerated if certain performance targets are met. Vesting of awards is immediately accelerated upon the retirement, death or disability of the employee or upon a change in control of Scripps or in the business in which the individual is employed. Unvested awards are forfeited if employment is terminated for other reasons.

Awards are nontransferable during the vesting period, but the shares are entitled to all the rights of an outstanding share. There are no post-vesting restrictions on shares granted to employees and non-employee directors.

At the election of the employee, restricted stock awards may be converted to restricted stock units (“RSU”) prior to vesting. RSUs are convertible into equal number of Class A Common Shares at a specified time or times or upon the occurrence of a specified event, such as upon retirement, at the election of the employee.

In 2005 we adopted a new approach to long-term incentive compensation for senior executives. The proportion of stock options in incentive compensation was reduced and replaced with performance share awards. Performance share awards represent the right to receive a grant of restricted shares if certain performance measures are met. Each award specifies a target number of shares to be issued and the specific performance criteria that must be met. The number of shares that an employee receives may be less or more than the target number of shares depending on the extent to which the specified performance measures are met or exceeded.

Information related to restricted stock transactions is presented below:

	Number of Shares	Grant Date Weighted Average	Fair Value Range of Prices
Unvested shares at December 31, 2004	453,954	\$ 39.58	\$ 23 - 53
Shares awarded during the period	3,750	48.32	48
Shares vested during the period	(177,020)	45.52	38 - 52
Shares forfeited during the period	(2,500)	47.28	47
Unvested shares at June 30, 2005	<u>278,184</u>	<u>\$ 41.28</u>	<u>\$ 23 - 53</u>
Unvested shares at December 31, 2005	249,008	\$ 41.93	\$ 23 - 53
Shares issued for 2005 performance share awards	144,036	46.48	46 - 48
Shares awarded during the period	50,500	48.98	49
Shares vested during the period	(187,408)	41.42	31 - 53
Shares forfeited during the period	(2,816)	45.59	47 - 49
Unvested shares at June 30, 2006	<u>253,320</u>	<u>\$ 46.52</u>	<u>\$ 35 - 53</u>

During 2004, 40,000 restricted stock awards were converted to RSUs. The restricted stock was originally awarded in May 2003, at which time the value of a Class A Common Share was \$39.44. The RSUs vest on January 1, 2007.

Performance share awards with a target of 134,250 Class A Common Shares were granted in 2006. The weighted average price of an underlying Class A Common Share on the dates of grant was \$47.74. The number of shares ultimately issued depends upon the extent to which specified performance measures are met. The shares earned vest between 2007 and 2009.

The following table presents additional information about restricted stock vesting:

<i>(in thousands)</i>	Six months ended June 30,	
	2006	2005
Fair value of shares vested	\$8,736	\$8,753
Tax benefits realized	1,718	1,480

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Stock Compensation Costs – Stock compensation expense recognized in 2006 and in 2005, and on a pro forma basis for 2005 assuming we had been applying the fair value provisions of FAS 123 as previously disclosed in the footnotes to our financial statements for those periods, and the effect on income and earnings per share, is as follows:

<i>(in thousands, except per share data)</i>	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Stock-based compensation:				
As reported:				
Stock options	\$ 4,420	\$	\$12,936	\$ 1,165
Restricted stock, RSUs and performance shares	2,192	1,729	5,075	4,133
Total stock compensation as reported	6,612	1,729	18,011	5,298
Additional compensation to adjust intrinsic value to fair value		4,881		11,041
Total fair-value based stock compensation	<u>\$ 6,612</u>	<u>\$ 6,610</u>	<u>\$18,011</u>	<u>\$16,339</u>
Fair-value based stock compensation, net of tax:				
As reported	\$ 4,133	\$ 1,201	\$11,257	\$ 3,444
Additional compensation to adjust intrinsic value to fair value		3,104	.	7,176
Fair-value based stock compensation, net of tax	<u>\$ 4,133</u>	<u>\$ 4,305</u>	<u>\$11,257</u>	<u>\$10,620</u>
Effect of fair-value based stock-based compensation on basic and diluted earnings per share	<u>\$ 0.03</u>	<u>\$ 0.03</u>	<u>\$ 0.07</u>	<u>\$ 0.06</u>

Total stock compensation in the 2006 year-to-date period includes \$6.2 million of expense related to awards granted to retiree-eligible employees.

As of June 30, 2006, \$25.7 million of total unrecognized compensation cost related to stock options is expected to be recognized over a weighted-average period of 2.2 years and \$9.3 million of total unrecognized compensation cost related to restricted stock, RSUs and performance shares is expected to be recognized over a weighted-average period of 2.3 years.

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 condensed consolidated financial statements and the condensed notes to the consolidated financial statements. You should read this discussion in conjunction with those financial statements.

FORWARD-LOOKING STATEMENTS

This discussion and the information contained in the condensed 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. We undertake no obligation to publicly update any forward-looking statements to reflect events or circumstances after the date the statement is made.

EXECUTIVE OVERVIEW

The E. W. Scripps company is a diverse and growing media company with interests in national television networks, newspaper publishing, broadcast television stations, interactive media and licensing and syndication. The company's portfolio of media properties includes: Scripps Networks, with such brands as HGTV, Food Network, DIY Network, Fine Living and Great American Country; daily and community newspapers in 18 markets and the Washington-based Scripps Media Center, home to the Scripps Howard News Service; 10 broadcast television stations, including six ABC-affiliated stations, three NBC affiliates and one independent; Interactive media, our online comparison shopping services comprising our Shopzilla and uSwitch businesses; and United Media, a leading worldwide licensing and syndication company that is the home of PEANUTS, DILBERT and approximately 150 other features and comics.

The company has a long-standing objective of creating shareholder value by following a disciplined strategy of investing in growing media businesses. Starting with newspapers nearly 130 years ago and continuing with our recent acquisitions of Shopzilla and uSwitch, we have stayed ahead of the ongoing migration of consumers and marketing dollars to new media marketplaces. This is evidenced by the dramatic change in our company's profile during the last ten years. In 1994, the newspaper division contributed 50 percent of the company's consolidated revenue. In 2006 it is contributing 30 percent. The national television networks, a business that did not exist in 1993, are contributing 43 percent to the company's revenue in 2006 while Shopzilla and uSwitch, our newly acquired comparison shopping Internet services, are contributing 10 percent.

We expect to continue to increase shareholder value by maximizing and allocating the cash flow generated by our mature media businesses to new or existing businesses. In the past we have used cash generated by our newspapers and broadcast television stations to develop HGTV, DIY and Fine Living and to acquire Food Network, GAC, Shopzilla and uSwitch. The continued expansion of Scripps Networks, the support and development of our comparison shopping services' rapid growth potential, and investment in new and growing media businesses are the company's top strategic priorities.

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Scripps Networks continues to generate double digit increases in both revenues and segment profits due primarily to the enduring popularity of HGTV and Food Network. The appeal of our new programming has resonated with viewers and has resulted in an increasing number of younger viewers tuning in to our flagship networks. At HGTV, primetime viewership grew 12 percent during the second quarter and total day viewership grew nine percent. At Food Network, primetime viewership during the quarter was up an average of five percent compared with the second quarter of 2005 and total day viewership was up 12 percent. We are also extending our Scripps Networks brands into new media platforms and are emerging as a leader in providing content that is specifically formatted for the growing number of video-on-demand and broadband services. In 2006, we have launched high definition versions of both HGTV and Food Network and added two more broadband channels – HGTV’s Bath Design and DIY Network’s woodworking. We expect to launch similar broadband channels that will dig deep into such lifestyle topics as gardening, healthy eating and crafts. The number of people visiting HGTV’s and Food Network’s Web sites was up 10 percent year-over-year during the month of June demonstrating the appeal of our brands and the success we have had targeting consumers. Top priorities at Scripps Networks are the ratings growth at HGTV and Food, the programming and distribution of our emerging networks, developing new revenue streams for our network brands such as product licensing and retail sales, and the growth of interactive revenue.

During the second quarter of 2005, we acquired Shopzilla, which operates a product comparison shopping service that helps consumers find products offered for sale by online retailers. In the first quarter of 2006, we acquired uSwitch. uSwitch operates an online comparison service that helps consumers compare prices and arrange for the purchase of a range of essential home services including gas, electricity, home phone, broadband providers and personal finance products primarily in the United Kingdom. These acquisitions enable us to capitalize on the rapid growth and rising profitability of specialized Internet search businesses and expand our electronic media platform. On a pro-forma basis, the revenues of these businesses in the first half of 2006 have nearly doubled compared with the first half of 2005 due in part to the increasing popularity of comparison shopping sites with consumers. We have begun to leverage the cross-promotional power of all of our media businesses to brand our interactive media businesses. Specifically, we have used our media businesses to drive traffic to Shopzilla via links on virtually all of our Web sites; our lifestyle networks and TV stations have promoted Shopzilla; our newspapers have run ads and created a Shopzilla-branded, Smart Shopper column.

Our shareholders also continue to benefit from our local media businesses. Our daily and community newspapers and broadcast television stations are the foundation for our successful growth strategy.

At our newspapers, our publishers are focused on increasing advertising market share and online revenue while publishing reader-focused newspapers and online content to build readership. To achieve advertising market share growth, our publishers look to expand our print business through start-ups or acquisitions of nontraditional and nondaily products. We believe that our online business will generate higher growth rates than our traditional print business and, as a result, are focusing heavily in that area. Our efforts here involve development of new online products which deliver local news, video and advertising to viewers as well as efforts to create new online business models which are less tied to the traditional newspaper but which serve new, underserved audiences within our local markets.

Priorities at our broadcast television stations include concentrating on the branding of our local ABC and NBC affiliates, emphasizing local news and building out non-traditional revenue opportunities that target new advertisers. Improved ratings at ABC in 2005 and the outlook for 2006 bode well not only for revenue at our ABC stations from popular shows, but also for the lead-in they provide to late news. The broadcast of the Super Bowl on ABC and NBC’s coverage of the Winter Olympics contributed to an increase in broadcast television revenues in the first half of 2006. The return of political advertising is expected to further increase our revenues in 2006.

In the second quarter of 2006, we sold the operations of the Shop At Home television network and certain of its assets to Jewelry Television. We have retained a broker and are actively seeking a buyer for the five Shop At Home-affiliated broadcast television stations. Operating results for Shop At Home are presented as discontinued operations in our financial statements for all periods presented.

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 Condensed Consolidated Financial Statements included in our Annual Report on Form 10-K describes the significant accounting policies we have selected for use in the preparation of our financial statements and related disclosures. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used or changes in estimates that are likely to occur could materially change the financial statements. We believe the accounting for Network Affiliate Fees, Acquisitions, Goodwill and Other Indefinite-Lived Intangible Assets, Income Taxes and Pension Plans to be our most critical accounting policies and estimates. A detailed description of these accounting policies is included in the Critical Accounting Policies Section of Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2005. There have been no significant changes in those accounting policies or other significant accounting policies except for the impacts from adopting FAS 123-R (See Note 2 to the Condensed Consolidated Financial Statements).

RESULTS OF OPERATIONS

The trends and underlying economic conditions affecting the operating performance and future prospects differ for each of our business segments. Accordingly, we believe the 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-37 through F-49.

On June 21, 2006, we reached agreement to sell the operations of the Shop At Home television network and certain of its assets to Jewelry Television. Under the terms of the agreement, Jewelry Television also assumed a number of Shop At Home’s television affiliation agreements.

Cash consideration received in the Shop At Home transaction totaled \$17 million which encompassed the sale of fixed assets, including Shop At Home’s building and real estate, satellite uplink facilities, information technology systems, the network’s call center, Web site and production studios. Shop At Home’s second quarter results include a \$12.1 million loss on the sale of assets, \$16.7 million in costs associated with the termination of long-term agreements and employee termination benefits, and a \$6.2 million non-cash charge to write-down assets on the Shop At Home television network.

We continue to seek a buyer for the five Shop At Home-affiliated broadcast television stations. Under the terms of the agreement with Jewelry Television, these stations will continue to air a mix of Shop At Home and Jewelry Television programming. We expect to reach an agreement to sell the stations prior to the end of 2006.

In the third quarter of 2005, we reached an agreement with Advance Publications, Inc., the publisher of the Birmingham News (“News”), to terminate the Birmingham joint operating agreement between the News and our Birmingham Post-Herald newspaper. During the third quarter of 2005, we also ceased publication of our Birmingham Post-Herald newspaper and sold certain assets to the News.

In accordance with the provisions of FAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets, the results of businesses held for sale or that have ceased operations are presented as discontinued operations within our results of operations. Accordingly, these businesses have also been excluded from segment results for all periods presented.

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Consolidated Results of Continuing Operations - Consolidated results of continuing operations were as follows:

<i>(in thousands)</i>	Quarter Period			Year-to-Date		
	2006	Change	2005	2006	Change	2005
Operating revenues	\$ 641,914	18.8%	\$ 540,471	\$1,231,643	20.4%	\$1,023,374
Costs and expenses	(420,949)	(19.1)%	(353,496)	(843,186)	(20.3)%	(701,190)
Depreciation and amortization of intangibles	(33,433)		(16,172)	(58,781)	(86.8)%	(31,475)
Gain on formation of Colorado newspaper partnership				3,535		
Gains (losses) on disposal of property, plant and equipment	(60)		91	(156)		42
Hurricane recoveries, net	1,750	(7.5)%	1,892	1,750	(7.5)%	1,892
Operating income	189,222	9.5%	172,786	334,805	14.4%	292,643
Interest expense	(15,537)		(7,559)	(27,690)	(85.5)%	(14,931)
Equity in earnings of JOAs and other joint ventures	14,611	(31.1)%	21,203	25,981	(34.0)%	39,360
Interest and dividend income	609	62.8%	374	1,151	97.8%	582
Miscellaneous, net	942		(400)	1,979		(67)
Income from continuing operations before income taxes and minority interests	189,847	1.8%	186,404	336,226	5.9%	317,587
Provision for income taxes	65,249	1.4%	66,157	115,797	(2.4)%	113,073
Income from continuing operations before minority interests	124,598	3.6%	120,247	220,429	7.8%	204,514
Minority interests	19,726	(14.1)%	17,290	34,075	(19.0)%	28,625
Income from continuing operations	\$ 104,872	1.9%	\$ 102,957	\$ 186,354	5.9%	\$ 175,889
Income from continuing operations per diluted share of common stock	\$.64	3.2%	\$.62	\$ 1.13	6.6%	\$ 1.06

The increase in operating revenues was primarily due to the continued growth in advertising and network affiliate fee revenues at our national television networks, the June 2005 acquisition of Shopzilla, and the March 2006 acquisition of uSwitch. The growth in advertising revenues was primarily driven by increased demand for advertising time and higher advertising rates at our networks. The growth in affiliate fee revenues is attributed to scheduled rate increases and wider distribution of our networks. These increases in revenue were partially offset by declines at licensing and other media. Licensing and other media revenues in 2005 include the impact of renewing multi-year license agreements with the ABC Television Network for certain of our Peanuts animated specials.

Costs and expenses were impacted by the expanded hours of original programming and costs to promote our national networks, the acquisitions of Shopzilla and uSwitch, and 2005 including royalty and talent costs associated with the renewal of Peanut film licenses. In addition, we adopted the requirements of FAS 123-R, Share-Based Payments, effective January 1, 2006 and began recording compensation expense on stock options granted to employees. Stock option expense, including the costs of immediately expensed options granted to retiree eligible employees, increased our costs and expenses \$4.4 million in the second quarter of 2006 and \$12.9 million year-to-date. Based upon stock options issued through the second quarter, we expect stock option expense to increase our costs and expenses by approximately \$8.0 million for the remainder of 2006.

Depreciation and amortization increased primarily as a result of the acquisitions of Shopzilla and uSwitch. We expect depreciation and amortization will be approximately \$30 million in the third quarter of 2006.

In the first quarter of 2006, we completed the formation of a newspaper partnership with MediaNews Group, Inc. In conjunction with the transaction, we recognized a pre-tax gain of \$3.5 million. Net income was increased by \$2.1 million, \$.01 per share.

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Certain of our Florida operations sustained hurricane damages in 2004 and 2005. Throughout the course of 2005 and 2006, we reached agreements with insurance providers and other responsible third parties on certain of our property and business interruption claims and recorded insurance recoveries of \$1.8 million in the second quarter of 2006 and \$2.2 million in the second quarter of 2005. The insurance recoveries recorded in 2005 were partially offset by additional estimated losses of \$0.3 million. Net income was increased by \$1.1 million, \$.01 per share in 2006 and \$1.2 million, \$.01 per share in 2005. We are still in negotiations with insurance carriers regarding property and business interruption losses sustained by our newspaper operations and are seeking additional recoveries of \$0.3 million. Recoveries of unsettled claims will not be recorded until settlement agreements are reached with the insurance providers.

Interest expense includes interest incurred on our outstanding borrowings and deferred compensation and other employment agreements. Interest incurred on our outstanding borrowings increased in 2006 due to higher average debt levels attributed to the Shopzilla and uSwitch acquisitions. In connection with the June 2005 acquisition of Shopzilla, we issued \$150 million in 5-year notes at a rate of 4.30%. We financed the remainder of the Shopzilla and uSwitch transactions with commercial paper. The average outstanding commercial paper balance for the year-to-date period of 2006 was \$346 million at an average rate of 4.8% compared with \$36 million at an average rate of 2.7% for the year-to-date period of 2005. The average outstanding commercial paper balance for the second quarter of 2006 was \$490 million at an average rate of 5.0% compared with \$20 million at an average rate of 3.3% for the second quarter of 2005. Interest expense is expected to be approximately \$17 million in the third quarter of 2006.

In the third quarter of 2005, the management committee of the Denver Newspaper Agency (“DNA”) approved plans to consolidate DNA’s newspaper production facilities. As a result, assets used in certain of the existing facilities will be retired earlier than previously estimated. The reduction in these assets’ estimated useful lives increased DNA’s depreciation expense. The increased depreciation resulted in a \$3.1 million decrease in our equity in earnings from JOAs in the second quarter of 2006 and decreased year-to-date equity in earnings from JOAs \$6.3 million. Net income was decreased by \$1.9 million, \$.01 per share in the second quarter of 2006 and \$3.9 million, \$.02 per share for the year-to-date period of 2006. The increased depreciation is expected to decrease equity in earnings from JOAs approximately \$3.0 million in each quarter until the second quarter of 2007. The decrease in equity in earnings of JOAs is also attributed to lower advertising sales in all three of our JOA markets.

Information regarding our effective tax rate is as follows:

(in thousands)	Quarter Period			Year-to-Date		
	2006	Change	2005	2006	Change	2005
Income from continuing operations before income taxes and minority interests as reported	\$ 189,847	1.8%	\$ 186,404	\$ 336,226	5.9%	\$ 317,587
Income allocated to non-controlling interests	19,518	30.0%	15,012	33,539	30.3%	25,730
Income allocated to Scripps	\$ 170,329	(0.6)%	\$ 171,392	\$ 302,687	3.7%	\$ 291,857
Provision for income taxes	\$ 65,249	1.4%	\$ 66,157	\$ 115,797	(2.4)%	\$ 113,073
Effective income tax rate as reported	34.4%		35.5%	34.4%		35.6%
Effective income tax rate on income allocated to Scripps	38.3%		38.6%	38.3%		38.7%

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.

The income tax provision for interim periods is determined by applying the expected effective income tax rate for the full year to year-to-date income before income tax. Tax provisions are separately provided for certain discrete transactions in interim periods. To determine the annual effective income tax rate for the full year period, we must estimate both the total income before income tax for the full year and the jurisdictions in which that income is subject to tax.

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Minority interest increased in the second quarter and year-to-date period of 2006 primarily due to the increased profitability of the Food Network. Food Network's profits are allocated in proportion to each partner's residual interests in the partnership, of which we own approximately 70%.

Business Segment Results - As discussed in Note 17 to the Condensed 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 performance measure we call segment profits. Segment profits exclude interest, income taxes, depreciation and amortization, divested operating units, 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 decisions made in prior periods or from decisions made by corporate executives rather than the managers of the business segments. Depreciation and amortization charges are the result of decisions made in prior periods 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.

In February of 2006, we formed a newspaper partnership with MediaNews Group, Inc. ("MediaNews") that will operate certain of both companies' newspapers in Colorado. We contributed the assets of our Boulder Daily Camera, Colorado Daily and Bloomfield Enterprise newspapers for a 50% interest in the partnership. Our share of the operating profit (loss) of the partnership is recorded as "Equity in earnings of JOAs and other joint ventures" in our financial statements. To enhance comparability of year-over-year operating results, the results of the contributed publications prior to the formation of the partnership are reported separately in our segment results.

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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)	Quarter Period			Year-to-Date		
	2006	Change	2005	2006	Change	2005
Segment operating revenues:						
Scripps Networks	\$ 286,303	17.2%	\$ 244,299	\$ 523,905	17.2%	\$ 446,977
Newspapers:						
Newspapers managed solely by us	181,894	4.8%	173,630	366,096	4.8%	349,466
JOAs and newspaper partnerships	56	(44.0)%	100	104	(30.7)%	150
Total	181,950	4.7%	173,730	366,200	4.7%	349,616
Boulder prior to formation of Colorado newspaper partnership			7,066	2,189	(83.7)%	13,402
Total newspapers	181,950	0.6%	180,796	368,389	1.5%	363,018
Broadcast television	86,445	3.9%	83,183	170,208	9.5%	155,443
Interactive media	64,965		1,047	123,608		1,047
Licensing and other media	22,527	(27.8)%	31,193	46,131	(19.1)%	57,013
Corporate/intercompany	(276)		(47)	(598)		(124)
Total operating revenues	\$ 641,914	18.8%	\$ 540,471	\$ 1,231,643	20.4%	\$ 1,023,374
Segment profit (loss):						
Scripps Networks	\$ 150,270	21.7%	\$ 123,461	\$ 256,815	25.6%	\$ 204,402
Newspapers:						
Newspapers managed solely by us	52,741	1.5%	51,965	103,725	(3.6)%	107,611
JOAs and newspaper partnerships	2,375	(74.9)%	9,462	1,416	(91.4)%	16,503
Total	55,116	(10.3)%	61,427	105,141	(15.3)%	124,114
Boulder prior to formation of Colorado newspaper partnership			1,188	(125)		1,558
Total newspapers	55,116	(12.0)%	62,615	105,016	(16.4)%	125,672
Broadcast television	26,417	(2.4)%	27,074	48,904	12.8%	43,353
Interactive media	16,463		358	30,384		358
Licensing and other media	3,118	(50.7)%	6,329	6,020	(46.2)%	11,184
Corporate	(14,058)	(43.9)%	(9,767)	(30,951)	(43.7)%	(21,533)
Total segment profit	237,326	13.0%	210,070	416,188	14.5%	363,436
Depreciation and amortization of intangibles	(33,433)		(16,172)	(58,781)	(86.8)%	(31,475)
Gain on formation of Colorado newspaper partnership				3,535		
Gains (losses) on disposal of property, plant and equipment	(60)		91	(156)		42
Interest expense	(15,537)		(7,559)	(27,690)	(85.5)%	(14,931)
Interest and dividend income	609	62.8%	374	1,151	97.8%	582
Miscellaneous, net	942		(400)	1,979		(67)
Income from continuing operations before income taxes and minority interests	\$ 189,847	1.8%	\$ 186,404	\$ 336,226	5.9%	\$ 317,587

Discussions of the operating performance of each of our reportable business segments begin on page F-40.

The decrease in licensing and other media's revenues for the second quarter and year-to-date periods is primarily attributed to the renewals of multi-year license agreements with ABC Television Network for certain of our Peanuts animated films that occurred in June 2005.

The impact of expensing stock options beginning on January 1, 2006 increased Corporate expenses \$1.6 million in the second quarter of 2006 and \$5.3 million year-to-date. Corporate expenses are expected to be about \$15 million in the third quarter of 2006.

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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 joint ventures with foreign entities.

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

<i>(in thousands)</i>	Quarter Period			Year-to-Date		
	2006	Change	2005	2006	Change	2005
Scripps Networks:						
Equity in earnings of joint ventures	\$ 3,532	37.8%	\$ 2,564	\$ 6,696	41.5%	\$ 4,733
Newspapers:						
Equity in earnings of JOAs and newspaper partnerships	11,079	(40.6)%	18,639	19,285	(44.3)%	34,627
Total equity in earnings of JOAs and other joint ventures	\$14,611	(31.1)%	\$21,203	\$25,981	(34.0)%	\$39,360

Certain 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:

<i>(in thousands)</i>	Quarter Period			Year-to-Date		
	2006	Change	2005	2006	Change	2005
Depreciation and amortization:						
Scripps Networks	\$5,147	(19.3)%	\$ 4,314	\$ 9,597	(14.7)%	\$ 8,370
Newspapers:						
Newspapers managed solely by us	5,846	(13.7)%	5,140	11,021	(9.2)%	10,090
JOAs and newspaper partnerships	310	17.3%	375	610	17.8%	742
Total	6,156	(11.6)%	5,515	11,631	(7.4)%	10,832
Boulder prior to formation of Colorado newspaper partnership			331	132	79.8%	655
Total newspapers	6,156	(5.3)%	5,846	11,763	(2.4)%	11,487
Broadcast television	4,789	2.1%	4,894	9,692	0.5%	9,741
Interactive media	16,878		342	26,755		342
Licensing and other media	154	31.3%	224	322	27.3%	443
Corporate	309	44.0%	552	652	40.3%	1,092
Total	\$33,433		\$16,172	\$58,781	(86.8)%	\$31,475
Gains (losses) on disposal of PP&E:						
Scripps Networks	\$(9)		\$ (4)	\$ (94)		\$ (25)
Newspapers:						
Newspapers managed solely by us	(39)	68.5%	(124)	(35)	74.6%	(138)
JOAs and newspaper partnerships	8		(1)	8		
Total newspapers	(31)	75.2%	(125)	(27)	80.4%	(138)
Broadcast television	(20)		222	(35)		223
Corporate			(2)			(18)
Gains (losses) on disposal of PP&E	\$(60)		\$ 91	\$ (156)		\$ 42

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Scripps Networks - Scripps Networks includes five national television networks and their affiliated Websites, HGTV, Food Network, DIY Network (“DIY”), Fine Living and Great American Country (“GAC”); and our 12% interest in FOX Sports Net South, a regional television network. Our networks also operate internationally through licensing agreements and joint ventures with foreign entities.

We launched HGTV in 1994. Food Network launched in 1993, and we acquired our controlling interest in 1997. We launched DIY in 1999 and Fine Living in the first quarter of 2002. We acquired GAC in 2004. 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 network 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, Fine Living and GAC 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 95% 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.

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The networks utilize common facilities and certain sales, operational and support services are shared by the networks. Expenses directly attributable to the operations of a network are charged directly to that network. The costs of shared facilities and services are not allocated to individual networks for segment reporting purposes.

Financial information for Scripps Networks is as follows:

<i>(in thousands)</i>	Quarter Period			Year-to-Date		
	2006	Change	2005	2006	Change	2005
Operating revenues:						
HGTV	\$ 141,033	14.5%	\$ 123,196	\$ 259,688	14.1%	\$ 227,614
Food Network	113,142	18.5%	95,477	207,016	18.6%	174,546
DIY	14,492	15.1%	12,586	25,217	14.6%	22,012
Fine Living	10,312	44.6%	7,130	18,633	42.3%	13,097
GAC	5,077	42.2%	3,570	9,806	41.1%	6,951
Other	2,247	(4.0)%	2,340	3,545	28.6%	2,757
Total segment operating revenues	\$ 286,303	17.2%	\$ 244,299	\$ 523,905	17.2%	\$ 446,977
Contribution to segment profit (loss):						
HGTV	\$ 98,355	14.3%	\$ 86,072	\$ 176,570	17.5%	\$ 150,219
Food Network	72,820	22.9%	59,270	128,575	25.4%	102,547
DIY	3,260	45.7%	2,237	4,164	16.2%	3,584
Fine Living	3,022		469	4,074		(215)
GAC	183	83.0%	100	407		(815)
Unallocated costs and other	(27,370)	(10.9)%	(24,687)	(56,975)	(11.9)%	(50,918)
Total segment profit	\$ 150,270	21.7%	\$ 123,461	\$ 256,815	25.6%	\$ 204,402
Homes reached in June (1):						
HGTV				89,900	1.2%	88,800
Food Network				89,500	2.2%	87,600
DIY				38,000	11.8%	34,000
Fine Living				38,000	35.7%	28,000
GAC				41,800	8.9%	38,400

(1) Approximately 94 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 calculated by us.

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.

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Operating results for Scripps Networks were as follows:

<i>(in thousands)</i>	Quarter Period			Year-to-Date		
	2006	Change	2005	2006	Change	2005
Segment operating revenues:						
Advertising	\$ 233,240	15.4%	\$ 202,072	\$ 420,076	16.2%	\$ 361,571
Network affiliate fees, net	49,247	24.3%	39,624	97,533	19.5%	81,599
Other	3,816	46.6%	2,603	6,296	65.4%	3,807
Total segment operating revenues	286,303	17.2%	244,299	523,905	17.2%	446,977
Segment costs and expenses:						
Employee compensation and benefits	31,292	(11.7)%	28,025	61,364	(10.3)%	55,629
Programs and program licenses	46,893	(8.3)%	43,297	90,888	(5.9)%	85,814
Other segment costs and expenses	61,380	(17.9)%	52,080	121,534	(14.8)%	105,865
Total segment costs and expenses	139,565	(13.1)%	123,402	273,786	(10.7)%	247,308
Segment profit before joint ventures	146,738	21.4%	120,897	250,119	25.3%	199,669
Equity in income of joint ventures	3,532	37.8%	2,564	6,696	41.5%	4,733
Segment profit	\$ 150,270	21.7%	\$ 123,461	\$ 256,815	25.6%	\$ 204,402
Supplemental Information:						
Billed network affiliate fees	\$ 52,486		\$ 46,162	\$ 104,574		\$ 92,420
Network launch incentive payments	1,650		4,191	3,090		9,270
Payments for programming less (greater) than program cost amortization	(18,489)		(12,648)	(39,497)		(15,639)
Depreciation and amortization	5,147		4,314	9,597		8,370
Capital expenditures	3,086		1,916	5,712		4,772
Business acquisitions and other additions to long-lived assets, primarily program assets	69,656		56,779	131,355		100,922

Advertising revenues increased due primarily to an increased demand for advertising time and higher advertising rates at our networks. In addition, revenues generated by our Internet sites also contributed to the increase in advertising revenues. Internet sites had revenues of \$13.6 million in the second quarter of 2006 compared with \$8.9 million in the second quarter of 2005. Year-to-date Internet revenues were \$23.5 million in 2006 compared with \$15.9 million in 2005. Advertising revenues are expected to increase approximately 13% to 15% year-over-year in the third quarter of 2006.

The increase in network affiliate fees reflects both scheduled rate increases and wider distribution of the networks. Network affiliate fees are expected to be about \$48 million in the third quarter of 2006.

Employee compensation and benefit expenses increased due to the hiring of additional employees to support the growth of Scripps Networks. In addition, the impact of expensing stock options increased employee compensation and benefits \$0.9 million in the second quarter of 2006 and \$1.8 million year-to-date.

Programs and program licenses and other costs and expenses increased due to the improved quality and variety of programming, expanded programming hours and continued efforts to promote the programming in order to attract a larger audience.

Second quarter 2005 other costs and expenses were reduced by approximately \$3 million as a result of the reversal of previously recorded bad debt losses with respect to the Adelphia Communications bankruptcy.

Our continued investment in building consumer awareness and expanding distribution of our network and online lifestyle brands is expected to increase total segment expenses approximately 13% year-over-year in the third quarter of 2006.

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Newspapers - We operate daily and community newspapers in 18 markets in the U.S. Our newspapers earn revenue primarily from the sale of advertising space to local and national advertisers and from the sale of newspapers to readers. Three of our newspapers are operated pursuant to the terms of joint operating agreements. Each of those newspapers maintains an independent editorial operation and receives a share of the operating profits of the combined newspaper operations.

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. Declines in circulation of daily newspapers have resulted in a loss of advertising market share throughout the newspaper industry. Further declines in circulation in our newspaper markets could adversely affect our newspapers.

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 economic conditions, particularly within the retail, labor, housing and auto markets. While an individual newspaper may perform better or worse than our newspaper group as a whole due to specific conditions at the newspaper or within its local economy, we do not expect such near-term variances to significantly affect the overall long-term operating performance of the newspaper segment.

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

<i>(in thousands)</i>	Quarter Period			Year-to-Date		
	2006	Change	2005	2006	Change	2005
Segment operating revenues:						
Local	\$ 40,446	2.3%	\$ 39,541	\$ 81,393	1.6%	\$ 80,135
Classified	59,797	6.6%	56,099	121,384	8.6%	111,724
National	9,655	(3.8)%	10,032	19,349	(4.5)%	20,252
Preprint, online and other	37,380	14.1%	32,765	72,871	12.0%	65,055
Newspaper advertising	147,278	6.4%	138,437	294,997	6.4%	277,166
Circulation	30,423	(2.2)%	31,118	62,736	(2.3)%	64,242
Other	4,193	2.9%	4,075	8,363	3.8%	8,058
Total operating revenues	181,894	4.8%	173,630	366,096	4.8%	349,466
Segment costs and expenses:						
Employee compensation and benefits	65,170	(2.5)%	63,553	133,345	(5.7)%	126,186
Newsprint and ink	22,277	(14.2)%	19,509	45,469	(15.0)%	39,553
Other segment costs and expenses	43,456	(12.2)%	38,733	85,307	(11.9)%	76,246
Total costs and expenses	130,903	(7.5)%	121,795	264,121	(9.1)%	241,985
Hurricane recoveries (losses), net	1,750		130	1,750		130
Contribution to segment profit	\$ 52,741	1.5%	\$ 51,965	\$ 103,725	(3.6)%	\$ 107,611
<i>Supplemental Information:</i>						
Depreciation and amortization	\$ 5,846		\$ 5,140	\$ 11,021		\$ 10,090
Capital expenditures	3,528		2,565	7,270		4,967
Business acquisitions, including acquisitions of minority interests, and other additions to long-lived assets	181		70	23,045		70

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Newspaper advertising revenues increased in 2006 due to increases in classified advertising and preprint and other advertising. The increase in classified advertising was primarily attributed to continued improvement in help wanted and real estate advertising. Increases in these categories helped offset declines in automotive advertising.

Increases in preprint, online and other advertising reflect the continued 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. Additionally, our Internet sites had advertising revenues of \$8.4 million in the second quarter of 2006 compared with \$5.2 million in the second quarter of 2005. Year-to-date Internet advertising revenues were \$16.4 million in 2006 compared with \$9.4 million in 2005. We expect to continue to expand and enhance our online services and to use our local news platform to launch new products, such as streaming video or audio.

We expect total operating revenues at newspapers to increase approximately 2% to 4% year-over-year in the third quarter of 2006.

Stock option expense recognized for the first time in 2006 increased employee compensation and benefits \$0.8 million in the second quarter and \$2.5 million year-to-date.

Newsprint and ink costs increased on similar increases in newsprint prices.

The increases in other segment costs and expenses is attributed to increased spending in online and print initiatives, primarily in our Florida markets.

We expect total costs and expenses to increase about 5% year-over-year in the third quarter of 2006.

Segment profit in 2006 was increased \$1.8 million by recoveries on hurricane damage claims.

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Joint Operating Agreements and Newspaper Partnerships: Three of our newspapers are operated pursuant to the terms of joint operating agreements (“JOAs”). The table below provides certain information about our JOAs.

<u>Newspaper</u>	<u>Publisher of Other Newspaper</u>	<u>Year JOA Entered Into</u>	<u>Year of JOA Expiration</u>
The Albuquerque Tribune	Journal Publishing Company	1933	2022
The Cincinnati Post	Gannett Newspapers	1977	2007
Denver Rocky Mountain News	MediaNews Group, Inc.	2001	2051

Under the terms of a JOA, operating profits earned from the combined newspaper operations 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, a 40% share of the Albuquerque JOA profits, and approximately 20% to 25% of the Cincinnati JOA profits.

In February of 2006, we formed a newspaper partnership with MediaNews Group, Inc. (“MediaNews”) that will operate certain of both companies’ newspapers in Colorado, including their editorial operations. We have a 50% interest in the partnership.

Our share of the operating profit (loss) of JOAs and newspaper partnerships are reported as “Equity in earnings of JOAs and other joint ventures” in our financial statements.

Operating results for our JOAs and newspaper partnerships were as follows:

<i>(in thousands)</i>	<u>Quarter Period</u>			<u>Year-to-Date</u>		
	<u>2006</u>	<u>Change</u>	<u>2005</u>	<u>2006</u>	<u>Change</u>	<u>2005</u>
Equity in earnings of JOAs and newspaper partnerships included in segment profit:						
Denver	\$ 3,031	(68.9)%	\$ 9,744	\$ 4,203	(76.2)%	\$17,669
Cincinnati	4,648	(18.2)%	5,684	9,045	(18.1)%	11,038
Albuquerque	2,840	(4.8)%	2,984	5,336	(6.3)%	5,693
Colorado	380			555		
Other newspaper partnerships and joint ventures	180	(20.7)%	227	146	(35.7)%	227
Total equity in earnings of JOAs included in segment profit	11,079	(40.6)%	18,639	19,285	(44.3)%	34,627
Operating revenues of JOAs	56	(44.0)%	100	104	(30.7)%	150
Total	11,135	(40.6)%	18,739	19,389	(44.2)%	34,777
JOA editorial costs and expenses:						
Denver	6,085	3.7%	6,320	12,294	(0.8)%	12,194
Cincinnati	1,646	17.0%	1,982	3,601	9.7%	3,986
Albuquerque	1,029	(5.5)%	975	2,078	0.8%	2,094
Total JOA editorial costs and expenses	8,760	5.6%	9,277	17,973	1.6%	18,274
JOAs and newspaper partnerships contribution to segment profit:						
Denver	(3,017)		3,510	(8,023)		5,597
Cincinnati	3,002	(18.9)%	3,702	5,444	(22.8)%	7,052
Albuquerque	1,830	(9.5)%	2,023	3,294	(9.2)%	3,627
Colorado	380			555		
Other newspaper partnerships and joint ventures	180	(20.7)%	227	146	(35.7)%	227
Total contribution to segment profit	\$ 2,375	(74.9)%	\$ 9,462	\$ 1,416	(91.4)%	\$16,503
<u>Supplemental Information:</u>						
Depreciation and amortization	\$ 310		\$ 375	\$ 610		\$ 742
Capital expenditures	524		568	1,028		925
Business acquisitions and other additions to long-lived assets	18		150	136		250

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Additional depreciation incurred by the Denver News Agency reduced 2006 equity in earnings of JOAs by \$3.1 million in the second quarter and \$6.3 million for the year-to-date period (See Note 5 to the Condensed Consolidated Financial Statements). The decrease in equity in earnings of JOAs is also attributed to lower advertising sales in all three of our JOA markets.

Equity in earnings of JOAs is expected to improve by \$5 million year-over-year in the third quarter due to lower depreciation expenses related to the capital project in Denver.

Gannett Newspapers has notified us of its intent to terminate the Cincinnati JOA upon its expiration in December 2007.

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Broadcast Television – Broadcast television includes six ABC-affiliated stations, three NBC-affiliated stations and one independent. Each station is located in one of the 61 largest television markets in the U.S. Our broadcast television stations earn revenue primarily from the sale of advertising time to local and national advertisers.

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.

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. From time-to-time, individual television stations may perform better or worse than our television station group as a whole due to specific conditions at that station or within its local economy. We do not expect such near-term variances to significantly affect the overall long-term operating performance of the broadcast television segment.

Operating results for broadcast television were as follows:

<i>(in thousands)</i>	Quarter Period			Year-to-Date		
	2006	Change	2005	2006	Change	2005
Segment operating revenues:						
Local	\$54,056	2.6%	\$52,662	\$107,496	10.1%	\$ 97,617
National	26,898	1.4%	26,524	53,534	7.0%	50,014
Political	2,722		440	3,687		478
Network compensation	998	(25.1)%	1,333	2,020	(28.8)%	2,837
Other	1,771	(20.4)%	2,224	3,471	(22.8)%	4,497
Total segment operating revenues	86,445	3.9%	83,183	170,208	9.5%	155,443
Segment costs and expenses:						
Employee compensation and benefits	31,607	(3.4)%	30,580	65,191	(7.5)%	60,670
Programs and program licenses	11,356	3.8%	11,804	22,839	2.7%	23,462
Other segment costs and expenses	17,065	(10.2)%	15,487	33,274	(12.0)%	29,720
Total segment costs and expenses	60,028	(3.7)%	57,871	121,304	(6.5)%	113,852
Hurricane recoveries (losses), net			1,762			1,762
Segment profit	\$26,417	(2.4)%	\$27,074	\$ 48,904	12.8%	\$ 43,353
<u>Supplemental Information:</u>						
Payments for programming less (greater) than program cost amortization	\$ 369		\$ 111	\$ 433		\$ (713)
Depreciation and amortization	4,789		4,894	9,692		9,741
Capital expenditures	1,689		2,420	2,996		3,308

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The broadcast of the Super Bowl on ABC and NBC's coverage of the Winter Olympics contributed to the year-to-date increase in local and national advertising. Advertising revenue related to the Super Bowl and Olympics broadcasts was approximately \$9 million in 2006. In addition, our broadcast television stations benefited from primary election campaigns and the resulting increase in political advertising during the second quarter of 2006. We expect total operating revenues at our broadcast television stations to increase approximately 10% to 14% year-over-year in the third quarter of 2006.

Stock option expense increased 2006 employee compensation and benefits \$0.5 million in the second quarter and \$1.8 million year-to-date.

Broadcast television segment profit in 2005 was increased \$1.8 million by recoveries on hurricane damage claims.

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Interactive Media - Interactive media includes our online comparison shopping services, Shopzilla and uSwitch.

We acquired Shopzilla on June 27, 2005. Shopzilla operates a product comparison shopping service that helps consumers find products offered for sale by online retailers. Shopzilla aggregates and organizes information on millions of products from thousands of retailers. Shopzilla also operates BizRate, a Web-based consumer feedback network that collects millions of consumer reviews of stores and products each year. Shopzilla earns revenues primarily from referral fees paid by participating online retailers.

On March 16, 2006, we acquired uSwitch. uSwitch operates an online comparison service that helps consumers compare prices and arrange for the purchase of a range of essential home services including gas, electricity, home phone, broadband providers and personal finance products primarily in the United Kingdom. uSwitch earns revenues from commissions paid by participating service providers when a consumer switches services.

Financial information for interactive media is as follows:

<i>(in thousands)</i>	Quarter Period			Year-to-Date		
	2006	Change	2005	2006	Change	2005
Segment operating revenues	\$64,965		\$ 1,047	\$123,608		\$ 1,047
Segment profit	\$16,463		\$ 358	\$ 30,384		\$ 358
<i>Supplemental Information:</i>						
Depreciation and amortization	\$16,878		\$ 342	\$ 26,755		\$ 342
Capital expenditures	8,320			11,098		
Business acquisitions and other additions to long-lived assets	1,456		535,795	372,157		535,795

On a pro-forma basis, assuming we had owned Shopzilla and uSwitch for all of 2006 and 2005, operating revenues for the second quarter would have been \$65.0 million in 2006 and \$34.2 million in 2005. Year-to-date operating revenues would have been \$133.9 million in 2006 and \$67.7 million in 2005. An increase in the use of comparison shopping sites by consumers has primarily contributed to the improvement in revenues.

Interactive media is expected to generate segment profits of about \$8 million in the third quarter of 2006. For the full year, interactive media is expected to generate segment profit of about \$65 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:

<i>(in thousands)</i>	<u>Six months ended June 30,</u>	
	<u>2006</u>	<u>2005</u>
Net cash provided by continuing operating activities	\$ 255,592	\$ 235,626
Net cash provided by (used in) discontinued operations	14,596	(4,379)
Proceeds from formation of Colorado partnership	20,029	
Dividends paid, including to minority interests	(62,853)	(42,151)
Employee stock option proceeds	11,501	18,027
Excess tax benefits on stock awards	1,473	
Other financing activities	(1,022)	(15,083)
Cash flow available for acquisitions, investments, debt repayment and share repurchase	<u>\$ 239,316</u>	<u>\$ 192,040</u>
Sources and uses of available cash flow:		
Business acquisitions and net investment activity	\$(381,926)	\$(527,227)
Capital expenditures	(29,299)	(15,879)
Other investing activity	1,750	800
Repurchase Class A Common shares	(32,984)	(2,959)
Increase in long-term debt	<u>216,844</u>	<u>367,380</u>

Our cash flow 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 due to the improved operating performance of our business segments. We expect cash flow from operating activities in 2006 will provide sufficient liquidity to continue the development of our emerging brands and to fund the capital expenditures necessary to support our businesses.

In 2006, we sold certain assets of our Shop At Home business to Jewelry Television for cash consideration of approximately \$17 million. Cash expenditures associated with the termination of long-term agreements and employee termination benefits at Shop At Home totaled approximately \$1.2 million through the second quarter of 2006. We expect that cash expenditures for the majority of the remaining obligations will be disbursed in the third quarter of 2006.

In March 2006, we acquired 100% of the common stock of uSwitch for approximately \$372 million, net of cash and short-term investments acquired. We also acquired minority interests in our Evansville and Memphis newspapers, and acquired certain other publications, for total consideration of approximately \$23 million. In connection with the acquisitions, we entered into a \$100 million 364-day revolving credit facility which was subsequently replaced by a new credit facility in the second quarter of 2006 (See Note 13 to the Condensed Consolidated Financial Statements). The remaining balance of the acquisitions was financed using a combination of cash on hand and additional borrowings on our existing credit facilities.

In 2005, the management committee of the Denver JOA approved plans to consolidate the JOA's newspaper production facilities and authorized the incurrence of up to \$150 million of debt by the JOA to finance the building and equipment costs related to the consolidation. We own a 50% interest in the Denver JOA. Scripps and Media News Group ("MNG"), our Denver JOA partner, are not parties to the arrangement and have not guaranteed any of the Denver JOA's obligations under the arrangement. However, we expect that our cash distributions received from the Denver JOA will be reduced as the JOA will have additional cash requirements to satisfy debt and lease payments under the agreements.

On June 27, 2005, we acquired 100% ownership of Shopzilla for approximately \$570 million in cash. Assets acquired in the transaction included approximately \$34.0 million of cash and \$12.3 million of short-term investments. The acquisition was financed using a combination of cash on hand and additional borrowings, including the issuance of \$150 million of notes due in 2010.

Pursuant to the terms of the Food Network general partnership agreement, the partnership is required to distribute available cash to the general partners. We expect these cash distributions will approximate \$40 million in 2006.

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We expect to repurchase our Class A Common shares to offset the dilution resulting from our stock compensation programs each year. In 2006, we have repurchased 700,000 shares at a total cost of \$33.0 million. As of June 30, 2006, we are authorized to repurchase 3.5 million additional shares. The stock repurchase program can be discontinued at any time.

We have a revolving credit facility expiring in July 2011 that permits aggregate borrowings up to \$750 million. Total borrowings under the facility were \$444 million at June 30, 2006.

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 \$300 million as of June 30, 2006.

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 and changes in the price of newsprint. We are also exposed to changes in the market value of our investments.

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.

Our primary exposure to foreign currencies is the exchange rates between the US dollar and the Japanese yen, British pound and the Euro. Reported earnings and assets may be reduced in periods in which the US dollar increases in value relative to those currencies. Included in shareholders' equity is \$24.2 million of foreign currency translation adjustment gains resulting primarily from the devaluation of the US dollar relative to the British pound since our acquisition of uSwitch in March 2006.

Our objective in managing exposure to foreign currency fluctuations is to reduce volatility of earnings and cash flow. Accordingly, we may enter into foreign currency derivative instruments that change in value as foreign exchange rates change, such as foreign currency forward contracts or foreign currency option. We held no foreign currency derivative financial instruments at June 30, 2006.

We also may use forward contracts to reduce the risk of changes in the price of newsprint on anticipated newsprint purchases. We held no newsprint derivative financial instruments at June 30, 2006.

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

<i>(in thousands, except share data)</i>	As of June 30, 2006		As of December 31, 2005	
	Cost Basis	Fair Value	Cost Basis	Fair Value
Financial instruments subject to interest rate risk:				
Variable-rate credit facilities, including commercial paper	\$ 443,863	\$ 443,863	\$226,966	\$226,966
\$100 million, 6.625% notes, due in 2007	99,982	100,917	99,975	102,638
\$50 million, 3.75% notes, due in 2008	50,000	48,380	50,000	48,705
\$100 million, 4.25% notes, due in 2009	99,671	95,009	99,623	96,975
\$150 million, 4.30% notes, due in 2010	149,808	141,608	149,784	144,939
\$200 million, 5.75% notes, due in 2012	199,248	197,138	199,185	205,580
Other notes	1,482	1,230	1,537	1,299
Total long-term debt including current portion	\$1,044,054	\$1,028,145	\$827,070	\$827,102
Interest rate swap	\$ (1,620)	\$ (1,620)	\$ (1,295)	\$ (1,295)
Financial instruments subject to market value risk:				
Time Warner (common shares - 2006, 2,011,000; 2005, 2,017,000)	\$ 29,585	\$ 34,794	\$ 29,667	\$ 35,173
Other available-for-sale securities	163	1,967	61	1,806
Total investments in publicly-traded companies	29,748	36,761	29,728	36,979
Other equity securities	7,636	(a)	5,426	(a)

- (a) Includes securities that do not trade in public markets, so the securities do not have readily determinable fair values. We estimate the fair value of these securities approximates their carrying value. There can be no assurance that we would realize the carrying value upon sale of the securities.

CONTROLS AND PROCEDURES

Scripps' management is responsible for establishing and maintaining adequate internal controls designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The company's internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that receipts and expenditures of the company are being made only in accordance with authorizations of management and the directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations, including the possibility of human error, collusion and the improper overriding of controls by management. Accordingly, even effective internal control can only provide reasonable but not absolute assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

The effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) 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 changes to the company's internal controls over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

We acquired uSwitch, the United Kingdom's leading provider of online price comparison and switching for essential home services, on March 16, 2006. This business, included in our interactive media segment, has total assets of approximately \$450 million, subject to final asset valuation. It is also a separate control environment. We have excluded this business from management's evaluation of internal control over financial reporting, as permitted by the SEC, for the quarter ended June 30, 2006.

THE E. W. SCRIPPS COMPANY

Index to Exhibits

<u>Exhibit No.</u>	<u>Item</u>
3.02	Amended and Restated Code of Regulations
10.40	5-Year Competitive Advance and Revolving Credit Facility Agreement
10.63B	Amendment to Employment Agreement between the Company and Kenneth W. Lowe
10.65	Employment Agreement between the Company and Richard A. Boehne
10.66	Employment Agreement between the Company and Joseph G. NeCastro
10.67	Employment Agreement between the Company and Mark G. Contreras
12	Ratio of Earnings to Fixed Charges
31(a)	Section 302 Certifications
31(b)	Section 302 Certifications
32(a)	Section 906 Certifications
32(b)	Section 906 Certifications

AMENDED AND RESTATED CODE OF REGULATIONS
OF
THE E. W. SCRIPPS COMPANY

ARTICLE I
Meetings Of Shareholders

Section 1. Annual Meetings. The annual meeting of shareholders shall be held on such date, at such time and at such place within or without the State of Ohio as may be designated by the board of directors and stated in the notice of the meeting, for the election of directors, the consideration of reports to be laid before the meeting and the transaction of such other business as may properly come before the meeting.

Section 2. Special Meetings. Special meetings of the shareholders may be called by the chairman of the board of directors or the president, the directors by action at a meeting, a majority of the directors acting by written consent, or by the holders of record of a majority of the outstanding shares of Common Voting Shares, \$0.01 par value, of the Corporation (“Common Voting Shares”) acting at a meeting or by written consent. Calls for such meetings shall specify the purposes thereof. No business other than that specified in the call shall be considered at any special meeting.

Section 3. Notices of Meetings. Unless waived, written notice of each annual or special meeting stating the place, date, time and purposes thereof shall be given by personal delivery or mail to each shareholder of record entitled to vote at or receive notice of such meeting, not less than 10 nor more than 60 days before the meeting. If mailed, such notice shall be directed to the shareholder at his address as the same appears upon the records of the Corporation. Any shareholder, either before or after any meeting, may waive any notice required to be given by law or under this code of regulations.

Section 4. Quorum. The holders of a majority of the shares of stock issued and outstanding and entitled to vote at any meeting, present in person or by proxy, shall constitute a quorum for the transaction of business at such meeting; provided that when any specified action is required to be voted upon by a class of stock voting separately as a class, the holders of a majority of the outstanding shares of such class, present in person or by proxy, shall constitute a quorum for the transaction of such specified action. If a quorum shall not be present at any

meeting of the shareholders, the shareholders entitled to vote thereat, present in person or by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present; provided, however, that if the holders of any class of stock of the Corporation are entitled to vote separately as a class upon any matter at such meeting, any adjournment of the meeting in respect of action by such class upon such matter shall be determined by the holders of a majority of the shares of such class present in person or by proxy and entitled to vote at such meeting. At the adjourned meeting the shareholders, or the holders of any class of stock entitled to vote separately as a class, as the case may be, may transact any business that might have been transacted by them at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting. When a quorum is present at any meeting, the vote of the holders of a majority of the shares of stock issued and outstanding and entitled to vote thereat, present in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of law, the certificate of incorporation or this code of regulations, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 5. Record Date. In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof or entitled to consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date in accordance with the General Corporation Law of the State of Ohio.

Section 6. Proxies. A person who is entitled to attend a shareholders meeting, to vote thereat, or to execute consents, waivers or releases, may be represented at such meeting or vote thereat, and execute consents, waivers and releases, and exercise any of his other rights, by proxy or proxies appointed by a writing signed by such person or appointed by a verifiable communication authorized by such person.

ARTICLE II

Directors

Section 1. Number; Nominations. Until changed in accordance with the provisions of this section, the number of directors of the Corporation shall be twelve (12). The number of directors may be increased or decreased by the vote of a majority of the directors then in office, or by the affirmative vote of the holders of a majority of the Common Voting Shares issued and outstanding, but in no case shall the number of directors be less than nine (9). Nominations of persons for election to the board shall be made by the vote of a majority of the directors in office.

Section 2. Term of Office; Election. Each director shall hold office until the annual meeting next succeeding his election and until his successor is elected and qualified or until his earlier resignation, removal from office, or death.

Election of directors shall be by ballot whenever requested by any shareholder entitled to vote at such election; but, unless such request is made, the election may be conducted in any manner approved at such meeting. At each meeting of shareholders for the election of directors, the persons receiving the greatest number of votes shall be directors.

Section 3. Removal, Vacancies and Additional Directors. The shareholders may remove, with or without cause, at any special meeting called for that purpose, any director and fill the vacancy; provided that whenever any director shall have been elected by the holders of any class of stock of the Corporation voting separately as a class under the provisions of the certificate of incorporation, such director may be removed and the vacancy filled only by the holders of that class of stock voting separately as a class. Vacancies caused by any such removal and not filled by the shareholders at the meeting at which such removal shall have been made, or any vacancy caused by the death or resignation of any director or for any other reason, and any newly created directorship resulting from any increase in the number of directors, may be filled by a majority of the directors then in office, and any director so elected to fill any such vacancy or newly created directorship shall hold office until his successor is elected and qualified or until his earlier resignation, removal from office, or death.

Section 4. Annual Meeting. Annual meetings of the board of directors shall be held immediately following annual meetings of the shareholders, or as soon thereafter as is practicable. If no annual meeting of the shareholders is held, or if directors are not elected thereat, then the annual meeting of the board of directors shall be held immediately following any special meeting of the shareholders at which directors are elected, or as soon thereafter as is practicable. If such annual meeting of directors is held immediately following a meeting of the shareholders, it shall be held at the same place at which such shareholders' meeting was held.

Section 5. Regular Meetings. Regular meetings of the board of directors shall be held at such times and places, within or without the State of Ohio, as the board of directors may, by resolution, from time to time determine. The secretary shall give notice of each such resolution to any director who was not present at the time the same was adopted, but no further notice of such regular meetings need be given.

Section 6. Special Meetings. Special meetings of the board of directors may be called by the chairman of the board, the president, or any two members of the board of directors, and shall be held at such times and places, within or without the State of Ohio, as may be specified in such call.

Section 7. Notice of Annual or Special Meetings. Notice of the time and place of each annual or special meeting shall be given to each director by the secretary or by the person or persons calling such meeting. Such notice need not specify the purpose or purposes of the meeting and may be given in any manner or method and at such time so that the director receiving it may have reasonable opportunity to attend the meeting. Such notice shall, in all events, be deemed to have been properly and duly given if given by personal delivery or mailed, or conveyed in writing by any type of telecommunications equipment, at least two days prior to the meeting and directed to the residence of each director as shown upon the secretary's records. The giving of notice shall be deemed to have been waived by any director who shall attend and participate in such meeting, and may be waived in writing by any director either before or after such meeting.

Section 8. Quorum and Transaction of Business. A majority of the directors in office shall constitute a quorum for the transaction of business. Whenever less than a quorum is present at the time and place appointed for any meeting of the board, a majority of those present may adjourn the meeting from time to time, until a quorum is present. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board, except as otherwise provided by law, the certificate of incorporation or this code of regulations.

Section 9. Compensation. The directors, as such, shall be entitled to receive such reasonable compensation, if any, for their services as may be fixed from time to time by resolution of the board, and expenses of attendance, if any, may be allowed for attendance at each annual, regular or special meeting of the board. Nothing contained herein shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of the executive committee or of any standing or special committee may be allowed, by resolution of the board, such compensation for their services as the board may deem reasonable, and additional compensation may be allowed to directors for special services rendered.

Section 10. By-Laws. For the government of its actions, the Board of Directors may adopt by-laws consistent with the Articles of Incorporation and this Code of Regulations.

ARTICLE III **Committees**

Section 1. Executive Committee. The board of directors may, from time to time, by resolution passed by a majority of the directors in office, create an executive committee of three or more directors, the members of which shall be elected by the board of directors to serve during the pleasure of the board. If the board of directors does not designate a chairman of the executive committee, the executive committee shall elect a chairman from its own number. Except as otherwise provided herein and in the resolution creating an executive committee, such committee shall, during the intervals between the meetings of the board of directors, possess and may exercise all of

the powers of the board in the management of the business and affairs of the Corporation, other than that of filling vacancies among the directors or in any committee of the directors. The executive committee shall keep full records and accounts of its proceedings and transactions. All action by the executive committee shall be reported to the board of directors at its meeting next succeeding such action and shall be subject to control, revision and alteration by the board of directors, provided that no rights of third persons shall be prejudicially affected thereby. Vacancies in the executive committee shall be filled by the directors, and the directors may appoint one or more directors as alternate members of the committee who may take the place of any absent member or members at any meeting.

Section 2. Meetings of Executive Committee. Subject to the provisions of this code of regulations, the executive committee shall fix its own rules of procedure and shall meet as provided by such rules or by resolutions of the board of directors, and it shall also meet at the call of the president, the chairman of the executive committee or any two members of such committee. Unless otherwise provided by such rules or such resolutions, the provisions of Article II relating to the notice required to be given of meetings of the board of directors shall also apply to meetings of the executive committee. A majority of the executive committee shall be necessary to constitute a quorum. The executive committee may act in a writing without a meeting, but no such action of the executive committee shall be effective unless concurred in by all members of the committee.

Section 3. Other Committees. The board of directors may provide by resolution for such other standing or special committees as it deems desirable, and discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, as may be delegated to it by the board of directors. The provisions of this Article shall govern the appointment and action of such committees so far as consistent, unless otherwise provided by the board of directors. Vacancies in such committees shall be filled by the board of directors or as it may provide.

ARTICLE IV
Officers

Section 1. General Provisions. The board of directors shall elect a chairman of the board, a president, such number of vice presidents, if any, as the board may determine from time to time, a secretary and a treasurer. The board of directors may create from time to time such offices and appoint such other officers, subordinate officers

and assistant officers as it may determine. The chairman of the board and the president shall be, but the other officers need not be, chosen from among the members of the board of directors. Any two or more of such offices, other than those of president and vice president, or president and secretary, may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity.

Section 2. Term of Office. The officers of the Corporation shall hold office during the pleasure of the board of directors, and, unless sooner removed by the board of directors, until the annual meeting of the board of directors following the date of their election and until their successors are chosen and qualified. The board of directors may remove any officer at any time, with or without cause. A vacancy in any office, however created, shall be filled by the board of directors.

Section 3. Compensation. The compensation, if any, of the officers of the Corporation shall be fixed by the board of directors or by such one or more officers or directors as the board of directors shall designate.

ARTICLE V
Duties Of Officers

Section 1. Chairman of the Board. The chairman of the board shall preside at all meetings of the board of directors and the shareholders and shall have such other powers and perform such other duties as may from time to time be assigned to him by the board of directors.

Section 2. President. The president shall be the chief executive officer of the Corporation and, subject to the direction of the board of directors, shall have general and active management of the business of the Corporation. During any vacancy in the office of the chairman or during the absence of the chairman for any reason, the president shall perform the duties and exercise the powers of the chairman of the board. The president shall have authority to sign all certificates for shares and all deeds, mortgages, bonds, agreements, notes, and other instruments requiring his signature; and shall have all the powers and duties prescribed by the General Corporation Law of the State of Ohio and such others as the board of directors may from time to time assign to him.

Section 3. Vice Presidents. The vice presidents shall have such powers and perform such duties as may be assigned to them from time to time by the board of directors, the chairman, or the president. At the request of the president, or in the case of his absence or disability, the vice president designated by the president (or in the absence of such designation, the vice president designated by the board) shall perform all the duties of the president and, when so acting, shall have all the powers of the president. The authority of vice presidents to sign in the name of the Corporation certificates for shares and deeds, mortgages, bonds, agreements, notes and other instruments shall be coordinate with like authority of the president.

Section 4. Secretary. The secretary shall keep the minutes of all the proceedings of the shareholders and directors of the Corporation and make a proper record of the same, which shall be attested by him. He shall keep such books as may be required by the board of directors and shall have charge of the stock book of the Corporation and generally perform such duties as the board, the chairman or the president may require of him.

Section 5. Treasurer. The treasurer shall receive and have charge of all money, bills, notes, bonds, deeds, leases, mortgages and similar property belonging to the Corporation and shall do with the same as may be ordered by the financial vice president or the board. On the expiration of his term in office he shall turn over to his successor or to the board of directors all property, books, papers and money of the Corporation in his possession or under his control. The treasurer shall furnish bond for the faithful performance of his duties in such an amount as the board of directors may require, and with sureties to their satisfaction. He shall cause to be kept adequate and correct accounts of the business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, stated capital and shares, together with such other accounts as may be required; and he shall have such other powers and duties as may from time to time be assigned to him by the board of directors, the chairman of the board or the president.

Section 6. Assistant and Subordinate Officers. Each other officer shall perform such duties as the board of directors, the chairman of the board or the president may prescribe. The board of directors may authorize from time to time any officer to appoint and remove subordinate officers, to prescribe their authority and duties, and to fix their compensation.

Section 7. Duties of Officers May Be Delegated. In the absence of any officer of the Corporation or for any other reason that it may deem sufficient, the board of directors may delegate the powers or duties, or any of them, of such officers to any other officer or to any director.

ARTICLE VI
Certificates For Shares

Section 1. Form and Execution.

(A) Certificates for shares, certifying the number of full-paid shares owned, shall be issued to each shareholder who chooses to receive a certificate, in such form as shall be approved by the board of directors. Such certificates shall be signed by the chairman of the board of directors or the president or a vice president and by the secretary or an assistant secretary or the treasurer or an assistant treasurer; provided, however, that if such certificates are countersigned by an incorporated transfer agent or registrar the signatures of any of such officers and the seal of the Corporation upon such certificates may be facsimiled, engraved, stamped or printed. If any officer or officers who shall have signed, or whose facsimile signature shall have been used, printed or stamped on any certificate or certificates for shares, shall cease to be such officer or officers, because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates if authenticated by the endorsement thereon of the signature of a transfer agent or registrar shall nevertheless be as effective in all respects when delivered as though signed by a duly elected, qualified and authorized officer or officers, and as though the person or persons who signed such certificate or certificates, or whose facsimile signature or signatures shall have been used thereon, had not ceased to be an officer or officers of the Corporation.

(B) As an alternative to issuing stock certificates, a shareholder may choose to have shares registered through an uncertificated share registration system.

Section 2. Registration of Transfer. Any certificate for shares of the Corporation shall be transferable in person or by attorney upon the surrender thereof to the Corporation or any transfer agent therefor (for the class of stock represented by the certificate surrendered) properly endorsed for transfer and accompanied by such assurances as the Corporation or such transfer agent may require as to the genuineness and effectiveness of each necessary endorsement.

Section 3. Lost, Destroyed or Stolen Certificates. A new stock certificate or certificates may be issued in place of any certificate theretofore issued by the Corporation which is alleged to have been lost, destroyed or wrongfully taken upon (i) the execution and delivery to the Corporation by the person claiming the certificate to have been lost, destroyed or wrongfully taken of an affidavit of that fact, specifying whether or not, at the time of such alleged loss, destruction or taking, the certificate was endorsed, and (ii) the furnishing to the Corporation of indemnity and other assurances, if any, satisfactory to the Corporation and to all transfer agents and registrars of the class of shares represented by the certificate against any and all losses, damages, costs, expenses or liabilities to which they or any of them may be subjected by reason of the issue and delivery of such new certificate or certificates or in respect of the original certificate.

Section 4. Registered Shareholders. A person in whose name shares are registered of record on the books of the Corporation shall conclusively be deemed the unqualified owner and holder thereof for all purposes and to have capacity to exercise all rights of ownership. Neither the Corporation nor any transfer agent of the Corporation shall be bound to recognize any equitable interest in or claim to such shares on the part of any other person, whether disclosed upon such certificate or otherwise, nor shall they be obliged to see to the execution of any trust or obligation.

ARTICLE VII
Fiscal Year

The fiscal year of the Corporation shall end on the 31st day of December in each year or on such other date as may be fixed from time to time by the board of directors.

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BOD approval 2/23/06
Shareholder approval 5/10/06

ARTICLE VIII

Seal

The board of directors may provide a suitable seal containing the name of the Corporation. If deemed advisable by the board of directors, duplicate seals may be provided and kept for the purposes of the Corporation.

ARTICLE IX

Amendments

This code of regulations shall be subject to alteration, amendment, repeal, or the adoption of a new code of regulations by the vote or written consent of the holders of a majority of the Common Voting Shares issued and outstanding.

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BOD approval 2/23/06

Shareholder approval 5/10/06

5-YEAR COMPETITIVE ADVANCE AND
REVOLVING CREDIT FACILITY AGREEMENT

Dated as of June 29, 2006

among

THE E.W. SCRIPPS COMPANY,

as Borrower,

THE BANKS NAMED HEREIN,

JPMORGAN CHASE BANK, N.A.,

as Administrative Agent,

J.P. MORGAN SECURITIES INC.,

as Sole Lead Arranger and
Sole Bookrunner, and

FIFTH THIRD BANK

SUNTRUST BANK

U.S. BANK NATIONAL ASSOCIATION

KEYBANK NATIONAL ASSOCIATION

and WACHOVIA BANK, N.A.,

as Syndication Agents

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Exhibit E	Administrative Questionnaire
Exhibit F	Form of Assignment and Acceptance
Exhibit G	Form of Opinion of Counsel
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Schedule 4.09	Litigation
Schedule 4.17	Environmental
Schedule 7.01	Indebtedness

5-YEAR COMPETITIVE ADVANCE AND REVOLVING CREDIT FACILITY AGREEMENT dated as of June 29, 2006, among THE E.W. SCRIPPS COMPANY, an Ohio corporation (the "Borrower"), the banks listed in Schedule 2.01 (the "Banks"), JPMORGAN CHASE BANK, N.A., a New York banking corporation, as Administrative Agent for the Banks (in such capacity, the "Agent").

The Borrower has requested the Banks to extend credit to the Borrower in order to enable it to borrow and have letters of credit issued for its account on a standby revolving credit basis on and after the date hereof and at any time and from time to time prior to the Maturity Date (as herein defined) a principal amount not in excess of \$750,000,000 at any time outstanding. The Borrower has also requested the Banks to provide a procedure pursuant to which the Borrower may invite the Banks to bid on an uncommitted basis on short-term borrowings by the Borrower. The proceeds of such borrowings are to be used for general corporate purposes. The Banks are willing to extend such credit to the Borrower on the terms and subject to the conditions herein set forth.

Accordingly, the Borrower, the Banks and the Agent agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings specified below:

"ABR Borrowing" shall mean a Borrowing comprised of ABR Loans.

"ABR Loan" shall mean any Standby Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"Additional Bank" shall have the meaning assigned to such term in Section 2.13(c).

"Additional Bank Supplement" shall mean a supplement substantially in the form of Exhibit D.

"Administrative Fees" shall have the meaning assigned to such term in Section 2.06(b).

"Administrative Questionnaire" shall mean an Administrative Questionnaire in the form of Exhibit E hereto.

"Affiliate" shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified.

"Alternate Base Rate" shall mean, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect

on such day, (b) the Base CD Rate in effect on such day plus 1% and (c) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof, "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by the Agent as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as effective. "Base CD Rate" shall mean the sum of (a) the product of (i) the Three-Month Secondary CD Rate and (ii) Statutory Reserves and (b) the Assessment Rate. "Three-Month Secondary CD Rate" shall mean, for any day, the secondary market rate for three-month certificates of deposit reported as being in effect on such day (or, if such day shall not be a Business Day, the next preceding Business Day) by the Board through the public information telephone line of the Federal Reserve Bank of New York (which rate will, under the current practices of the Board, be published in Federal Reserve Statistical Release H.15(519) during the week following such day), or, if such rate shall not be so reported on such day or such next preceding Business Day, the average of the secondary market quotations for three-month certificates of deposit of major money center banks in New York City received at approximately 10:00 a.m., New York City time, on such day (or, if such day shall not be a Business Day, on the next preceding Business Day) by the Agent from three New York City negotiable certificate of deposit dealers of recognized standing selected by it. "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it. If for any reason the Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Base CD Rate or the Federal Funds Effective Rate or both for any reason, including the inability or failure of the Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be determined without regard to clause (b) or (c), or both, of the first sentence of this definition, as appropriate, until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Three-Month Secondary CD Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate, the Three-Month Secondary CD Rate or the Federal Funds Effective Rate, respectively.

"Applicable Percentage" shall mean on any date, with respect to the Facility Fee, the Utilization Fee or the Loans comprising any Eurodollar Standby Borrowing, the applicable percentage set forth below based upon the ratings applicable on such date to the Borrower's implied or actual senior, unsecured, non-credit-enhanced long-term indebtedness for borrowed money (the "Index Debt"):

FEE AND SPREAD TABLE

	<u>Ratings (S&P/Moody's)</u>	<u>Facility Fee</u>	<u>Utilization Fee</u>	<u>LIBOR Spread</u>
Category 1	A+/A1 or higher	0.0500%	0.050%	0.125%
Category 2	A/A2	0.0600%	0.050%	0.140%
Category 3	A-/A3	0.0700%	0.050%	0.180%
Category 4	BBB+/Baa1	0.0800%	0.100%	0.270%
Category 5	BBB/Baa2	0.1000%	0.100%	0.350%
Category 6	BBB-/Baa3 or lower	0.1250%	0.100%	0.500%

For purposes of the foregoing, (a) if no rating for the Index Debt shall be available from either Moody's or S&P (other than by reason of the circumstances referred to in the last sentence of this definition), each such rating agency shall be deemed to have established a rating in Category 4; (b) if only one of Moody's and S&P shall have in effect a rating for the Index Debt, the Applicable Percentage shall be determined by reference to the available rating; (c) if the ratings established or deemed to have been established by Moody's and S&P shall fall within different categories, the Applicable Percentage shall be based upon the superior (or numerically lower) category unless the ratings differ by more than one category, in which case the governing rating shall be the rating next below the higher of the two; and (d) if any rating established or deemed to have been established by Moody's or S&P shall be changed (other than as a result of a change in the rating system of either Moody's or S&P), such change shall be effective as of the date on which such change is first announced publicly by the rating agency making such change. Any change in the LIBOR spread due to a change in the applicable category shall be effective on the effective date of such change in the applicable category and shall apply to all Eurodollar Standby Loans that are outstanding at any time during the period commencing on the effective date of such change in the applicable category and ending on the date immediately preceding the effective date of the next such change in the applicable category. If the rating system of either Moody's or S&P shall change, the Borrower and the Banks shall negotiate in good faith to amend the references to specific ratings in this definition to reflect such changed rating system. If either Moody's or S&P shall cease to be in the business of rating corporate debt obligations, the Borrower and the Banks shall negotiate in good faith to agree upon a substitute rating agency and to amend the references to specific ratings in this definition to reflect the ratings used by such substitute rating agency and, pending such agreement, the Applicable Percentage shall be determined on the basis of the ratings provided by the other rating agency.

"Application" shall mean an application, in such form as any Issuing Bank may specify from time to time, requesting such Issuing Bank to open a Letter of Credit.

"Assessment Rate" shall mean for any date the annual rate (rounded upwards if necessary, to the next 1/100 of 1%) most recently estimated by the Agent as the then current net annual assessment rate that will be employed in determining amounts payable by the Agent to the Federal Deposit Insurance Corporation (or such successor) of time deposits made in dollars at the Agent's domestic offices.

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by a Bank and an assignee, and accepted by the Agent, in the form of Exhibit F.

“Bank Percentage” shall mean as to any Bank at any time the percentage which such Bank’s Commitments then constitutes of the Total Commitments (or, at any time after the Commitments have expired or terminated, the percentage which the aggregate principal amount of such Bank’s Loans plus such Bank’s share of the L/C Obligations then outstanding constitutes of the aggregate principal amount of the Loans and the L/C Obligations then outstanding).

“Board” shall mean the Board of Governors of the Federal Reserve System of the United States.

“Borrowing” shall mean a group of Loans of a single Type made by the Banks (or, in the case of a Competitive Borrowing, by the Bank or Banks whose Competitive Bids have been accepted pursuant to Section 2.03) on a single date and as to which a single Interest Period is in effect.

“Business Day” shall mean any day (other than a day which is a Saturday, Sunday or legal holiday in the State of New York) on which banks are open for business in New York City; provided, however, that, when used in connection with a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“Capital Lease Obligations” of any person shall mean the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

A “Change in Control” shall be deemed to have occurred if the Trust or the beneficiaries thereof shall not be the direct or indirect owner, beneficially and of record, of at least 51% of the issued and outstanding Common Voting Shares, \$.01 par value per share, of the Borrower and any other common stock at any time issued by the Borrower, other than the Borrower’s Class A Common Shares, \$.01 per share.

“Closing Date” shall mean June 29, 2006.

“Code” shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time.

“Commitment” shall mean, with respect to each Bank, the commitment of such Bank hereunder as set forth in Schedule 2.01 hereto, as such Bank’s Commitment may be permanently terminated or reduced from time to time pursuant to Section 2.11. The Commitments shall automatically and permanently terminate on the Maturity Date.

“Commitment Increase Notice” shall have the meaning assigned to such term in Section 2.13(a).

“Commitment Increase Supplement” shall mean a supplement substantially in the form of Exhibit C.

“Competitive Bid” shall mean an offer by a Bank to make a Competitive Loan pursuant to Section 2.03.

“Competitive Bid Accept/Reject Letter” shall mean a notification made by the Borrower pursuant to Section 2.03(d) in the form of Exhibit A-4.

“Competitive Bid Rate” shall mean, as to any Competitive Bid made by a Bank pursuant to Section 2.03(b), (i) in the case of a Eurodollar Loan, the Margin, and (ii) in the case of a Fixed Rate Loan, the fixed rate of interest offered by the Bank making such Competitive Bid.

“Competitive Bid Request” shall mean a request made pursuant to Section 2.03 in the form of Exhibit A-1.

“Competitive Borrowing” shall mean a borrowing consisting of a Competitive Loan or concurrent Competitive Loans from the Bank or Banks whose Competitive Bids for such Borrowing have been accepted by the Borrower under the bidding procedure described in Section 2.03.

“Competitive Loan” shall mean a Loan from a Bank to the Borrower pursuant to the bidding procedure described in Section 2.03. Each Competitive Loan shall be a Eurodollar Competitive Loan or a Fixed Rate Loan.

“Consolidated Cash Flow” shall mean with respect to any person for any period the aggregate operating income of such person and its consolidated subsidiaries plus any depreciation and any amortization of intangibles arising from acquisitions that have been deducted in deriving such operating income, all computed and consolidated in accordance with GAAP.

“Consolidated Indebtedness” with respect to any person shall mean the aggregate Indebtedness of such person and its consolidated subsidiaries, consolidated in accordance with GAAP.

“Consolidated Interest Expense” with respect to any person shall mean for any period the aggregate interest expense of such person and its consolidated subsidiaries for such period, computed and consolidated in accordance with GAAP.

“Consolidated Net Income” with respect to any person shall mean for any period the aggregate net income (or net deficit) of such person and its consolidated subsidiaries for such period equal to gross revenues and other proper income less the aggregate for such person and its consolidated subsidiaries of (i) operating expenses, (ii) selling, administrative and general expenses, (iii) taxes, (iv) depreciation, depletion and amortization of properties and (v) any other items that are treated as expenses under GAAP but excluding from the definition of Consolidated Net Income any extraordinary gains or losses, all computed and consolidated in accordance with GAAP.

“Consolidated Stockholders’ Equity” with respect to any person shall mean the aggregate Stockholders’ Equity of such person and its consolidated subsidiaries, consolidated in accordance with GAAP.

“Continuing Banks” shall have the meaning assigned to such term in Section 2.12(b).

“Control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and “Controlling” and “Controlled” shall have meanings correlative thereto.

“Current Maturity Date” shall have the meaning assigned to such term in Section 2.12(a).

“Default” shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

“dollars” or “\$” shall mean lawful money of the United States of America.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

“ERISA Affiliate” shall mean any trade or business (whether or not incorporated) that is a member of a group of which the Borrower is a member and which is treated as a single employer under Section 414 of the Code.

“Eurodollar Borrowing” shall mean a Borrowing comprised of Eurodollar Loans.

“Eurodollar Competitive Loan” shall mean any Competitive Loan bearing interest at a rate determined by reference to the LIBO Rate in accordance with the provisions of Article II.

“Eurodollar Loan” shall mean any Eurodollar Competitive Loan or Eurodollar Standby Loan.

“Eurodollar Standby Borrowing” shall mean a Borrowing comprised of Eurodollar Standby Loans.

“Eurodollar Standby Loan” shall mean any Standby Loan bearing interest at a rate determined by reference to the LIBO Rate in accordance with the provisions of Article II.

“Event of Default” shall have the meaning assigned to such term in Article VIII.

“Existing Credit Agreement” shall mean the 5-Year Competitive Advance and Revolving Credit Facility Agreement dated as of July 30, 2004, among the Borrower, the banks named therein and JPMorgan Chase Bank.

“Extension Bank” shall have the meaning assigned to such term in Section 2.12(c).

“Extension Date” shall have the meaning assigned to such term in Section 2.12(b).

“Extension Letter” shall mean a letter substantially in the form of Exhibit B.

“Extensions of Credit” shall mean as to any Bank at any time, an amount equal to the sum of (a) the aggregate principal amount of all (a) Loans of such Bank then outstanding and (b) such Bank’s share of the L/C Obligations then outstanding.

“Facility Fee” shall have the meaning assigned to such term in Section 2.06(a).

“Fee Letter” shall mean the letter agreement dated May 31, 2006, between the Borrower and the Agent, providing for the payment of certain fees or other amounts in connection with the credit facilities established by this Agreement.

“Fees” shall mean the Facility Fee and the Administrative Fees.

“Final Election Date” shall have the meaning assigned to such term in Section 2.12(a).

“Financial Officer” of any corporation shall mean the chief financial officer, principal accounting officer, Treasurer, Assistant Treasurer or Controller of such corporation.

“Fixed Rate Borrowing” shall mean a Borrowing comprised of Fixed Rate Loans.

“Fixed Rate Loan” shall mean any Competitive Loan bearing interest at a fixed percentage rate per annum (expressed in the form of a decimal to no more than four decimal places) specified by the Bank making such Loan in its Competitive Bid.

“GAAP” shall mean generally accepted accounting principles, applied on a consistent basis.

“Governmental Authority” shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

“Guarantee” of or by any person shall mean any obligation, contingent or otherwise, of such person guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness, (b) to purchase property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness or (c) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness; provided, however, that the term Guarantee shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

“Indebtedness” of any person shall mean, without duplication, (a) all obligations of such person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such person under conditional sale or other title retention agreements relating to property or assets purchased by such person, (d) all obligations of such person issued or assumed as the deferred purchase price of property or services, (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such person, whether or not the obligations secured thereby have been assumed, (f) all Guarantees by such person of Indebtedness of others, (g) all Capital Lease Obligations of such person, (h) all obligations of such person in respect of interest rate protection agreements, foreign currency exchange agreements or other interest or exchange rate hedging arrangements, in such amount which exceeds \$15,000,000 at any time and (i) all obligations of such person as an account party in respect of letters of credit and bankers’ acceptances; provided that the definition of Indebtedness shall not include (i) accounts payable to suppliers and (ii) programming rights, in each case incurred in the ordinary course of business and not overdue. The Indebtedness of any person shall include the recourse Indebtedness of any partnership in which such person is a general partner. For purposes of this Agreement, the amount of any Indebtedness referred to in clause (h) of the preceding sentence shall be amounts, including any termination payments, required to be paid to a counterparty after giving effect to any contractual netting arrangements, and not any notional amount with regard to which payments may be calculated.

“Interest Payment Date” shall mean, with respect to any Loan, the last day of the Interest Period applicable thereto and, in the case of a Eurodollar Loan with an Interest Period of more than three months’ duration or a Fixed Rate Loan with an Interest Period of more than 90 days’ duration, each day that would have been an Interest Payment Date for such Loan had successive Interest Periods of three months’ duration or 90 days’ duration, as the case may be, been applicable to such Loan and, in addition, the date of any refinancing or conversion of such Loan with or to a Loan of a different Type.

“Interest Period” shall mean (a) as to any Eurodollar Borrowing, the period commencing on the date of such Borrowing or on the last day of the immediately preceding Interest Period applicable to such Borrowing, as the case may be, and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months (or, if agreed to by all Banks, 9 or 12 months) thereafter, as the Borrower may elect, (b) as to any ABR Borrowing, the period commencing on the date of such Borrowing and ending on the date 90 days thereafter or, if earlier, on the Maturity Date or the date of prepayment of such Borrowing and (c) as to any Fixed Rate Borrowing, the period commencing on the date of such Borrowing and ending on the date specified in the Competitive Bids in which the offer to make the Fixed Rate Loans comprising such Borrowing were extended, which shall not be earlier than seven days after the date of such Borrowing or later than 360 days after the date of such Borrowing; provided, however, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of Eurodollar Loans only, such

next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period.

“Issuing Bank” shall mean any Bank acceptable to the Agent and to the Borrower, in its capacity as issuer of any Letter of Credit.

“L/C Obligations” shall mean at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 3.05.

“L/C Participants” shall mean the collective reference to all the Banks other than the Issuing Bank.

“Letters of Credit” shall have the meaning assigned in Section 3.01(a).

“LIBO Rate” shall mean, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as reasonably determined by the Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the “LIBO Rate” with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

“Lien” shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, encumbrance, charge or security interest in or on such asset or (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement relating to such asset.

“Loan” shall mean a Competitive Loan or a Standby Loan, whether made as a Eurodollar Loan, an ABR Loan or a Fixed Rate Loan, as permitted hereby.

“Loan Documents” shall mean this Agreement and the Fee Letter.

“Margin” shall mean, as to any Eurodollar Competitive Loan, the margin (expressed as a percentage rate per annum in the form of a decimal to no more than four decimal places) to be added to or subtracted from the LIBO Rate in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

“Margin Stock” shall have the meaning given such term under Regulation U.

“Material Adverse Effect” shall mean (a) a materially adverse effect on the business, assets, operations, or condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole, (b) material impairment of the ability of the Borrower or any Subsidiary to perform any of its obligations under any Loan Document to which it is or will be a party or (c) material impairment of the rights of or benefits expressly available to the Banks under any Loan Document.

“Maturity Date” shall mean June 29, 2011, as such date may be extended from time to time with respect to some or all of the Banks pursuant to Section 2.12.

“Multiemployer Plan” shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate (other than one considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414) is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

“Non-Extending Bank” shall have the meaning assigned to such term in Section 2.12(a).

“Participant” shall have the meaning set forth in Section 10.04.

“PBGC” shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

“person” shall mean any natural person, corporation, business trust, joint venture, association, company, partnership or government, or any agency or political subdivision thereof.

“Plan” shall mean any pension plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code and which is maintained for employees of the Borrower or any ERISA Affiliate.

“Proposed Increase Amount” shall have the meaning assigned to such term in Section 2.13(a).

“Rate” shall include the LIBO Rate, the Alternate Base Rate and the Fixed Rate.

“Register” shall have the meaning given such term in Section 10.04(b)(iv).

“Regulation D” shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulation U” shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulation X” shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Reimbursement Obligation” shall mean the obligation of the Borrower to reimburse any Issuing Bank pursuant to Section 3.05 for amounts drawn under Letters of Credit issued by such Issuing Bank.

“Related Parties” shall mean, with respect to any specified person, such person’s Affiliates and the respective directors, officers, employees, agents and advisors of such person and such person’s Affiliates.

“Reportable Event” shall mean any reportable event as defined in Section 4043(b) of ERISA or the regulations issued thereunder with respect to a Plan (other than a Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414).

“Required Banks” shall mean, at any time, Banks having Bank Percentages aggregating at least 51%.

“Responsible Officer” of any corporation shall mean any executive officer or Financial Officer of such corporation and any other officer or similar official thereof responsible for the administration of the obligations of such corporation in respect of this Agreement.

“Standby Borrowing” shall mean a borrowing consisting of simultaneous Standby Loans from each of the Banks.

“Standby Borrowing Request” shall mean a request made pursuant to Section 2.04 in the form of Exhibit A-5.

“Standby Loans” shall mean the revolving loans made by the Banks to the Borrower pursuant to Section 2.04. Each Standby Loan shall be a Eurodollar Standby Loan or an ABR Loan.

“Statutory Reserves” shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board and any other banking authority to which the Agent is subject for new negotiable nonpersonal time deposits in dollars of over \$100,000 with maturities approximately equal to the applicable Interest Period. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Stockholders’ Equity” shall mean, for any corporation, the consolidated total stockholders’ equity of such corporation determined in accordance with GAAP, consistently applied.

“subsidiary” shall mean, with respect to any person (herein referred to as the “parent”), any corporation, partnership, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, controlled or held, or (b) which is, at the time any determination is made, otherwise Controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” shall mean any subsidiary of the Borrower.

“Total Commitment” shall mean at any time the aggregate amount of the Banks’ Commitments, as in effect at such time.

“Total Extensions of Credit” shall mean at any time the aggregate amount of the Banks’ Extensions of Credit outstanding at such time.

“Transactions” shall have the meaning assigned to such term in Section 4.02.

“Trust” shall mean The Edward W. Scripps Trust, being that certain trust for the benefit of descendants of Edward W. Scripps and owning shares of capital stock of the Borrower.

“Type”, when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined.

“Utilization Fee” shall have the meaning assigned to such term in Section 2.06(c).

“Withdrawal Liability” shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

Section 1.02. Terms Generally. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided, however, that, for purposes of determining compliance with any covenant set forth in Article VII, such terms shall be construed in accordance with GAAP as in effect on the date of this Agreement applied on a basis consistent with the application used in preparing the Borrower’s audited financial statements referred to in Section 4.05.

ARTICLE II

THE CREDITS

Section 2.01. Commitments. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Bank agrees, severally and not jointly, to make Standby Loans to the Borrower, at any time and from time to time on and after the date hereof and until the earlier of the Maturity Date and the termination of the Commitment

of such Bank as provided in this Agreement, in an aggregate principal amount at any time outstanding not to exceed such Bank's Commitment, minus such Bank's share of the L/C Obligations then outstanding, minus the amount by which the Competitive Loans outstanding at such time shall be deemed to have used such Commitment pursuant to Section 2.18, subject, however, to the conditions that at no time shall (i) the sum of (x) the outstanding aggregate principal amount of all Standby Loans made by all Banks plus (y) the outstanding L/C Obligations plus (z) the outstanding aggregate principal amount of all Competitive Loans made by all Banks exceed (ii) the Total Commitment. Each Bank's Commitment is set forth opposite its respective name in Schedule 2.01. Such Commitments may be terminated or reduced from time to time pursuant to Section 2.11.

Within the foregoing limits, the Borrower may borrow, pay or repay and reborrow hereunder, on and after the Closing Date and prior to the Maturity Date, subject to the terms, conditions and limitations set forth herein.

Section 2.02. Loans. (a) Each Standby Loan shall be made as part of a Borrowing consisting of Loans made by the Banks ratably in accordance with their Commitments; provided, however, that the failure of any Bank to make any Standby Loan shall not in itself relieve any other Bank of its obligation to lend hereunder (it being understood, however, that no Bank shall be responsible for the failure of any other Bank to make any Loan required to be made by such other Bank). Each Competitive Loan shall be made in accordance with the procedures set forth in Section 2.03. The Standby Loans or Competitive Loans comprising any Borrowing shall be (i) in the case of Competitive Loans, in an aggregate principal amount which is an integral multiple of \$1,000,000 and not less than \$5,000,000 and (ii) in the case of Standby Loans, in an aggregate principal amount which is an integral multiple of \$1,000,000 and not less than \$10,000,000 in the case of Eurodollar Standby Loans and \$5,000,000 in the case of ABR Loans (or an aggregate principal amount equal to the remaining balance of the available Commitments).

(b) Each Competitive Borrowing shall be comprised entirely of Eurodollar Competitive Loans or Fixed Rate Loans, and each Standby Borrowing shall be comprised entirely of Eurodollar Standby Loans or ABR Loans, as the Borrower may request pursuant to Section 2.03 or 2.04, as applicable. Each Bank may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Bank to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement. Borrowings of more than one Type may be outstanding at the same time; provided, however, that the Borrower shall not be entitled to request any Borrowing which, if made, would result in an aggregate of more than five separate Standby Loans of any Bank being outstanding hereunder at any one time. For purposes of the foregoing, Loans having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Loans.

(c) Subject to Section 2.05, each Bank shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to the Agent in New York, New York, not later than 12:00 noon, New York City time, and the Agent shall by 3:00 p.m., New York City time, wire transfer the amounts so received to the general deposit account of the Borrower at Mellon Bank (or other general deposit account designated by

the Borrower in writing) or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Banks. Competitive Loans shall be made by the Bank or Banks whose Competitive Bids therefor are accepted pursuant to Section 2.03 in the amounts so accepted and Standby Loans shall be made by the Banks pro rata in accordance with Section 2.18. Unless the Agent shall have received notice from a Bank prior to the date of any Borrowing that such Bank will not make available to the Agent such Bank's portion of such Borrowing, the Agent may assume that such Bank has made such portion available to the Agent on the date of such Borrowing in accordance with this paragraph (c) and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have made such portion available to the Agent, such Bank and the Borrower severally agree (without duplication) to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent at (i) in the case of the Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Bank, the Federal Funds Effective Rate. If such Bank shall repay to the Agent such corresponding amount, such amount shall constitute such Bank's Loan as part of such Borrowing for purposes of this Agreement.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

Section 2.03. Competitive Bid Procedure. (a) In order to request Competitive Bids, the Borrower shall hand deliver or telecopy to the Agent a duly completed Competitive Bid Request in the form of Exhibit A-1 hereto, to be received by the Agent (i) in the case of a Eurodollar Competitive Borrowing, not later than 10:00 a.m., New York City time, four Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, one Business Day before a proposed Competitive Borrowing. No ABR Loan shall be requested in, or made pursuant to, a Competitive Bid Request. A Competitive Bid Request that does not conform substantially to the format of Exhibit A-1 may be rejected in the Agent's sole discretion, and the Agent shall as soon as practicable notify the Borrower of such rejection by telecopier. Such request shall in each case refer to this Agreement and specify (x) whether the Borrowing then being requested is to be a Eurodollar Borrowing or a Fixed Rate Borrowing, (y) the date of such Borrowing (which shall be a Business Day) and the aggregate principal amount thereof which shall be in a minimum principal amount of \$5,000,000 and in an integral multiple of \$1,000,000, and (z) the Interest Period with respect thereto (which may not end after the Maturity Date). As soon as practicable after its receipt of a Competitive Bid Request that is not rejected as aforesaid, the Agent shall invite by telecopier (in the form set forth in Exhibit A-2 hereto) the Banks to bid, on the terms and conditions of this Agreement, to make Competitive Loans pursuant to the Competitive Bid Request.

(b) Each Bank may, in its sole discretion, make one or more Competitive Bids to the Borrower responsive to a Competitive Bid Request. Each Competitive Bid by a Bank must be received by the Agent via telecopier, in the form of Exhibit A-3 hereto, (i) in the case of a Eurodollar Competitive Borrowing, not later than 9:30 a.m., New York City time, three

Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Borrowing. Multiple bids will be accepted by the Agent. Competitive Bids that do not conform substantially to the format of Exhibit A-3 may be rejected by the Agent after conferring with, and upon the instruction of, the Borrower, such conference between the Agent and the Borrower to occur as soon as practicable following the receipt by the Agent of such Competitive Bid, and the Agent shall notify the Bank making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid shall refer to this Agreement and specify (x) the principal amount (which shall be in a minimum principal amount of \$5,000,000 and in an integral multiple of \$1,000,000 and which may equal the entire principal amount of the Competitive Borrowing requested by the Borrower) of the Competitive Loan or Loans that the Bank is willing to make to the Borrower, (y) the Competitive Bid Rate or Rates at which the Bank is prepared to make the Competitive Loan or Loans and (z) the Interest Period and the last day thereof. If any Bank shall elect not to make a Competitive Bid, such Bank shall so notify the Agent via telecopier (I) in the case of Eurodollar Competitive Loans, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (II) in the case of Fixed Rate Loans, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that failure by any Bank to give such notice shall not cause such Bank to be obligated to make any Competitive Loan as part of such Competitive Borrowing. A Competitive Bid submitted by a Bank pursuant to this paragraph (b) shall be irrevocable.

(c) The Agent shall as soon as practicable notify the Borrower by telecopier (i) in the case of Eurodollar Competitive Loans, not later than 10:00 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (ii) in the case of Fixed Rate Loans, not later than 10:00 a.m., New York City time, on the day of a proposed Competitive Borrowing, of all the Competitive Bids made, the Competitive Bid Rate and the principal amount of each Competitive Loan in respect of which a Competitive Bid was made and the identity of the Bank that made each bid. The Agent shall send a copy of all Competitive Bids to the Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.03.

(d) The Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph (c) above. The Borrower shall notify the Agent by telephone, confirmed by telecopier in the form of a Competitive Bid Accept/Reject Letter in the form of Exhibit A-4, whether and to what extent it has decided to accept or reject any of or all the bids referred to in paragraph (c) above, (x) in the case of a Eurodollar Competitive Borrowing, not later than 10:00 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (y) in the case of a Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that (i) the failure by the Borrower to give such notice shall be deemed to be a rejection of all the bids referred to in paragraph (c) above, (ii) the Borrower shall not accept a bid made at a particular Competitive Bid Rate if the Borrower has decided to reject an unrestricted bid made at a lower Competitive Bid Rate, (iii) the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the principal amount specified in the Competitive Bid Request, (iv) if the Borrower shall accept a bid or bids made at a particular Competitive Bid Rate but the amount of such bid or bids shall cause the total amount of bids to be accepted by the Borrower to exceed the amount specified in the Competitive Bid

Request, then the Borrower shall accept a portion of such bid or bids in an amount equal to the amount specified in the Competitive Bid Request less the amount of all other Competitive Bids accepted with respect to such Competitive Bid Request, which acceptance, in the case of multiple bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such bid at such Competitive Bid Rate, and (v) except pursuant to clause (iv) above, no bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of \$5,000,000 and an integral multiple of \$1,000,000; provided, further, however, that if a Competitive Loan must be in an amount less than \$5,000,000 because of the provisions of clause (iv) above, such Competitive Loan may be for a minimum of \$1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple bids at a particular Competitive Bid Rate pursuant to clause (iv) the amounts shall be rounded to integral multiples of \$1,000,000 in a manner which shall be in the discretion of the Borrower. A notice given by the Borrower pursuant to this paragraph (d) shall be irrevocable.

(e) The Agent shall promptly notify each bidding Bank (i) in the case of Eurodollar Competitive Loans, not later than 11:00 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (ii) in the case of Fixed Rate Loans, not later than 11:00 a.m., New York City time, on the day of a proposed Competitive Borrowing, whether or not its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate) by teletype sent by the Agent, and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan in respect of which its bid has been accepted.

(f) A Competitive Bid Request shall not be made within five Business Days after the date of any previous Competitive Bid Request.

(g) If the Agent shall elect to submit a Competitive Bid in its capacity as a Bank, it shall submit such bid directly to the Borrower one quarter of an hour earlier than the latest time at which the other Banks are required to submit their bids to the Agent pursuant to paragraph (b) above.

(h) All Notices required by this Section 2.03 shall be given in accordance with Section 10.01.

Section 2.04. Standby Borrowing Procedure. In order to request a Standby Borrowing, the Borrower shall hand deliver or teletype to the Agent in the form of Exhibit A-5 (a) in the case of a Eurodollar Standby Borrowing, not later than 10:00 a.m., New York City time, three Business Days before a proposed borrowing and (b) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the day of a proposed borrowing. No Fixed Rate Loan shall be requested or made pursuant to a Standby Borrowing Request. Such notice shall be irrevocable and shall in each case specify (i) whether the Borrowing then being requested is to be a Eurodollar Standby Borrowing or an ABR Borrowing; (ii) the date of such Standby Borrowing (which shall be a Business Day) and the amount thereof; and (iii) if such Borrowing is to be a Eurodollar Standby Borrowing, the Interest Period with respect thereto. If no election as to the Type of Standby Borrowing is specified in any such notice, then the requested Standby Borrowing shall be an ABR Borrowing. If no Interest Period with respect to

any Eurodollar Standby Borrowing is specified in such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. If the Borrower shall not have given notice in accordance with this Section 2.04 of its election to refinance a Standby Borrowing prior to the end of the Interest Period in effect for such Borrowing, then the Borrower shall (unless such Borrowing is repaid at the end of such Interest Period) be deemed to have given notice of an election to refinance such Borrowing with an ABR Borrowing. The Agent shall promptly advise the Banks of any notice given pursuant to this Section 2.04 and of each Bank's portion of the requested Borrowing.

Section 2.05. Refinancings. The Borrower may refinance all or any part of any Borrowing with a Borrowing of the same or a different Type made pursuant to Section 2.03 or Section 2.04, subject to the conditions and limitations set forth herein and elsewhere in this Agreement, including refinancings of Competitive Borrowings with Standby Borrowings and Standby Borrowings with Competitive Borrowings. Any Borrowing or part thereof so refinanced shall be repaid in accordance with Section 2.07 with the proceeds of a new Borrowing hereunder and the proceeds of the new Borrowing shall be paid by the Banks to the Agent or by the Agent to the Borrower pursuant to Section 2.02(c); provided, however, that (i) if the principal amount extended by a Bank in a refinancing is greater than the principal amount extended by such Bank in the Borrowing being refinanced, then such Bank shall pay such difference to the Agent for distribution to the Banks described in (ii) below, (ii) if the principal amount extended by a Bank in the Borrowing being refinanced is greater than the principal amount being extended by such Bank in the refinancing, the Agent shall return the difference to such Bank out of amounts received pursuant to (i) above, and (iii) to the extent any Bank fails to pay the Agent amounts due from it pursuant to (i) above, any Loan or portion thereof being refinanced with such amounts shall not be deemed repaid in accordance with Section 2.07 and shall be payable by the Borrower.

Section 2.06. Fees. (a) The Borrower agrees to pay to each Bank, through the Agent, on each March 31, June 30, September 30 and December 31 and on the date on which the Commitment of such Bank shall be terminated as provided herein, a facility fee (a "Facility Fee") at a rate per annum equal to the Applicable Percentage from time to time in effect, on the amount of the Commitment of such Bank, whether used or unused, during the preceding quarter (or shorter period commencing with the date hereof or ending with the Maturity Date or any date on which the Commitment of such Bank shall be terminated as provided in this Agreement). All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Facility Fee due to each Bank shall commence to accrue on the date hereof and shall cease to accrue on the earlier of the Maturity Date and the termination of the Commitment of such Bank as provided herein.

(b) The Borrower agrees to pay the Agent, for its own account, the fees (the "Administrative Fees") at the times and in the amounts agreed upon in the Fee Letter.

(c) The Borrower agrees to pay, in immediately available funds, to the Agent for the account of each Bank a fee (the "Utilization Fee") based upon the average daily amount of the outstanding Standby Loans and the L/C Obligations of such Bank at a rate per annum equal to the Applicable Percentage from time to time in effect, when and for as long as (except when the Commitments have terminated or expired) the aggregate outstanding principal amount

of Standby Loans and the L/C Obligations exceeds 50% of the aggregate Commitments as in effect at such time. The Utilization Fee shall be payable quarterly in arrears on the last day of each March, June, September and December, commencing on the first of such dates to occur after the date hereof, and on the Maturity Date (or such earlier date on which the Commitments shall terminate and the Loans and all interest, fees and other amounts in respect thereof and the L/C Obligations shall have been paid in full).

(d) All Fees shall be paid on the date due, in immediately available funds, to the Agent for distribution, if and as appropriate, among the Banks.

Section 2.07. Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay (i) to the Agent for the account of each Bank the then unpaid principal amount of each Standby Loan on the Maturity Date and (ii) to the Agent for the account of each applicable Bank the then unpaid principal amount of each Competitive Loan on the last day of the Interest Period applicable to such Loan.

(b) Each Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Bank resulting from each Loan made by such Bank, including the amounts of principal and interest payable and paid to such Bank from time to time hereunder.

(c) The Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, whether such Loan is a Standby Loan or a Competitive Loan, and the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Bank hereunder and (iii) the amount of any sum received by the Agent hereunder for the account of the Banks and each Bank's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) and (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Bank or the Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Bank may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Bank a promissory note payable to the order of such Bank (or, if requested by such Bank, to such Bank and its registered assigns) and in a usual and customary form for such Type approved by the Agent in its reasonable discretion.

Section 2.08. Interest on Loans. (a) Subject to the provisions of Section 2.09, the Loans comprising each Eurodollar Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to (i) in the case of each Eurodollar Standby Loan, the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Percentage, and (ii) in the case of each Eurodollar Competitive Loan, the LIBO Rate for the Interest Period in effect for such Borrowing plus the Margin offered by the Bank making such Loan and accepted by the Borrower pursuant to Section 2.03.

(b) Subject to the provisions of Section 2.09, the Loans comprising each ABR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) at a rate per annum equal to the Alternate Base Rate.

(c) Subject to the provisions of Section 2.09, each Fixed Rate Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the fixed rate of interest offered by the Bank making such Loan and accepted by the Borrower pursuant to Section 2.03.

(d) Interest on each Loan shall be payable on each Interest Payment Date applicable to such Loan. The LIBO Rate or the Alternate Base Rate for each Interest Period or day within an Interest Period shall be determined by the Agent, and such determination shall be conclusive absent manifest error.

Section 2.09. Default Interest. If the Borrower shall default in the payment of the principal of or interest on any Loan or any other amount becoming due hereunder (including any Reimbursement Obligation), whether by scheduled maturity, notice of prepayment, acceleration or otherwise, the Borrower shall on demand from time to time from the Agent pay interest, to the extent permitted by law, on such defaulted amount up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum (computed as provided in Section 2.08(b)) equal to the Alternate Base Rate plus 1%.

Section 2.10. Alternate Rate of Interest. In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a Eurodollar Borrowing the Agent shall have determined that dollar deposits in the principal amounts of the Eurodollar Loans comprising such Borrowing are not generally available in the London interbank market, or that the rates at which such dollar deposits are being offered will not adequately and fairly reflect the cost to any Bank of making or maintaining its Eurodollar Loan during such Interest Period, or that reasonable means do not exist for ascertaining the LIBO Rate, the Agent shall, as soon as practicable thereafter, give written or teletype notice of such determination to the Borrower and the Banks. In the event of any such determination, until the Agent shall have advised the Borrower and the Banks that the circumstances giving rise to such notice no longer exist, (i) any request by the Borrower for a Eurodollar Competitive Borrowing pursuant to Section 2.03 shall be of no force and effect and shall be denied by the Agent and (ii) any request by the Borrower for a Eurodollar Standby Borrowing pursuant to Section 2.04 shall be deemed to be a request for an ABR Borrowing. Each determination by the Agent hereunder shall be conclusive absent manifest error.

Section 2.11. Termination and Reduction of Commitments. (a) The Commitments shall be automatically terminated on the Maturity Date.

(b) Upon at least three Business Days' prior irrevocable written or teletype notice to the Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Total Commitment; provided, however, that (i) each partial reduction of the Total Commitment shall be in an integral multiple of \$5,000,000 and in a minimum principal amount of \$5,000,000 and (ii) no such termination or reduction shall be made which would reduce the Total Commitment to an amount less than the aggregate outstanding principal amount of the Loans.

(c) Each reduction in the Total Commitment hereunder shall be made ratably among the Banks in accordance with their respective Commitments. The Borrower shall pay to the Agent for the account of the Banks, on the date of each termination or reduction, the Facility Fees on the amount of the Commitments so terminated or reduced accrued to the date of such termination or reduction.

Section 2.12. Optional Extension of Commitments. (a) The Borrower may, by sending an Extension Letter in substantially the form of Exhibit B to the Agent (in which case the Agent shall promptly deliver a copy to each of the Banks), not less than 30 days and not more than 60 days prior to any anniversary of the Closing Date, request that the Banks extend the Maturity Date then in effect (the "Current Maturity Date") so that it will occur one year after the Current Maturity Date; provided that in no event shall there be more than two such one-year extensions. Each Bank, acting in its sole discretion, shall advise in response to such extension request, by notice to the Agent in writing given not less than 15 days and not more than 30 days prior to such anniversary of the Closing Date (the last date described in this Section 2.12(a) on which a Bank may give notice of its intention to extend the Current Maturity Date being referred to herein as the "Final Election Date") whether or not such Bank agrees to such extension (each Bank that so advises the Agent that it will not extend the Current Maturity Date being referred to herein as a "Non-Extending Bank"); provided that any Bank that does not advise the Agent by the Final Election Date shall be deemed to be a Non-Extending Bank. The election of any Bank to agree to such extension shall not obligate any other Bank to agree.

(b) (i) In response to an extension request under subsection (a) above, if Banks holding Bank Percentages that aggregate at least 51% on or immediately prior to the Final Election Date have not agreed to extend the Maturity Date, then the Current Maturity Date shall not be so extended and the outstanding principal balance of all loans and other amounts payable hereunder shall be due and payable on the Current Maturity Date.

(ii) In response to an extension request under subsection (a) above, if (and only if) Banks holding Bank Percentages that aggregate at least 51% on or immediately prior to the Final Election Date have agreed to extend the Current Maturity Date, the Agent shall notify the Borrower of such agreement in writing promptly, and effective on the date of such notice by the Agent to the Borrower (the "Extension Date"), the Maturity Date applicable to the Banks that have agreed to such extension (such Banks being referred to herein as "Continuing Banks") shall be the day that is one year after the Current Maturity Date. In the event of such extension, the Commitment of each Non-Extending Bank shall terminate on the Current Maturity Date applicable to such Non-Extending Bank, all Loans and other amounts (including non-contingent L/C Obligations) payable hereunder to such Non-Extending Bank shall become due and payable on such Current Maturity Date and the Total Commitments of the Banks hereunder shall be reduced by the aggregate Commitments of Non-Extending Banks so terminated on such Current Maturity Date. Each Non-Extending Bank shall be required to maintain its original Commitments up to the Current Maturity Date. A Non-Extending Bank shall not deliver a Competitive Bid Request with respect to a Competitive Borrowing having an Interest Period ending after the Current Maturity Date.

(c) In the event that the conditions of clause (ii) of paragraph (b) above have been satisfied, the Borrower shall have the right on or before the Extension Date, at its own expense, to require any Non-Extending Bank to transfer and assign without recourse or representation (except as to title and the absence of Liens created by it) (in accordance with and subject to the restrictions contained in 10.04) all its interests, rights and obligations under the Loan Documents (including with respect to any Letter of Credit) to one or more banks, financial institutions or other entities (which may include any Bank) (each, an "Extension Bank"); provided that (x) such Extension Bank, if not already a Bank hereunder, shall be subject to the approval of the Agent and any Issuing Bank (which consents shall not be unreasonably withheld) and (y) the Extension Bank shall pay to such Non-Extending Bank in immediately available funds on the effective date of such assignment the principal of and interest accrued to the date of payment on the Loans made by such Non-Extending Bank hereunder and all other amounts accrued for such Non-Extending Bank's account or owed to it hereunder. Notwithstanding the foregoing, no extension of the Maturity Date shall become effective unless, on the Extension Date, the conditions set forth in Section 5.01(b) and (c) shall be satisfied (with all references in such paragraphs to the making of a Loan or issuance of a Letter of Credit being deemed to be references to the extension of the Commitments on the Extension Date) and the Agent shall have received a certificate to that effect on behalf of the Borrower dated the Extension Date.

(d) On the Current Maturity Date, if the Commitments of the Banks other than the Non-Extending Banks are still in effect and the conditions set forth in Sections 5.01(b) and (c) are then satisfied (as to which the Borrower shall be deemed to have made a representation and warranty as of such date, unless it has otherwise notified the Agent to the contrary) the shares of the Non-Extending Banks in any outstanding Letters of Credit shall be deemed to be extinguished and the shares therein of other Banks shall be adjusted to be in proportion to their new Bank Percentages.

Section 2.13. Additional Commitments. (a) In the event that the Borrower wishes to increase the Commitments at any time when no Event of Default has occurred and is continuing, it shall notify the Agent in writing of the amount (the "Proposed Increase Amount") of such proposed increase, the Banks and other Persons agreeing to participate therein and the proposed effective date thereof (such notice, a "Commitment Increase Notice"). The Borrower may, with the consent of the Agent and any Issuing Banks (which consents shall not be unreasonably withheld), offer one or more additional banks, financial institutions or other entities the opportunity to participate in all or a portion of such Bank's Proposed Increase Amount pursuant to paragraph (b) below.

(b) Any Bank which agrees with the Borrower to increase its Commitment pursuant to this Section 2.13 shall execute a Commitment Increase Supplement with the Borrower and the Agent, substantially in the form of Exhibit C, whereupon such Bank shall be bound by and entitled to the benefits of this Agreement with respect to the full amount of its Commitment as so increased, and Schedule 2.01 shall be deemed to be amended to so increase the Commitment of such Bank.

(c) Any additional bank, financial institution or other entity which agrees with the Borrower to participate in the increased Commitments pursuant to this Section 2.13 shall execute an Additional Bank Supplement with the Borrower and the Agent, substantially in the form of Exhibit D, whereupon such bank, financial institution or other entity (an “Additional Bank”) shall become a Bank for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement, and Schedule 2.01 shall be deemed to be amended to add the name and Commitment of such Additional Bank as so agreed; provided that the Commitment of any such Additional Bank shall be in an amount not less than \$5,000,000.

(d) Notwithstanding anything to the contrary in this Section 2.13, (i) in no event shall any increase in Commitments pursuant to this Section 2.13 cause the Commitments hereunder to exceed \$1,000,000,000 and (ii) no Bank shall have any obligation to increase its Commitment unless it agrees to do so in its sole discretion. It shall be a condition to the effectiveness of any increase in the Commitments pursuant to this Section 2.13 that on the proposed effective date therefor that the conditions set forth in Sections 5.01(b) and (c) are then satisfied (and the Borrower shall be deemed to have made a representation and warranty as of such date to such effect).

(e) Upon any increase in the Commitments pursuant to this Section 2.13 becoming effective, the shares of the Banks (including any Additional Banks) in any outstanding Letters of Credit shall be adjusted to be in proportion to their new Bank Percentages. The Agent shall also be entitled, upon any such effectiveness, to establish arrangements, which may be inconsistent in certain respects with other provisions of the Agreement but which it believes to be reasonable in the circumstances (with the intention of minimizing expense to the Borrower under Section 2.17 and disruptions for the Banks), to provide for the Additional Banks and the Banks with increasing Commitments to make Standby Loans over a reasonable period on a basis that makes their participation in the outstanding Standby Borrowings proportional to their new Bank Percentages and during such period for the Banks to receive ratable treatment with respect to their outstanding Standby Loans.

Section 2.14. Prepayment. (a) The Borrower shall have the right at any time and from time to time to prepay any Standby Borrowing, in whole or in part, upon giving written or teletype notice (or telephone notice promptly confirmed by written or teletype notice) to the Agent: (i) before 10:00 a.m., New York City time, three Business Days prior to prepayment, in the case of Eurodollar Loans and (ii) before 10:00 a.m., New York City time, one Business Day prior to prepayment, in the case of ABR Loans; provided, however, that each partial prepayment shall be in an amount which is an integral multiple of \$1,000,000 and not less than \$10,000,000. The Borrower shall not have the right to prepay any Competitive Borrowing.

(b) On the date of any termination or reduction of the Commitments pursuant to Section 2.11, the Borrower shall pay or prepay so much of the Standby Borrowings as shall be necessary in order that the aggregate principal amount of the Competitive Loans and Standby Loans outstanding will not exceed the Total Commitment after giving effect to such termination or reduction.

(c) Each notice of prepayment shall specify the prepayment date and the principal amount of each Borrowing (or portion thereof) to be prepaid, shall be irrevocable and shall commit the Borrower to prepay such Borrowing (or portion thereof) by the amount stated therein on the date stated therein. All prepayments under this Section 2.14 shall be subject to Section 2.17 but otherwise without premium or penalty. All prepayments under this Section 2.14 shall be accomplished by accrued interest on the principal amount being prepaid to the date of payment.

Section 2.15. Reserve Requirements; Change in Circumstances. (a) Notwithstanding any other provision herein, if after the date of this Agreement any change in applicable law or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof (whether or not having the force of law) shall change the basis of taxation of payments to any Bank of the principal of or interest on any Eurodollar Loan or Fixed Rate Loan made by such Bank or any Fees or other amounts payable hereunder (other than changes in respect of taxes imposed on the overall net income of such Bank by the jurisdiction in which such Bank has its principal office or by any political subdivision or taxing authority therein), or shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by such Bank, or shall impose on such Bank or the London interbank market any other condition affecting this Agreement or any Eurodollar Loan or Fixed Rate Loan made by such Bank, and the result of any of the foregoing shall be to increase the cost to such Bank of making or maintaining any Eurodollar Loan or Fixed Rate Loan or to reduce the amount of any sum received or receivable by such Bank hereunder (whether of principal, interest or otherwise) by an amount deemed by such Bank to be material, then the Borrower will pay to such Bank within 30 days of demand such additional costs incurred or reduction suffered. Notwithstanding the foregoing, no Bank shall be entitled to request compensation under this paragraph with respect to any Competitive Loan if it shall have been aware of the change giving rise to such request at the time of submission of the Competitive Bid pursuant to which such Competitive Loan shall have been made.

(b) If any Bank shall have determined that the applicability of any law, rule, regulation or guideline adopted pursuant to or arising out of the July 1988 report of the Basle Committee on Banking Regulations and Supervisory Practices entitled "International Convergence of Capital Measurement and Capital Standards", or the adoption after the date hereof of any other law, rule, regulation or guideline regarding capital adequacy, or any change in any of the foregoing or in the interpretation or administration of any of the foregoing by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or any lending office of such Bank) or any Bank's holding company with any request or directive regarding capital adequacy (whether or not having the focus of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Bank's capital or on the capital of such Bank's holding company, if any, as a consequence of this Agreement or the Loans made by such Bank pursuant hereto to a level below that which such Bank or such Bank's holding company could have achieved but for such applicability, adoption, change or compliance (taking into consideration such Bank's policies and the policies of such Bank's holding company with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time the Borrower shall pay to such Bank such additional amount or amounts as will

compensate such Bank or such Bank's holding company for any such reduction suffered. It is acknowledged that the Facility Fee provided for in this Agreement has been determined on the understanding that the Banks will not be required to maintain capital against their Commitments under currently applicable law, rules, regulations and regulatory guidelines. In the event the Banks shall be advised by bank regulatory authorities responsible for interpreting or administering such applicable laws, rules, regulations and guidelines or shall otherwise determine, on the basis of applicable laws, rules, regulations, guidelines or other requests or statements (whether or not having the force of law) of such bank regulatory authorities, that such understanding is incorrect, it is agreed that the Banks will be entitled to make claims under this paragraph based upon prevailing market requirements for commitments under comparable credit facilities against which capital is required to be maintained.

(c) Notwithstanding any other provision of this Section 2.15, no Bank shall demand compensation for any increased cost or reduction referred to in paragraph (a) or (b) above if it shall not at the time be the general policy or practice of such Bank to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any.

(d) A certificate of a Bank setting forth such amount or amounts as shall be necessary to compensate such Bank as specified in paragraph (a) or (b) above, as the case may be, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay each Bank the amount shown as due on any such certificate delivered by it within 30 days after the receipt of the same. If any Bank subsequently receives a refund of any such amount paid by the Borrower it shall remit such refund to the Borrower.

(e) Failure on the part of any Bank to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any period shall not constitute a waiver of such Bank's right to demand compensation with respect to any other period; provided that if any Bank fails to make such demand within 90 days after it obtains knowledge of the event giving rise to the demand such Bank shall, with respect to amounts payable pursuant to this Section 2.15 resulting from such event, only be entitled to payment under this Section 2.15 for such costs incurred or reduction in amounts or return on capital from and after the date 90 days prior to the date that such Bank does make such demand. The protection of this Section shall be available to each Bank regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed.

Section 2.16. Change in Legality. (a) Notwithstanding any other provision herein, if any change in any law or regulation or in the interpretation thereof by any governmental authority charged with the administration or interpretation thereof shall make it unlawful for any Bank to make or maintain any Eurodollar Loan or to give effect to its obligations as contemplated hereby with respect to any Eurodollar Loan, then, by written or telecopy notice to the Borrower and to the Agent, such Bank may:

(i) declare that Eurodollar Loans will not thereafter be made by such Bank hereunder, whereupon such Bank shall not submit a Competitive Bid in response to a request for Eurodollar Competitive Loans and any request by the Borrower for a Eurodollar Standby Borrowing shall, as to such Bank only, be deemed a request for an ABR Loan unless such declaration shall be subsequently withdrawn; and

(ii) require that all outstanding Eurodollar Loans made by it be converted to ABR Loans, in which event all such Eurodollar Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in paragraph (b) below.

In the event any Bank shall exercise its rights under (i) or (ii) above, all payments and prepayments of principal which would otherwise have been applied to repay the Eurodollar Loans that would have been made by such Bank or the converted Eurodollar Loans of such Bank shall instead be applied to repay the ABR Loans made by such Bank in lieu of, or resulting from the conversion of, such Eurodollar Loans.

(b) For purposes of this Section 2.16, a notice to the Borrower by any Bank shall be effective as to each Eurodollar Loan, if lawful, on the last day of the Interest Period currently applicable to such Eurodollar Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

(c) Each Bank agrees that, upon the occurrence of any event giving rise to the operation of paragraph (a) of this Section 2.16 with respect to such Bank, it shall have a duty to endeavor in good faith to mitigate the adverse effects that may arise as a consequence of such event to the extent that such mitigation will not, in the reasonable judgment of such Bank, entail any cost or disadvantage to such Bank that such Bank is not reimbursed or compensated for by the Borrower.

Section 2.17. Indemnity. The Borrower shall indemnify each Bank against any loss or expense which such Bank may sustain or incur as a consequence of (a) any failure by the Borrower to fulfill on the date of any borrowing hereunder the applicable conditions set forth in Article V, (b) any failure by the Borrower to borrow or to refinance or continue any Loan hereunder after irrevocable notice of such borrowing, refinancing or continuation has been given pursuant to Section 2.03 or 2.04, (c) any payment, prepayment or conversion of a Eurodollar Loan or Fixed Rate Loan required by any other provision of this Agreement or otherwise made or deemed made on a date other than the last day of the Interest Period applicable thereto, (d) any default in payment or prepayment of the principal amount of any Loan or any part thereof or interest accrued thereon, as and when due and payable (at the due date thereof, whether by scheduled maturity, acceleration, irrevocable notice of prepayment or otherwise) or (e) the occurrence of any Event of Default, including, in each such case, any loss or reasonable expense sustained or incurred or to be sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Loan or any part thereof as a Eurodollar Loan or Fixed Rate Loan. Such loss or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by such Bank, of (i) its cost of obtaining the funds for the Loan being paid, prepaid, converted or not borrowed (assumed to be the LIBO Rate or, in the case of a Fixed Rate Loan, the fixed rate of interest applicable thereto) for the period from the date of such payment, prepayment or failure to borrow to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for such Loan which would have commenced on the date of such failure) over (ii) the amount of interest (as reasonably determined by such Bank) that would be realized by such Bank in reemploying the funds so paid,

prepaid or not borrowed for the remainder of such period or Interest Period, as the case may be. A certificate of any Bank setting forth any amount or amounts which such Bank is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error.

Each Bank shall have a duty to mitigate the damages to such Bank that may arise as a consequence of clause (a), (b), (c), (d) or (e) above to the extent that such mitigation will not, in the reasonable judgment of such Bank, entail any cost or disadvantage to such Bank that such Bank is not reimbursed or compensated for by the Borrower.

Section 2.18. Pro Rata Treatment. Except as required under Section 2.16, each Standby Borrowing, each payment or prepayment of principal of any Standby Borrowing, each payment of interest on the Standby Loans, each payment of the Facility Fees, each reduction of the Commitments and each refinancing of any Borrowing with a Standby Borrowing of any Type, shall be allocated pro rata among the Banks in accordance with their respective Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Standby Loans). Each payment of principal of any Competitive Borrowing shall be allocated pro rata among the Banks participating in such Borrowing in accordance with the respective principal amounts of their outstanding Competitive Loans comprising such Borrowing. Each payment of interest on any Competitive Borrowing shall be allocated pro rata among the Banks participating in such Borrowing in accordance with the respective amounts of accrued and unpaid interest on their outstanding Competitive Loans comprising such Borrowing. For purposes of determining the available Commitments of the Banks at any time, each outstanding Competitive Borrowing shall be deemed to have utilized the Commitments of the Banks (including those Banks which shall not have made Loans as part of such Competitive Borrowing) pro rata in accordance with such respective Commitments. Each Bank agrees that in computing such Bank's portion of any Borrowing to be made hereunder, the Agent may, in its discretion, round each Bank's percentage of such Borrowing to the next higher or lower whole dollar amount.

Section 2.19. Sharing of Setoffs. Each Bank agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower, or pursuant to, a secured claim under Section 506 of title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim received by such Bank under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Standby Loan or Loans as a result of which the unpaid principal portion of the Standby Loans shall be proportionately less than the unpaid principal portion of the Standby Loans of any other Bank, it shall be deemed simultaneously to have purchased from such other Bank at face value, and shall promptly pay to such other Bank the purchase price for, a participation in the Standby Loans of such other Bank, so that the aggregate unpaid principal amount of the Standby Loans and participations in the Standby Loans held by each Bank shall be in the same proportion to the aggregate unpaid principal amount of all Standby Loans then outstanding as the principal amount of its Standby Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Standby Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; provided, however, that, if any such purchase or purchases or adjustment shall be made pursuant to this Section 2.19 and the payment giving rise thereto shall thereafter be recovered,

such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustments restored without interest. The Borrower expressly consents to the foregoing arrangements and agrees that any Bank holding a participation in a Standby Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower to such Bank by reason thereof as fully as if such Bank had made a Standby Loan directly to the Borrower in the amount of such participation.

Section 2.20. Payments. The Borrower shall initiate each payment (including principal of or interest on any Borrowing or any Fees or other amounts) hereunder and under any other Loan Document, without set-off, counterclaim or deduction of any kind, not later than 12:00 (noon), New York City time, on the date when due in dollars to the Agent at its offices at 270 Park Avenue, New York, New York, in immediately available funds.

Section 2.21. Taxes. (a) Any and all payments by the Borrower hereunder shall be made, in accordance with Section 2.20, free and clear of and without deduction for any and all current or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding (i) income taxes imposed on the net income of the Agent or any Bank (or any transferee or assignee thereof, including a participation holder (any such entity a "Transferee")) and (ii) franchise taxes imposed on the net income of the Agent or any Bank (or Transferee), in each case by the jurisdiction under the laws of which the Agent or such Bank (or Transferee) is organized or has its principal place of business or any political subdivision thereof (all such nonexcluded taxes, levies, imposts, deductions, charges, withholdings and liabilities, collectively or individually, "Taxes"). If the Borrower shall be required to deduct any Taxes from or in respect of any sum payable hereunder to any Bank (or any Transferee) or the Agent, (i) the sum payable shall be increased by the amount (an "additional amount") necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.21) such Bank (or Transferee) or the Agent (as the case may be) shall receive an amount equal to the sum it would have received had no such deduction been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower agrees to pay to the relevant Governmental Authority in accordance with applicable law any current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Loan Document ("Other Taxes").

(c) The Borrower will indemnify each Bank (or Transferee) and the Agent for the full amount of Taxes and Other Taxes paid by such Bank (or Transferee) or the Agent, as the case may be, and any liability (including penalties, interest and expenses (including reasonable attorney's fees and expenses)) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability prepared by a Bank, or the Agent on its behalf, absent manifest error, shall be final, conclusive and binding for all purposes. Such indemnification shall be made within 30 days after the date the Bank (or Transferee) or the Agent, as the case may be, makes written demand therefor.

(d) If a Bank (or Transferee) or the Agent shall become aware that it is entitled to claim a refund from a Governmental Authority in respect of Taxes or Other Taxes as to which it has been indemnified by the Borrower, or with respect to which the Borrower has paid additional amounts, pursuant to this Section 2.21, it shall promptly notify the borrower of the availability of such refund claim and shall, within 30 days after receipt of a request by the Borrower, make a claim to such Governmental Authority for such refund at the Borrower's expense. If a Bank (or Transferee) or the Agent receives a refund (including pursuant to a claim for refund made pursuant to the preceding sentence) in respect of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.21, it shall within 30 days from the date of such receipt pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.21 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of such Bank (or Transferee) or the Agent and without interest (other than interest paid by the relevant Governmental Authority with respect to such refund); provided, however, that the Borrower, upon the request of such Bank (or Transferee) or the Agent, agrees to repay the amount paid over to the Borrower (plus penalties, interest or other charges) to such Bank (or Transferee) or the Agent in the event such Bank (or Transferee) or the Agent is required to repay such refund to such Governmental Authority.

(e) As soon as practicable after the date of any payment of Taxes or Other Taxes by the Borrower to the relevant Governmental Authority, the Borrower will deliver to the Agent, at its address referred to in Section 10.01, the original or a certified copy of a receipt issued by such Governmental Authority evidencing payment thereof.

(f) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 2.21 shall survive the payment in full of the principal of and interest on all Loans made hereunder.

(g) Each Bank (or Transferee) that is organized under the laws of a jurisdiction other than the United States, any State thereof or the District of Columbia (a "Non-U.S. Bank") shall deliver to the Borrower and the Agent two copies of either United States Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non-U.S. Bank claiming exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8BEN, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Bank delivers a Form W-8BEN, a certificate representing that such Non-U.S. Bank is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S. Bank claiming complete exemption from, or reduced rate of, U.S. Federal withholding tax on payments by the Borrower under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-U.S. Bank on or before the date it becomes a party to this Agreement (or, in the case of a Transferee that is a participation holder, on or before the date such participation holder becomes a Transferee hereunder) and on or before the date, if any, such Non-U.S. Bank changes its applicable lending office by designating a different lending office (a "New Lending Office"). In addition, each Non-U.S. Bank shall deliver such forms promptly

upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Bank. Notwithstanding any other provision of this Section 2.21(g), a Non-U.S. Bank shall not be required to deliver any form pursuant to this Section 2.21 (g) that such Non-U.S. Bank is not legally able to deliver.

(h) The Borrower shall not be required to indemnify any Non-U.S. Bank, or to pay any additional amounts to any Non-U.S. Bank, in respect of United States Federal withholding tax pursuant to paragraph (a) or (c) above to the extent that (i) the obligation to withhold amounts with respect to United States Federal withholding tax existed on the date such Non-U.S. Bank became a party to this Agreement (or, in the case of a Transferee that is a participation holder, on the date such participation holder became a Transferee hereunder) or, with respect to payments to a New Lending Office, the date such Non-U.S. Bank designated such New Lending Office with respect to a Loan; provided, however, that this clause (i) of this subsection 2.21(h) shall not apply to any Transferee or New Lending Office that becomes a Transferee or New Lending Office as a result of an assignment, participation, transfer or designation made at the request of the Borrower; and provided, further, however, that this clause (i) of this subsection 2.21(h) shall not apply to the extent the indemnity payment or additional amounts any Transferee, or Bank (or Transferee) through a New Lending Office, would be entitled to receive (without regard to this clause (i) of this subsection 2.21(h)) do not exceed the indemnity payment or additional amounts that the person making the assignment, participation or transfer to such Transferee, or Bank (or Transferee) making the designation of such New Lending Office, would have been entitled to receive in the absence of such assignment, participation, transfer or designation or (ii) the obligation to pay such additional amounts would not have arisen but for a failure by such Non-U.S. Bank to comply with the provisions of paragraph (g) above.

(i) Any Bank (or Transferee) claiming any additional amounts payable under this Section 2.21 shall (A) to the extent legally able to do so, upon written request from the Borrower, file any certificate or document if such filing would avoid the need for or reduce the amount of any such additional amounts which may thereafter accrue, and the Borrower shall not be obligated to pay such additional amounts if, after the Borrower's request, any Bank (or Transferee) could have filed such certificate or document and failed to do so; or (B) consistent with legal and regulatory restrictions, use reasonable efforts to change the jurisdiction of its applicable lending office if the making of such change would avoid the need for or reduce the amount of any additional amounts which may thereafter accrue and would not, in the sole determination of such Bank (or Transferee), be otherwise disadvantageous to such Bank (or Transferee).

(j) Nothing contained in this Section 2.21 shall require any Bank (or Transferee) or the Agent to make available any of its tax returns (or any other information that it deems to be confidential or proprietary).

Section 2.22. Mandatory Assignment; Commitment Termination. In the event any Bank delivers to the Agent or the Borrower, as appropriate, a certificate in accordance with Section 2.15(d) or a notice in accordance with Section 2.10 or 2.16, or the Borrower is required to pay any additional amounts or other payments in accordance with Section 2.21, the Borrower may, at its own expense, and in its sole discretion (a) require such Bank to transfer and assign in

whole or in part, without recourse (in accordance with Section 10.04), all or part of its interests, rights and obligations under this Agreement (other than outstanding Competitive Loans) to an assignee which shall assume such assigned obligations (which assignee may be another Bank, if a Bank accepts such assignment); provided that (i) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority and (ii) the Borrower or such assignee shall have paid to the assigning Bank in immediately available funds the principal of and interest accrued to the date of such payment on the Loans made by it hereunder and all other amounts owed to it hereunder or (b) terminate the Commitment of such Bank and prepay all outstanding Loans (other than Competitive Loans) of such Bank; provided that (x) such termination of the Commitment of such Bank and prepayment of Loans does not conflict with any law, rule or regulation or order of any court or Governmental Authority and (y) the Borrower shall have paid to such Bank in immediately available funds the principal of, accrued interest and accrued fees to the date of such payment on the Loans (other than Competitive Loans) made by it hereunder and all other amounts owed to it hereunder.

ARTICLE III

LETTERS OF CREDIT

Section 3.01. L/C Commitment. (a) Subject to the terms and conditions hereof, each Issuing Bank, in reliance on the agreements of the L/C Participants set forth in Section 3.04(a), agrees to issue letters of credit ("Letters of Credit") for the account of the Borrower on any Business Day, at any time and from time to time on and after the date hereof and until the earlier of the Maturity Date and the date of termination of the Commitments in such form as may be approved from time to time by the relevant Issuing Bank; provided that no Issuing Bank shall issue any Letters of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed \$50,000,000 or (ii) the Total Extensions of Credit would exceed the Total Commitments. Each Letter of Credit shall (i) be denominated in dollars and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Maturity Date then in effect, provided that any Letter of Credit with a one-year term may, at the option of the Borrower, provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above). Any Letter of Credit that extends beyond the date five Business Days prior to the Maturity Date then in effect shall be cash collateralized on such date in a manner satisfactory to the relevant Issuing Bank, and if the aggregate undrawn and unexpired amount under Letters of Credit outstanding as of the date five Business Days prior to a date on which the Total Commitments shall be reduced as a result of certain Banks not having extended their Commitments pursuant to Section 2.12 shall exceed the Total Commitments after giving effect to such reduction, such excess shall be cash collateralized on such date in a manner satisfactory to the relevant Issuing Banks.

(b) No Issuing Bank shall at any time be obligated to issue any Letter of Credit if such issuance would conflict with, or cause such Issuing Bank or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law.

Section 3.02. Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that an Issuing Bank issue a Letter of Credit by delivering to such Issuing Bank an Application therefor, completed to the satisfaction of such Issuing Bank, and

such other certificates, documents and other papers and information as such Issuing Bank may request in connection therewith. Upon receipt of any Application, such Issuing Bank will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall such Issuing Bank be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by such Issuing Bank and the Borrower. Such Issuing Bank shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. Such Issuing Bank shall promptly furnish to the Agent, which shall in turn promptly furnish to the Banks, notice of the issuance of each Letter of Credit (including the amount thereof).

Section 3.03. Fees and Other Charges. (a) The Borrower will pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Percentage then in effect with respect to Eurodollar Standby Loans, shared ratably among the Banks and payable quarterly in arrears on the last day of each March, June, September and December after the issuance date and on the Maturity Date. In addition, the Borrower shall pay to each Issuing Bank for its own account a fronting fee of 0.125% per annum on the undrawn and unexpired amount of each Letter of Credit issued by such Issuing Bank (or as otherwise agreed between the Borrower and such Issuing Bank), payable quarterly in arrears on the last day of each March, June, September and December after the issuance date and on the Maturity Date.

(b) In addition to the foregoing fees, the Borrower shall pay or reimburse each Issuing Bank for such normal, customary and reasonable costs and expenses as are incurred or charged by such Issuing Bank in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit issued by such Issuing Bank.

Section 3.04. L/C Participations. (a) Each Issuing Bank irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce each Issuing Bank to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from each Issuing Bank, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Bank Percentage in such Issuing Bank's obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by such Issuing Bank thereunder. Each L/C Participant agrees with each Issuing Bank that, if a draft is paid under any Letter of Credit for which such Issuing Bank is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such L/C Participant shall pay to such Issuing Bank upon demand at such Issuing Bank's address for notices specified herein an amount equal to such L/C Participant's Bank Percentage of the amount of such draft, or any part thereof, that is not so reimbursed. Each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against such Issuing Bank, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of an Event of Default or the failure to satisfy any of the other conditions specified in Article V, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(b) If any amount required to be paid by any L/C Participant to the relevant Issuing Bank pursuant to Section 3.04(a) in respect of any unreimbursed portion of any payment made by such Issuing Bank under any Letter of Credit is paid to such Issuing Bank within three Business Days after the date such payment is due, such L/C Participant shall pay to such Issuing Bank on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to such Issuing Bank, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.04(a) is not made available to the relevant Issuing Bank by such L/C Participant within three Business Days after the date such payment is due, such Issuing Bank shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans. A certificate of such Issuing Bank submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the relevant Issuing Bank has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.04(a), such Issuing Bank receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise), or any payment of interest on account thereof, such Issuing Bank will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by such Issuing Bank shall be required to be returned by such Issuing Bank, such L/C Participant shall return to such Issuing Bank the portion thereof previously distributed by such Issuing Bank to it.

(d) The participations of the other Banks in Letters of Credit cash collateralized on the date five Business Days prior to Maturity Date shall end on the Maturity Date.

Section 3.05. Reimbursement Obligation of the Borrower. If any draft is paid under any Letter of Credit, the Borrower shall reimburse the Issuing Bank that issued such Letter of Credit for the amount of (a) the draft so paid and (b) any taxes, fees, charges or other costs or expenses incurred by such Issuing Bank in connection with such payment, not later than 12:00 Noon, New York City time, on (i) the Business Day that the Borrower receives notice of such draft, if such notice is received on such day prior to 10:00 A.M., New York City time, or (ii) if clause (i) above does not apply, the Business Day immediately following the day that the Borrower receives such notice. Each such payment shall be made to such Issuing Bank at its address for notices referred to herein in dollars and in immediately available funds. Interest shall be payable on any such amounts from the date on which the relevant draft is paid until payment in full at the rate set forth in (x) until the third Business Day next succeeding the date of the relevant notice, Section 2.08(b) and (y) thereafter, Section 2.09.

Section 3.06. Obligations Absolute. The Borrower's obligations under this Article III shall be absolute and unconditional under any and all circumstances and irrespective

of any setoff, counterclaim or defense to payment that the Borrower may have or have had against any Issuing Bank, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with each Issuing Bank that no Issuing Bank shall be responsible for, and the Borrower's Reimbursement Obligations under Section 3.05 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. No Issuing Bank shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Issuing Bank. The Borrower agrees that any action taken or omitted by the relevant Issuing Bank under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct, shall be binding on the Borrower and shall not result in any liability of any Issuing Bank to the Borrower.

Section 3.07. Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the relevant Issuing Bank shall promptly notify the Borrower of the date and amount thereof. The responsibility of each Issuing Bank to the Borrower in connection with any draft presented for payment under any Letter of Credit issued by such Issuing Bank shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

Section 3.08. Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Article III, the provisions of this Article III shall apply.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to each of the Banks that:

Section 4.01. Organization; Powers. The Borrower and each Subsidiary of the Borrower (a) is a corporation or other entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite corporate or other entity power and authority to own its property and assets and to carry on its business as now conducted, (c) is qualified to do business in every jurisdiction where such qualification is required, except where the failure so to qualify would not be reasonably likely to have a Material Adverse Effect, and (d) in the case of the Borrower, has the corporate power and authority to execute, deliver and perform its obligations under each of the Loan Documents to which it is a party and each other agreement or instrument contemplated thereby to which it is or will be a party and to borrow hereunder.

Section 4.02. Authorization. The execution, delivery and performance by the Borrower of this Agreement and the execution, delivery and performance of each of the other Loan Documents and the borrowings hereunder (collectively, the "Transactions") (a) have been duly authorized by all requisite corporate and, if required, stockholder action and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws (or code of regulations) of the Borrower or any Subsidiary, (B) any order of any Governmental Authority or (C) any provision of any indenture, agreement or other instrument to which the Borrower or any Subsidiary is a party or by which any of them or any of their property is or may be bound, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any such indenture, agreement or other instrument and (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by the Borrower or any Subsidiary, except for any such violation, conflict, creation or imposition which does not impair the Borrower's ability to enter into and perform the Transactions or would not be reasonably likely to have a Material Adverse Effect or materially impair the position of the Banks with respect to any other creditors of the Borrower.

Section 4.03. Enforceability. This Agreement has been duly executed and delivered by the Borrower and constitutes, and each other Loan document when executed and delivered by the Borrower will constitute, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity.

Section 4.04. Governmental Approvals. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required by the Borrower in connection with the Transactions, except such as have been made or obtained and are in full force and effect.

Section 4.05. Financial Statements. The Borrower has heretofore furnished to the Banks the consolidated balance sheet and consolidated statements of income, retained earnings and cash flows of the Borrower and its consolidated subsidiaries (a) as of and for the fiscal year ended December 31, 2005, audited by and accompanied by the opinion of Deloitte & Touche LLP, independent public accountants, and (b) as of and for the fiscal quarter and the portion of the fiscal year ended March 31, 2006, certified by the chief financial officer of the Borrower. Such financial statements (subject, in the case of such interim statements, to normal year-end audit adjustments) present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated subsidiaries as of such dates and for such periods. Such balance sheets and the notes thereto disclose, in accordance with GAAP, all material liabilities, direct or contingent, of the Borrower and its consolidated subsidiaries as of the dates thereof. Such financial statements were prepared in accordance with GAAP applied on a consistent basis.

Section 4.06. No Material Adverse Change. There has been no change in the business, assets, operations or condition, financial or otherwise, of the Borrower and its Subsidiaries since December 31, 2005 that would constitute a Material Adverse Effect which is not reflected in the financial statements referred to in Section 4.05(b).

Section 4.07. Title to Properties; Possession Under Leases. (a) Each of the Borrower and its Subsidiaries has good and marketable title to, or valid leasehold interests in, all its properties and assets, except for defects in title that would not, in the aggregate, be reasonably likely to have a Material Adverse Effect. All material properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 7.02.

(b) Each of the Borrower and its Subsidiaries has complied with all obligations under all leases to which it is a party, all such leases are in full force and effect and each of the Borrower and its Subsidiaries enjoys peaceful and undisturbed possession under all such leases, except for any noncompliance, ineffectiveness or other conditions that would not, in the aggregate, be reasonably likely to have a Material Adverse Effect.

Section 4.08. Stock of Borrower. More than 51% of the outstanding Common Voting Shares, par value \$.01, of the Borrower are owned legally, beneficially and of record by the Trust or the beneficiaries thereof.

Section 4.09. Litigation; Compliance with Laws. (a) Except as set forth in Schedule 4.09 or otherwise disclosed to the Banks in writing, there are not any actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any Subsidiary or any business, property or rights of any such person (i) which involve any Loan Document or the Transactions or (ii) as to which there is a reasonable possibility of an adverse determination and which, if adversely determined, would, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect.

(b) None of the Borrower nor any of its Subsidiaries is in violation of any law, rule or regulation, or in default with respect to any judgment, writ, injunction or decree of any Governmental Authority, where such violation or default would be reasonably likely to have a Material Adverse Effect.

Section 4.10. Agreements. (a) None of the Borrower nor any of its Subsidiaries is a party to any agreement or instrument or subject to any corporate restriction that has resulted or would be reasonably likely to result in a Material Adverse Effect.

(b) None of the Borrower nor any of its Subsidiaries is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound, where such default would be reasonably likely to have a Material Adverse Effect.

Section 4.11. Federal Reserve Regulations. (a) None of the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to purchase or carry Margin Stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock or to refund indebtedness originally incurred for such purpose, or (ii) for any purpose which entails a violation of, or which is inconsistent with, the provisions of the Regulations of the Board, including Regulation U or X.

Section 4.12. Investment Company Act; Public Utility Holding Company Act. None of the Borrower nor any Subsidiary is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

Section 4.13. Use of Proceeds. The Borrower will use the proceeds of the Loans only for the purposes specified in the preamble to this Agreement.

Section 4.14. Tax Returns. Each of the Borrower and its Subsidiaries has filed or caused to be filed all Federal, state and local tax returns required to have been filed by it and has paid or caused to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, except taxes that are being contested in good faith by appropriate proceedings and for which the Borrower shall have set aside on its books adequate reserves.

Section 4.15. No Material Misstatements. No material information, report, financial statement, exhibit or schedule furnished by the Borrower in writing to the Agent or any Bank in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto contained, contains or will contain any material misstatement of fact or omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not misleading.

Section 4.16. Employee Benefit Plans. The Borrower and each of its ERISA Affiliates is in compliance with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder, except for violations which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect. No Reportable Event has occurred in respect of any plan of the Borrower or any ERISA Affiliate that would be reasonably likely to have a Material Adverse Effect. The present value of all benefit liabilities under each Plan (based on those assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed by more than \$20,000,000 the value of the assets of such Plan, and the present value of all benefit liabilities of all underfunded Plans (based on those assumptions used to fund each such Plan) did not, as of the last annual valuation dates applicable thereto, exceed \$40,000,000. Neither the Borrower nor any ERISA Affiliate has incurred any Withdrawal Liability that materially adversely affects the financial condition of the Borrower and its ERISA Affiliates taken as a whole. Neither the Borrower nor any ERISA Affiliate has received any notification that any Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and no Multiemployer Plan is reasonably expected to be in reorganization or to be terminated, where such reorganization or termination has resulted or would reasonably be expected to result in the contributions required to be made to such Plan that would materially and adversely affect the financial condition of the Borrower and its ERISA Affiliates taken as a whole.

Section 4.17. Environmental and Safety Matters. Except as set forth in Schedule 4.17 or otherwise previously disclosed to the Banks in writing, each of the Borrower and each of its Subsidiaries has complied with all Federal, state, local and other statutes, ordinances, orders, judgments, rulings and regulations relating to environmental pollution or to

environmental regulation or control or to employee health or safety, except for violations which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect. Except as set forth in Schedule 4.17 or otherwise previously disclosed to the Banks in writing, none of the Borrower or any of its Subsidiaries has received notice of any failure so to comply. Except as set forth in Schedule 4.17 or otherwise previously disclosed to the Banks in writing, the Borrower's and its Subsidiaries' plants do not manage any hazardous wastes, hazardous substances, hazardous materials, toxic substances, toxic pollutants, or substances similarly denominated, as those terms or similar terms are used in the Resource Conservation and Recovery Act, the Comprehensive Environmental Response Compensation and Liability Act, the Hazardous Materials Transportation Act, the Toxic Substance Control Act, the Clean Air Act, the Clean Water Act or any other applicable law relating to environmental pollution or employee health and safety, in violation in any material respect of any law or any regulations promulgated pursuant thereto, except for violations which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect. Except as set forth in Schedule 4.17 or otherwise previously disclosed to the Banks in writing, none of the Borrower nor any of its Subsidiaries is aware of any events, conditions or circumstances involving environmental pollution or contamination or employee health or safety that is reasonably expected to result in liability which would have a Material Adverse Effect.

ARTICLE V

CONDITIONS OF LENDING

The obligations of the Banks to make Loans hereunder are subject to the satisfaction of the following conditions:

Section 5.01. All Borrowings. On the date of each Borrowing and of each issuance of a Letter of Credit (excluding each Borrowing in which Loans are refinanced with new Loans in the same or a lesser principal amount as contemplated by Section 2.05):

(a) In the case of a Borrowing, the Agent shall have received a notice of such Borrowing as required by Section 2.03 or Section 2.04, as applicable.

(b) The representations and warranties set forth in Article IV hereof (except, subject to Section 5.02(e), the representations set forth in Section 4.06) shall be true and correct in all material respects on and as of the date of such Borrowing or such issuance, as the case may be, with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.

(c) At the time of and immediately after such Borrowing or such issuance, as the case may be, no Event of Default or Default shall have occurred and be continuing.

Each Borrowing, and each such issuance, shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (b) and (c) of this Section 5.01.

Section 5.02. Closing Date. On the Closing Date:

(a) The Agent shall have received a favorable written opinion of Baker & Hostetler LLP, counsel for the Borrower, dated the Closing Date and addressed to the Banks, to the effect set forth in Exhibit G hereto, and the Borrower hereby instructs such counsel to deliver such opinion to the Agent.

(b) All legal matters incident to this Agreement and the borrowings hereunder shall be satisfactory to the Banks and their counsel and to Simpson Thacher & Bartlett LLP, counsel for the Agent.

(c) The Agent shall have received (i) a copy of the articles of incorporation, including all amendments thereto, of the Borrower, certified as of a recent date by the Secretary of State of the state of its organization, and a certificate as to the good standing of the Borrower as of a recent date, from such Secretary of State; (ii) a certificate of the Secretary or Assistant Secretary of the Borrower dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the code of regulations of the Borrower as in effect on the Closing Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors of the Borrower authorizing the execution, delivery and performance of the Loan Documents and the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the articles of incorporation of the Borrower have not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer executing any Loan document or any other document delivered in connection herewith on behalf of the Borrower; (iii) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to (ii) above; and (iv) such other documents as the Banks or their counsel or Simpson Thacher & Bartlett LLP, counsel for the Agent, may reasonably request.

(d) The Agent shall have received a certificate from the Borrower, dated the Closing Date and signed by a Financial Officer thereof, confirming compliance with the conditions precedent set forth in paragraphs (b) and (c) of Section 5.01.

(e) The representations and warranties set forth in Section 4.06 shall be true and correct in all material respects.

(f) Concurrently with the transactions contemplated hereby on the Closing Date, the Borrower, the applicable Banks and the Agent shall have executed a side letter whereby all competitive loans under the Existing Credit Agreement shall be deemed to be Competitive Loans hereunder. The Borrower shall have repaid in full all other amounts due under the Existing Credit Agreement and under each other agreement related thereto, and the Agent shall have received duly executed documentation either evidencing or necessary for (i) the termination of the Existing Credit Agreement and each other agreement related thereto and (ii) the cancellation of all commitments thereunder.

(g) The Agent shall have received all Fees and other amounts due and payable on or prior to the Closing Date.

ARTICLE VI

AFFIRMATIVE COVENANTS

The Borrower covenants and agrees with each Bank that, so long as this Agreement shall remain in effect or the principal of or interest on any Loan, any Fees or any other expenses or amounts payable under any Loan Document shall be unpaid, or while any Letter of Credit remains outstanding, unless the Required Banks shall otherwise consent in writing, it will, and will cause each of its Subsidiaries to:

Section 6.01. Existence; Businesses and Properties. (a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise expressly permitted under Section 7.04 and except with respect to the Subsidiaries of the Borrower where such failure would not reasonably be likely to have a Material Adverse Effect.

(b) Except to the extent that the failure to do or cause the same to be done would not be reasonably likely to have a Material Adverse Effect, do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks and trade names material to the conduct of its business; maintain and operate such business in substantially the manner in which it is presently conducted and operated (subject to changes in the ordinary course of business); comply in all material respects with all applicable laws, rules, regulations and orders of any Governmental Authority, whether now in effect or hereafter enacted; and at all times maintain and preserve all property material to the conduct of such business and keep such property in good repair, working order and condition and from time to time make, or cause to be made all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times.

Section 6.02. Insurance. (a) Keep its insurable properties adequately insured at all times by financially sound and reputable insurers; (b) maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses, including public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it, and (c) maintain such other insurance as may be required by law; provided, however, that, in lieu of or supplementing any such insurance described in (a) or (b) above, it may adopt such other plan or method of protection conforming to its self-insurance practices existing on the date hereof, including the creation of a "captive" insurance company.

Section 6.03. Obligations and Taxes. Except to the extent the failure to do so would not, in the aggregate, be reasonably likely to have a Material Adverse Effect, pay its Indebtedness and other obligations promptly and in accordance with their terms and pay and

discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might give rise to a Lien upon such properties or any part thereof; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Borrower shall have set aside on its books adequate reserves with respect thereto.

Section 6.04. Financial Statements, Reports, etc. Furnish to the Agent and each Bank:

(a) within 90 days after the end of each fiscal year of the Borrower, consolidated balance sheets of the Borrower and its consolidated subsidiaries, the related consolidated statements of operations and the related consolidated statements of stockholders' equity and cash flows, showing the financial condition of the Borrower and its consolidated subsidiaries as of the close of such fiscal year and the results of its operations during such year, all such consolidated financial statements audited by and accompanied by the report thereon of Deloitte & Touche LLP or other independent public accountants of recognized national standing reasonably acceptable to the Required Banks and accompanied by an opinion of such accountants (which shall not be qualified in any material respect) to the effect that such consolidated financial condition and results of operations of the Borrower on a consolidated basis;

(b) within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, consolidated balance sheets and related consolidated statements of income, retained earnings and cash flows, showing the financial condition of the Borrower and its consolidated subsidiaries as of the close of such fiscal quarter and the results of its operations during such fiscal quarter and the then elapsed portion of the fiscal year, all certified by a Financial Officer of the Borrower as fairly presenting in all material respects the financial condition and results of operations of the Borrower on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments;

(c) concurrently with any delivery of financial statements under (a) or (b) above, a certificate of a Financial Officer of the Borrower opining on or certifying such statements (i) certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (ii) setting forth computations in reasonable detail satisfactory to the Agent demonstrating compliance with the covenants contained in Sections 7.01(a) and (b)(iv) and 7.03;

(d) promptly after the same become publicly available, copies of all material periodic and other reports, proxy statements and other materials filed by the Borrower or any Subsidiary with the Securities and Exchange Commission, or any governmental authority succeeding to any of or all the functions of said Commission, or with any national securities exchange, or distributed to its public shareholders, as the case may be;

(e) promptly after the same become publicly available, copies of all material reports pertaining to any change in ownership filed by the Borrower or any Subsidiary with any Governmental Authority; and

(f) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of any Loan Document, as the Agent or any Bank may reasonably request.

Section 6.05. Litigation and Other Notices. Furnish to the Agent and each Bank prompt written notice of the following:

(a) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) proposed to be taken with respect thereto;

(b) the filing or commencement of, or any threat or notice of intention of any person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, against the Borrower or any Affiliate thereof which could be reasonably anticipated to be adversely determined and, if adversely determined, could result in a Material Adverse Effect; and

(c) any development that has resulted in, or could reasonably be anticipated by the Borrower to result in, a Material Adverse Effect.

Section 6.06. ERISA. (a) Comply with the applicable provisions of ERISA and the Code except to the extent of such noncompliance which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect and (b) furnish to the Agent (i) as soon as possible after, and in any event with 30 days after any Responsible Officer of the Borrower or any ERISA Affiliate knows or has reason to know that any Reportable Event has occurred that alone or together with any other Reportable Event could reasonably be expected to result in liability of the Borrower to the PBGC in an aggregate amount exceeding \$10,000,000, a statement of a Financial Officer setting forth details as to such Reportable Event and the action proposed to be taken with respect thereto, together with a copy of the notice, if any, of such Reportable Event given to the PBGC, (ii) promptly after receipt thereof, a copy of any notice that the Borrower or any ERISA Affiliate may receive from the PBGC relating to the intention of the PBGC to terminate any Plan or Plans (other than a Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414 or to appoint a trustee to administer any such Plan, (iii) within 10 days after the due date for filing with the PBGC pursuant to Section 412(n) of the Code of a notice of failure to make a required installment or other payment with respect to a Plan, a statement of a Financial Officer setting forth details as to such failure and the action proposed to be taken with respect thereto, together with a copy of such notice given to the PBGC and (iv) promptly and in any event within 30 days after receipt thereof by the Borrower or any ERISA Affiliate from the sponsor of a Multiemployer Plan, a copy of each notice received by the Borrower, or any ERISA Affiliate concerning (A) the imposition of Withdrawal Liability or (B) a determination that a Multiemployer Plan is, or is expected to be, terminated or in reorganization, in each case within the meaning of Title IV of ERISA.

Section 6.07. Maintaining Records; Access to Properties and Inspections. Maintain all financial records in accordance with GAAP and permit any representatives designated by any Bank to visit and inspect the financial records and the properties of the Borrower or any Subsidiary upon reasonable prior notice at reasonable times and as often as reasonably requested (provided that such Bank shall make reasonable efforts not to interfere unreasonably with the business of the Borrower or any Subsidiary) and to make extracts from and copies of such financial records, and permit any representatives designated by any Bank to discuss the affairs, finances and condition of the Borrower or any Subsidiary with the officers thereof and independent accountants therefor; provided that each person obtaining such information shall hold all such information in strict confidence in accordance with the restrictions set forth in Section 10.16.

Section 6.08. Use of Proceeds. Use the proceeds of the Loans only for the purposes set forth in the preamble to this Agreement.

Section 6.09. Filings. Make all material filings required to be made by it with any Governmental Authority.

ARTICLE VII

NEGATIVE COVENANTS

The Borrower covenants and agrees with each Bank and the Agent that, so long as this Agreement shall remain in effect or the principal of or interest on any Loan, any Fees or any other expenses or amounts payable under any Loan Document shall be unpaid, or while any Letter of Credit remains outstanding, unless the Required Banks shall otherwise consent in writing, it will not, and will not cause or permit any of its Subsidiaries to:

Section 7.01. Indebtedness. (a) Permit the ratio of Consolidated Indebtedness of the Borrower to Consolidated Cash Flow of the Borrower at the end of and for the most recently ended four consecutive calendar quarters at any time to be greater than 5.0 to 1.0.

(b) Permit any Subsidiary of the Borrower to incur, create, assume or permit to exist any Indebtedness, except:

(i) Indebtedness existing on the date hereof as set forth in Schedule 7.01 hereto, and additional Indebtedness incurred pursuant to commitments by persons to lend to any Subsidiary but only to the extent such commitments are available and unused as of the date hereof as set forth in Schedule 7.01 hereto;

(ii) Indebtedness of a Subsidiary or business existing at the time such Subsidiary or business was acquired by the Borrower or a Subsidiary; provided that such Indebtedness was not incurred in contemplation of such acquisition;

(iii) Indebtedness to the Borrower or to another Subsidiary of the Borrower; and

(iv) other Indebtedness exclusive of the Indebtedness permitted by clauses (i) through (iii) above in an aggregate amount at any time outstanding which, when added to the aggregate Indebtedness secured by Liens permitted by Section 7.02(k) and to the aggregate amount incurred by the Borrower and any of the Subsidiaries pursuant to Section 7.03(ii) herein, shall not exceed 15% of the Consolidated Stockholders' Equity of the Borrower at such time.

Section 7.02. Liens. Create, incur, assume or permit to exist any Lien on any property or assets (including stock or other securities of any person, including any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except:

(a) Liens incurred or pledges and deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and old-age pensions and other social security benefits;

(b) Liens securing the performance of bids, tenders, leases, contracts (other than for the repayment of borrowed money), statutory obligations, surety and appeal bonds and other obligations of like nature, incurred as an incident to and in the ordinary course of business;

(c) Liens imposed by law, such as carriers', warehousemen's, mechanics', materialmen's, suppliers', repairmen's and vendors' liens, incurred in good faith in the ordinary course of business with respect to obligations not delinquent or which are being contested in good faith by appropriate proceedings and as to which the Borrower or a Subsidiary shall have set aside on its books adequate reserves;

(d) Liens securing the payment of taxes, assessments and governmental charges or levies, either (i) not delinquent or (ii) being contested in good faith by appropriate legal or administrative proceedings and as to which the Borrower or a Subsidiary, as the case may be, shall have set aside on its books adequate reserves;

(e) zoning restrictions, easements, licenses, reservations, restrictions on the use of real property or minor irregularities incident thereto (and with respect to leasehold interests: mortgages, obligations, liens and other encumbrances that are incurred, created, assumed or permitted to exist and arise by, through or under or are asserted by a landlord or owner of the leased property, with or without consent of the lessee) which were not incurred in connection with the borrowing of money or the obtaining of advances or credit and which do not in the aggregate materially detract from the value of the property or assets of the Borrower or a Subsidiary, as the case may be, or impair the use of such property for the purposes for which such property is held by the Borrower or such Subsidiary;

(f) Liens to secure the purchase price of real or personal property acquired, constructed or improved after the date hereof; provided that any such Lien is existing or created at the time of, or substantially simultaneously with, the acquisition, construction or improvement by the Borrower or a Subsidiary of the property so acquired and at all times covers only such property;

(g) Liens on property of a Subsidiary in favor of the Borrower or another Subsidiary;

(h) Liens created by or resulting from any litigation or proceeding which is currently being contested in good faith by appropriate proceedings and as to which (i) levy and execution have been stayed and continue to be stayed and (ii) the Borrower or a Subsidiary shall have set aside on its books adequate reserves;

(i) Liens on property of a Subsidiary existing at the time it becomes a Subsidiary; provided that such Liens were not created in contemplation of the acquisition by the Borrower or another Subsidiary of such Subsidiary;

(j) Liens on the property of the Borrower or a Subsidiary incidental to the conduct of its business or the ownership of its property which were not incurred in connection with the borrowing of money or the obtaining of advances or credit or other financial accommodations (including but not limited to interest rate swap obligations or letter of credit obligations of the Borrower or any Subsidiary), and which do not in the aggregate materially detract from the value of its property or assets or impair the use thereof in the operation of its business;

(k) the Borrower and any Subsidiary may incur Liens not otherwise permitted by this covenant securing Indebtedness in an aggregate amount at any time outstanding which, when added to the aggregate amount incurred by Subsidiaries under Section 7.01(b)(iv) and to the aggregate amount incurred by the Borrower and the Subsidiaries under Section 7.03(ii) does not exceed 15% of Consolidated Stockholders' Equity of the Borrower at such time;

(l) judgment Liens that do not constitute an Event of Default; and

(m) Liens on property acquired by the Borrower or any of its Subsidiaries after the Closing Date so long as such Liens are limited to the property acquired and were not created in contemplation of the acquisition.

Section 7.03. Sale and Lease-Back Transactions. Enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred, except that (i) any Subsidiary may enter into such an arrangement for the sale or transfer of its property to another Subsidiary or to the Borrower and (ii) the Borrower and the Subsidiaries may enter into any such arrangements provided that the aggregate sale price of all property subject to such arrangements (other than arrangements described in clause (i) above), when added to the aggregate amount of Indebtedness incurred by Subsidiaries under Section 7.01(b)(v) and to the aggregate amount of Indebtedness secured by Liens permitted by Section 7.02(k), shall not exceed 15% of the Consolidated Stockholders' Equity of the Borrower at such time.

Section 7.04. Mergers, Consolidations and Sales of Assets. Merge into or consolidate with any other person, or permit any other person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) or purchase, lease or otherwise acquire (in one transaction or a series of transactions) all or substantially all of the assets of any other person, except that if at the time thereof and immediately after giving effect thereto no Event of Default or Default shall have occurred and be continuing, (a) the Borrower or a Subsidiary may merge with another corporation in a transaction in which the surviving entity is the Borrower or such Subsidiary, respectively, and, in the case of a Subsidiary, the surviving entity is a wholly owned Subsidiary, (b) any Subsidiary may merge into the Borrower or another Subsidiary; or (c) the Borrower or a Subsidiary may purchase, lease or otherwise acquire any assets of any other person.

Section 7.05. Fiscal Year. Change its fiscal year.

ARTICLE VIII

EVENTS OF DEFAULT

In case of the happening of any of the following events (“Events of Default”):

(a) any representation or warranty made or deemed made in or in connection with any Loan Document or the borrowings hereunder, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Loan Document, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished;

(b) default shall be made in the payment of any principal of any Loan or Reimbursement Obligation when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(c) default shall be made in the payment of any interest on any Loan, Reimbursement Obligation or any Fee or any other amount (other than an amount referred to in (b) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of 5 Business Days;

(d) default shall be made in the due observance or performance by the Borrower or any Subsidiary of any covenant, condition or agreement contained in Section 6.01(a) or 6.05(a) or in Article VII;

(e) default shall be made in the due observance or performance by the Borrower or any Subsidiary of any covenant, condition or agreement contained in any Loan Document (other than those specified in (b), (c) or (d) above) and such default shall continue unremedied for a period of 30 days after written notice thereof from the Agent or any Bank to the Borrower;

(f) the Borrower or any Subsidiary shall (i) fail to pay any principal or interest, regardless of amount, due in respect of any Indebtedness in a principal amount in excess of \$10,000,000, when and as the same shall become due and payable, or (ii) fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any such Indebtedness if the effect of any failure referred to in this clause (ii) is to cause such Indebtedness to become due prior to its stated maturity;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Borrower or any Subsidiary, or of a substantial part of the property or assets of the Borrower or a Subsidiary, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of the property or assets of the Borrower or a Subsidiary or (iii) the winding-up or liquidation of the Borrower or any Subsidiary; and such proceeding or petition shall continue undismissed for 90 days or an order or decree approving or ordering any of the foregoing shall be unstayed and in effect for 90 days;

(h) the Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of the property or assets of the Borrower or any Subsidiary, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing;

(i) one or more final judgments for the payment of money in excess of \$10,000,000, excluding such amounts which are covered by insurance, shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of the Borrower or any Subsidiary to enforce any such judgment;

(j) a Reportable Event or Reportable Events, or a failure to make a required installment or other payment (within the meaning of Section 412(n)(1) of the Code), shall have occurred with respect to any Plan or Plans that reasonably could be expected to

result in liability of the Borrower to the PBGC or to a Plan in an aggregate amount exceeding \$10,000,000 and, within 30 days after the reporting of any such Reportable Event to the Agent or after the receipt by the Agent of the statement required pursuant to Section 6.06, the Agent shall have notified the Borrower in writing that (i) the Required Banks have made a determination that, on the basis of such Reportable Event or Reportable Events or the failure to make a required payment, there are reasonable grounds (A) for the termination of such Plan or Plans by the PBGC, (B) for the appointment by the appropriate United States District Court of a trustee to administer such Plan or Plans or (C) for the imposition of a lien in favor of a Plan and (ii) as a result thereof an Event of Default exists hereunder; or a trustee shall be appointed by a United States District Court to administer any such Plan or Plans; or the PBGC shall institute proceedings to terminate any Plan or Plans; or

(k) (i) the Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan, (ii) the Borrower or such ERISA Affiliate does not have reasonable grounds for contesting such Withdrawal Liability or is not contesting such Withdrawal Liability in a timely and appropriate manner and (iii) the amount of such Withdrawal Liability specified in such notice, when aggregated with all other amounts required to be paid to Multiemployer Plans in connection with Withdrawal Liabilities (determined as of the date or dates of such notification), either (A) exceeds \$10,000,000 or requires payments exceeding \$10,000,000 in any year or (B) is less than \$10,000,000 but any Withdrawal Liability payment remains unpaid 30 days after such payment is due;

(l) the Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, if solely as a result of such reorganization or termination the aggregate annual contributions of the Borrower and its ERISA Affiliates to all Multiemployer Plans that are then in reorganization or have been or are being terminated have been or will be increased over the amounts required to be contributed to such Multiemployer Plans for their most recently completed plan years by an amount exceeding \$10,000,000; or

(m) there shall have occurred a Change in Control;

then, and in every such event (other than an event with respect to the Borrower described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event, the Agent, at the request of the Required Banks, shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder), shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary

notwithstanding; and in any event with respect to the Borrower described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder), shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Amounts deposited in the cash collateral account shall bear interest at a rate at least equal to the rate generally offered by the Agent for overnight deposits equal to the amount deposited by the Borrower in the cash collateral account.

ARTICLE IX
THE AGENT

In order to expedite the transactions contemplated by this Agreement, JPMorgan Chase Bank is hereby appointed to act as Agent on behalf of the Banks. Each of the Banks, and each transferee of any Bank, hereby irrevocably authorizes the Agent to take such actions on behalf of such Bank or transferee and to exercise such powers as are specifically delegated to the Agent by the terms and provisions hereof and of the other Loan Documents, together with such actions and powers as are reasonably incidental thereto. The Agent is hereby expressly authorized by the Banks, without hereby limiting any implied authority, (a) to receive on behalf of the Banks all payments of principal of and interest on the Loans and all other amounts due to the Banks hereunder, and promptly to distribute to each Bank its proper share of each payment so received; (b) to give notice on behalf of each of the Banks to the Borrower of any Event of Default specified in this Agreement of which the Agent has actual knowledge acquired in connection with its agency hereunder; and (c) to distribute to each Bank copies of all notices, financial statements and other materials delivered by the Borrower pursuant to this Agreement as received by the Agent.

Neither the Agent nor any of its directors, officers, employees or agents shall be liable as such for any action taken or omitted by any of them except for its or his own gross negligence or wilful misconduct, or be responsible for any statement, warranty or representation herein or the contents of any document delivered in connection herewith, or be required to

ascertain or to make any inquiry concerning the performance or observance by the Borrower of any of the terms, conditions, covenants or agreements contained in any Loan Document. The Agent shall not be responsible to the Banks for the due execution, genuineness, validity, enforceability or effectiveness of this Agreement or any other Loan Documents or other instruments or agreements. The Agent shall in all cases be fully protected in acting, or refraining from acting, in accordance with written instructions signed by the Required Banks and, except as otherwise specifically provided herein, such instructions and any action or inaction pursuant thereto shall be binding on all the Banks. The Agent shall, in the absence of knowledge to the contrary, be entitled to rely on any instrument or document believed by it in good faith to be genuine and correct and to have been signed or sent by the proper person or persons. Neither the Agent nor any of its directors, officers, employees or agents shall have any responsibility to the Borrower on account of the failure of or delay in performance or breach by any Bank of any of its obligations hereunder or to any Bank on account of the failure of or delay in performance or breach by any other Bank or the Borrower of any of their respective obligations hereunder or under any other Loan Document or in connection herewith or therewith. The Agent may execute any and all duties hereunder by or through agents or employees and shall be entitled to rely upon the advice of legal counsel selected by it with respect to all matters arising hereunder and shall not be liable for any action taken or suffered in good faith by it in accordance with the advice of such counsel.

The Banks hereby acknowledge that the Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement unless it shall be requested in writing to do so by the Required Banks.

Subject to the appointment and acceptance of a successor Agent as provided below, the Agent may resign at any time by notifying the Banks and the Borrower. Upon any such resignation, the Required Banks shall have the right to appoint a successor. If no successor shall have been so appointed by the Required Banks and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent having a combined capital and surplus of at least \$500,000,000 or an Affiliate of any such bank. Upon the acceptance of any appointment as Agent hereunder by a successor bank, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent and the retiring Agent shall be discharged from its duties and obligations hereunder. After the Agent's resignation hereunder, the provisions of this Article and Section 10.05 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

With respect to the Loans made by it hereunder, the Agent in its individual capacity and not as Agent shall have the same rights and powers as any other Bank and may exercise the same as though it were not the Agent, and the Agent and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Agent.

Each Bank agrees (i) to reimburse the Agent, on demand, (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), in the amount of its pro rata share (based on its Commitment hereunder) of any expenses incurred for the benefit of the Banks by the Agent, including counsel fees and compensation of agents and

employees paid for services rendered on behalf of the Banks, which shall not have been reimbursed by the Borrower and (ii) to indemnify and hold harmless the Agent and any of its directors, officers, employees or agents, on demand, in the amount of such pro rata share, from and against any and all liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against it in its capacity as the Agent or any of them in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted by it or any of them under this Agreement or any other Loan Document, to the extent the same shall not have been reimbursed by the Borrower; provided that no Bank shall be liable to the Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or wilful misconduct of the Agent or any of its directors, officers, employees or agents.

Each Bank acknowledges that it has, independently and without reliance upon the Agent or any other Bank and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also acknowledges that it will, independently and without reliance upon the Agent or any other Bank and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

Anything herein to the contrary notwithstanding, none of the Sole Bookrunner, Sole Lead Arranger, Syndication Agents or Co-Syndication Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Agent or a Bank hereunder.

ARTICLE X
MISCELLANEOUS

Section 10.01. Notices. Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at 312 Walnut Street, Suite 2800, Cincinnati, Ohio 45202, Attention of Treasurer (Telecopy No. 513-977-3729) with a copy to Baker & Hostetler LLP, counsel for the Borrower, to it at 312 Walnut Street, Suite 3200, Cincinnati, Ohio 45202, Attention of William Appleton (Telecopy No. 513-929-0303);

(b) if to the Agent, to JPMorgan Chase Bank, Loan & Agency Services, 1111 Fannin, Floor 10/46, Houston, Texas 77002, Attention of Glen Hector (Telecopy No. 713-750-2938), with copies to JPMorgan Chase Bank, 270 Park Avenue, New York, New York 10017, Attention of Padmini Persaud (Telecopy No. 212-270-4164)]; and

(c) if to a Bank, to it at its address (or telecopy number) set forth in Schedule 2.01 or in the Assignment and Acceptance pursuant to which such Bank shall have become a party hereto.

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by telecopy, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 10.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 10.01.

Section 10.02. Survival of Agreement. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other material instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Banks and shall survive the making by the Banks of the Loans, regardless of any investigation made by the Banks or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Commitments have not been terminated.

Section 10.03. Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower and the Agent and when the Agent shall have received copies hereof which, when taken together, bear the signatures of each Bank, and thereafter shall be binding upon and inure to the benefit of the Borrower, the Agent and each Bank and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior consent of all the Banks.

Section 10.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Bank (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Bank may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Banks) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Bank may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of:

(A) the Borrower, provided that no consent of the Borrower shall be required for an assignment to a Bank, an Affiliate of a Bank, an Approved Fund (as defined below) or, if an Event of Default under clause (b), (c), (g) or (h) of Article VIII has occurred and is continuing, any other assignee; and

(B) the Agent, provided that no consent of the Agent shall be required for an assignment to an assignee that is a Bank or an affiliate of a Bank immediately prior to giving effect to such assignment.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Bank or an Affiliate of a Bank or an assignment of the entire remaining amount of the assigning Bank's Commitment, the amount of the Commitment of the assigning Bank subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Agent) shall not be less than \$5,000,000 unless each of the Borrower and the Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default under clause (b), (c), (g) or (h) of Article VIII has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Bank's rights and obligations under this Agreement, provided that this clause shall not apply to rights in respect of outstanding Competitive Loans;

(C) the parties to each assignment shall execute and deliver to the Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500;

(D) the assignee, if it shall not be a Bank, shall deliver to the Agent an Administrative Questionnaire; and

(E) in the case of an assignment to a CLO (as defined below), the assigning Bank shall retain the sole right to approve any amendment, modification or waiver of any provision of this Agreement, provided that the Assignment and Acceptance between such Bank and such CLO may provide that such Bank will not, without the consent of such CLO, agree to any amendment, modification or waiver described in the first proviso to Section 10.08(b) that affects such CLO.

For the purposes of this Section 10.04(b), the terms "Approved Fund" and "CLO" have the following meanings:

"Approved Fund" means (a) a CLO and (b) with respect to any Bank that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Bank or by an Affiliate of such investment advisor.

"CLO" means any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Bank or an Affiliate of such Bank.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Bank under this Agreement, and the assigning Bank thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.17, 2.21 and 10.05). Any assignment or transfer by a Bank of rights or obligations under this Agreement that does not comply with this Section 10.04 shall be treated for purposes of this Agreement as a sale by such Bank of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Banks, and the Commitment of, and principal amount of the Loans owing to, each Bank pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Agent and the Banks may treat each person whose name is recorded in the Register pursuant to the terms hereof as a Bank hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Bank, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Bank and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Bank hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Bank may, without the consent of the Borrower or the Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Bank's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Bank's obligations under this Agreement shall remain unchanged, (B) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Bank sells such a participation shall provide that such Bank shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this

Agreement; provided that such agreement or instrument may provide that such Bank will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.08(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.17 and 2.21 to the same extent as if it were a Bank and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.06 as though it were a Bank, provided such Participant agrees to be subject to Section 2.19 as though it were a Bank.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.21 than the applicable Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Non-U.S. Bank if it were a Bank shall not be entitled to the benefits of Section 2.21 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.21(g) as though it were a Bank.

(b) Any Bank may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Bank from any of its obligations hereunder or substitute any such pledgee or assignee for such Bank as a party hereto.

Section 10.05. Expenses; Indemnity. (a) The Borrower agrees to pay all reasonable and actual fees, charges and disbursements of Simpson Thacher & Bartlett LLP, counsel for the Agent, incurred by the Agent in connection with the preparation of this Agreement and the other Loan Documents or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby contemplated shall be consummated) and all out-of-pocket expenses incurred by the Agent or any Bank in connection with the enforcement or protection of their rights in connection with this Agreement and the other Loan Documents or in connection with the Loans made hereunder, including, in connection with any such enforcement or protection, the reasonable fees, charges and disbursements of any counsel for the Agent or any Bank. The Borrower further agrees that it shall indemnify the Banks from and hold them harmless against any documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement or any of the other Loan Documents.

(b) The Borrower agrees to indemnify the Agent, each Bank and each of their respective directors, officers, employees and agents (each such person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions

and the other transactions contemplated thereby, (ii) the use of the proceeds of the Loans or (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (A) in the case of the Agent or any Bank, any unexcused breach by the Agent or such Bank of any of its obligations under this Agreement or (b) the gross negligence or wilful misconduct of such Indemnitee.

(c) The provisions of this Section 10.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Agent or any Bank. All amounts due under this Section 10.05 shall be payable on written demand therefor.

(d) Any Bank may at any time assign all or any portion of its rights under this Agreement to a Federal Reserve Bank; provided that no such assignment shall release a Bank from any of its obligations hereunder.

Section 10.06. Rights of Setoff. If an Event of Default shall have occurred and be continuing, each Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement and other Loan Documents held by such Bank, irrespective of whether or not such Bank shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured. The rights of each Bank under this Section are in addition to other rights and remedies (including other rights of Setoff) which such Bank may have.

Section 10.07. APPLICABLE LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

Section 10.08. Waivers; Amendment. (a) No failure or delay of the Agent or any Bank in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agent and the Banks hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies which they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower, and the Required Banks; provided, however, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of or any scheduled principal payment date or date for the payment of any interest on any Loan, or waive or excuse any such payment of or any part thereof, or decrease the rate of interest on any Loan, without the prior written consent of each Bank affected thereby, (ii) change or extend the Commitment or decrease the Facility Fees of any Bank without the prior written consent of such Bank, or (iii) amend or modify the provisions of Section 2.18, the provisions of this Section, or the definition of “Required Banks”, without the prior written consent of each Bank; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Agent hereunder without the prior written consent of the Agent; provided further that no such agreement shall amend, modify or waive any provision of Article III without the written consent of each Issuing Bank.

Section 10.09. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the applicable interest rate, together with all fees and charges which are treated as interest under applicable law (collectively the “Charges”), as provided for herein or in any other document executed in connection herewith, or otherwise contracted for, charged, received, taken or reserved by any Bank, shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by such Bank in accordance with applicable law, the rate of interest payable hereunder, together with all Charges payable to such Bank, shall be limited to the Maximum Rate.

Section 10.10. Entire Agreement. This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

Section 10.11. Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement or any of the other Loan Documents. Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the other Loan Documents, as applicable, by, among other things, the mutual waivers and certifications in this Section 10.11.

Section 10.12. Severability. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible so that of the invalid, illegal or unenforceable provisions.

Section 10.13. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract, and shall become effective as provided in Section 10.03.

Section 10.14. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

Section 10.15. Jurisdiction; Consent to Service of Process. (a) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdiction by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Bank may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against the Borrower or its properties in the courts of any jurisdiction.

(b) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this agreement or the other Loan Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 10.16. Confidentiality. (a) Each Bank agrees to keep confidential (and to cause its respective officers, directors, employees, agents and representatives to keep confidential) the Information (as defined below), except that any Bank shall be permitted to disclose Information (i) to such of its officers, directors, employees, agents and representatives (including outside counsel) as need to know such Information; (ii) to the extent required by applicable laws and regulations or by any subpoena or similar legal process, or requested by any bank regulatory authority (provided that such Bank shall, except (A) as prohibited by law and (B) for Information requested by any such bank regulatory authority, promptly notify Borrower of the circumstances and content of each such disclosure and shall request confidential treatment of any information so disclosed); (iii) to the extent such Information (A) becomes publicly

available other than as a result of a breach of this Agreement, (B) becomes available to such Bank on a non-confidential basis from a source other than the Borrower or its Affiliates or (C) was available to such Bank on a non-confidential basis prior to its disclosure to such Bank by the Borrower or its Affiliates; or (iv) to the extent the Borrower shall have consented to such disclosure in writing. As used in this Section 10.16, as to any Bank, "Information" shall mean any financial statements, materials, documents and other information that the Borrower or any of its Affiliates may have furnished or made available or may hereafter furnish or make available to the Agent or any Bank in connection with this Agreement or any other materials prepared by any such person from any of the foregoing.

Section 10.17. USA Patriot Act. Each Bank which is subject to Section 326 of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), hereby notifies the Borrower that, pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Bank to identify the Borrower in accordance with the Act.

IN WITNESS WHEREOF, the Borrower, the Agent and the Banks have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE E. W. SCRIPPS COMPANY, as Borrower,

By _____
Name: E. John Wolfzorn
Title: Vice President and Treasurer

JPMORGAN CHASE BANK, individually and as
Administrative Agent,

By _____
Name:
Title:

FIFTH THIRD BANK

By: _____
Name: _____
Title: _____

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

MELLON BANK, N.A.

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

FORM OF COMPETITIVE BID REQUEST

JPMorgan Chase Bank, N.A., as Agent for
the Banks referred to below,
c/o Loan & Agency Services
1111 Fannin, Floor 10/46
Houston, Texas 77002

[Date]

Attention: Glen Hector

Dear Sirs:

The undersigned, The E.W. Scripps Company (the "Borrower"), refers to the 5-year Competitive Advance and Revolving Credit Facility Agreement dated as of June 29, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among the Borrower, the Banks named therein and JPMorgan Chase Bank, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives you notice pursuant to Section 2.03(a) of the Credit Agreement that it requests a Competitive Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Competitive Borrowing is requested to be made:

- (A) Date of Competitive Borrowing (which is a Business Day) _____
- (B) Principal Amount of Competitive Borrowing¹ _____
- (C) Interest rate basis² _____
- (D) Interest Period and the last day thereof³ _____

¹ Not less than \$5,000,000 (and in integral multiples of \$1,000,000) or greater than the Total Commitment then available.

² Eurodollar Loan or Fixed Rate Loan.

³ Which shall be subject to the definition of "Interest Period" and end not later than the Maturity Date.

Upon acceptance of any or all of the Loans offered by the Banks in response to this request, the Borrower shall be deemed to have represented and warranted that the conditions to lending specified in Section 5.01(b) and (c) of the Credit Agreement have been satisfied.

Very truly yours,

By _____
Title: [Responsible Officer]

FORM OF NOTICE OF COMPETITIVE BID REQUEST

[Name of Bank]
[Address]
New York, New York

[Date]

Attention:

Dear Sirs:

Reference is made to the Competitive Advance and Revolving Credit Facility Agreement dated as of June 29, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among The E.W. Scripps Company (the "Borrower"), the Banks named therein and JPMorgan Chase Bank, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower made a Competitive Bid Request on _____, 20____, pursuant to Section 2.03(a) of the Credit Agreement, and in that connection you are invited to submit a Competitive Bid by [Date]/[Time].¹ Your Competitive Bid must comply with Section 2.03(b) of the Credit Agreement and the terms set forth below on which the Competitive Bid Request was made:

- (A) Date of Competitive Borrowing _____
- (B) Principal amount of Competitive Borrowing _____
- (C) Interest rate basis _____
- (D) Interest Period and the last day thereof _____

Very truly yours,

JPMORGAN CHASE BANK, N.A.,
as Agent,

By _____
Title:

¹ The Competitive Bid must be received by the Agent (i) in the case of Eurodollar Loans, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (ii) in the case of Fixed Rate Loans, not later than 9:30 a.m., New York City time, on the Business Day of a proposed Competitive Borrowing.

FORM OF COMPETITIVE BID

JPMorgan Chase Bank, N.A., as Agent for
the Banks referred to below,
c/o Loan & Agency Services
1111 Fannin, Floor 10/46
Houston, Texas 77002

[Date]

Attention: Glen Hector

Dear Sirs:

The undersigned, [Name of Bank], refers to the Competitive Advance and Revolving Credit Facility Agreement dated as of June 29, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among The E.W. Scripps Company (the "Borrower"), the Banks named therein and JPMorgan Chase Bank, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The undersigned hereby makes a Competitive Bid pursuant to Section 2.03(b) of the Credit Agreement, in response to the Competitive Bid Request made by the Borrower on _____, 20____, and in that connection sets forth below the terms on which such Competitive Bid is made:

(A) Principal Amount¹ _____(B) Competitive Bid Rate² _____

(C) Interest Period and last day thereof _____

The undersigned hereby confirms that it is prepared, subject to the conditions set forth in the Credit Agreement, to extend credit to the Borrower upon acceptance by the Borrower of this bid in accordance with Section 2.03(d) of the Credit Agreement.

Very truly yours,

[NAME OF BANK],

By _____

Title: _____

¹ Not less than \$5,000,000 or greater than the requested Competitive Borrowing and in integral multiples of \$1,000,000. Multiple bids will be accepted by the Agent.

² I.e., LIBO Rate + or - %, in the case of Eurodollar Loans or %, in the case of Fixed Rate Loans.

FORM OF COMPETITIVE BID ACCEPT/REJECT LETTER

[Date]

JPMorgan Chase Bank, N.A., as Agent for
 the Banks referred to below,
 c/o Loan & Agency Services
 1111 Fannin, Floor 10/46
 Houston, Texas 77002
 Attention: Glen Hector

Dear Sirs:

The undersigned, E.W. Scripps Company (the "Borrower"), refers to the Competitive Advance and Revolving Credit Facility Agreement dated as of June 29, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among the Borrower, the Banks named therein and JPMorgan Chase Bank, N.A., as Agent.

In accordance with Section 2.03(c) of the Credit Agreement, we have received a summary of bids in connection with our Competitive Bid Request dated _____ and in accordance with Section 2.03(d) of the Credit Agreement, we hereby accept the following bids for maturity on [date]:

<u>Principal Amount</u>	<u>Fixed Rate/Margin</u>	<u>Bank</u>
\$	[%]/[+/-.%]	
\$		

We hereby reject the following bids:

<u>Principal Amount</u>	<u>Fixed Rate/Margin</u>	<u>Bank</u>
\$	[%]/[+/-.%]	
\$		

The \$ _____ should be deposited in Mellon Bank account number [_____] on [date].

Very truly yours,

By _____
 Title: [Responsible Officer]

FORM OF STANDBY BORROWING REQUEST

JPMorgan Chase Bank, N.A., as Agent for
the Banks referred to below,
c/o Loan & Agency Services
1111 Fannin, Floor 10/46
Houston, Texas 77002
Attention: Glen Hector

[Date]

Dear Sirs:

The undersigned, E.W. Scripps Company (the "Borrower"), refers to the Competitive Advance and Revolving Credit Facility Agreement dated as of June 29, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among the Borrower, the Banks named therein and JPMorgan Chase Bank, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives you notice pursuant to Section 2.04 of the Credit Agreement that it requests a Standby Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Standby Borrowing is requested to be made:

- (A) Date of Standby Borrowing (which is a Business Day) _____
- (B) Principal Amount of Standby Borrowing¹ _____
- (C) Interest rate basis² _____
- (D) Interest Period and the last day thereof³ _____

¹ Not less than \$10,000,000 in the case of Eurodollar Loans and \$5,000,000 in the case of ABR Loans (and in integral multiples of \$1,000,000) or greater than the Total Commitment then available.

² Eurodollar Loan or ABR Loan.

³ Which shall be subject to the definition of "Interest Period" and end not later than the Maturity Date.

Upon acceptance of any or all of the Loans made by the Banks in response to this request, the Borrower shall be deemed to have represented and warranted that the conditions to lending specified in Section 5.01(b) and (c) of the Credit Agreement have been satisfied.

Very truly yours,

By _____
Title: [Responsible Officer]

FORM OF EXTENSION LETTER

JPMorgan Chase Bank, N.A., as Agent for
the Banks referred to below,
c/o Loan & Agency Services
1111 Fannin, Floor 10/46
Houston, Texas 77002
Attention: Glen Hector

Ladies and Gentlemen:

This notice shall constitute a request pursuant to Section 2.12(a) of the Competitive Advance and Revolving Credit Facility Agreement dated as of June 29, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among the Borrower, the Banks named therein and JPMorgan Chase Bank, N.A., as Agent. Terms defined in the Credit Agreement are used herein with the same meanings.

The undersigned hereby requests that the Banks extend the Maturity Date to [June [__], 2012] [June [__] 2013].

THE E.W. SCRIPPS COMPANY

By: _____
Name:
Title:

FORM OF COMMITMENT INCREASE SUPPLEMENT

COMMITMENT INCREASE SUPPLEMENT (this "Supplement"), dated _____, to the Competitive Advance and Revolving Credit Facility Agreement dated as of June 29, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among the Borrower, the Banks named therein and JPMorgan Chase Bank, N.A., as Agent. Terms defined in the Credit Agreement are used herein with the same meanings.

WITNESSETH:

WHEREAS, pursuant to the provisions of Section 2.13(b) of the Credit Agreement, the undersigned may increase the amount of its Commitment in accordance with the terms thereof by executing and delivering to the Borrower and the Agent a supplement to the Credit Agreement in substantially the form of this Supplement; and

WHEREAS, the undersigned now desires to increase the amount of its Commitment under the Credit Agreement;

NOW THEREFORE, the undersigned hereby agrees as follows:

The undersigned agrees, subject to the terms and conditions of the Credit Agreement, that on the date this Supplement is accepted by the Borrower and the Agent it shall have its Commitment increased by \$_____, thereby making the amount of its Commitment \$_____.

IN WITNESS WHEREOF, the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF BANK]

By: _____
Title:

Agreed and accepted this ___ day of _____, ____.

By: _____
Name:
Title:

Acknowledged this __ day of
_____, __.

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:

FORM OF ADDITIONAL BANK SUPPLEMENT

ADDITIONAL BANK SUPPLEMENT, dated _____ (this "Supplement"), to the Competitive Advance and Revolving Credit Facility Agreement dated as of June 29, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among the Borrower, the Banks named therein and JPMorgan Chase Bank, N.A., as Agent. Terms defined in the Credit Agreement are used herein with the same meanings.

WITNESSETH:

WHEREAS, the Credit Agreement provides in Section 2.13(c) thereof that a bank, financial institution or other entity, selected by the Borrower and with the consent of the Agent and any Issuing Bank (which consents shall not be unreasonably withheld), although not originally a party thereto, may become a party to the Credit Agreement, by executing and delivering to the Borrower and the Agent a supplement to the Credit Agreement in substantially the form of this Supplement; and

WHEREAS, the undersigned Additional Bank was not an original party to the Credit Agreement but now desires to become a party thereto;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

The undersigned Additional Bank agrees to be bound by the provisions of the Credit Agreement and agrees that it shall, on the date this Supplement is accepted by the Borrower and acknowledged by the Agent, become a Bank for all purposes of the Credit Agreement to the same extent as if originally a party thereto, with a Commitment of \$_____.

The undersigned Additional Bank (a) represents and warrants that it is legally authorized to enter into this Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to subsection 4.05 or 6.04 thereof, as applicable, and has reviewed such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Supplement; (c) agrees that it will, independently and without reliance upon the Agent or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms

thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Bank.

The undersigned's address for notices for the purposes of the Credit Agreement is as follows:

The Borrower hereby represents and warrants that no Event of Default has occurred and is continuing on and as of the date hereof.

This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF ADDITIONAL BANK]

By: _____
Name: _____
Title: _____

Agreed and accepted this __ day of _____, __.

THE E.W. SCRIPPS COMPANY

By: _____
Name: _____
Title: _____

Acknowledged this __ day of _____, __.

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Name: _____
Title: _____

[FORM OF]

ADMINISTRATIVE QUESTIONNAIRE

Please accurately complete the following information and return via FAX to JPMorgan Chase Bank, N.A., Attention of Glen Hector as soon as possible.

FAX Number: 713-750-2938

LEGAL NAME TO APPEAR IN DOCUMENTATION:

GENERAL INFORMATION - DOMESTIC LENDING OFFICE:

Institution Name: _____

Street Address: _____

City, State, Zip Code: _____

GENERAL INFORMATION - LIBOR LENDING OFFICE:

Institution Name: _____

Street Address: _____

City, State, Zip Code: _____

CONTACTS/NOTIFICATION METHODS:

CREDIT CONTACTS:

Primary Contact: _____

Street Address: _____

City, State, Zip Code: _____

Phone Number: _____

FAX Number: _____

Backup Contact: _____

Street Address: _____

City, State, Zip Code: _____

Phone Number: _____

FAX Number: _____

TAX WITHHOLDING:

Non Resident Alien ____ Y* ____ N

* Form 4224 Enclosed

Tax ID Number _____

CONTACTS/NOTIFICATION METHODS:

ADMINISTRATIVE CONTRACTS - BORROWINGS, PAYDOWNS, INTEREST, FEES, ETC.

Contact: _____

Street Address: _____

City, State, Zip Code: _____

Phone Number: _____

FAX Number: _____

PAYMENT INSTRUCTIONS:

Name of Bank where funds are to be transferred:

Routing Transit/ABA number of Bank where funds are to be transferred:

Name of Account, if applicable:

Account Number: _____

Additional Information: _____

MAILINGS:

Please specify who should receive financial information:

Name: _____

Street Address: _____

City, State, Zip Code: _____

It is very important that *all* of the above information is accurately filled in and returned promptly. If there is someone other than yourself who should receive this questionnaire, please notify us of their name and FAX number and we will FAX them a copy of the questionnaire. If you have any questions, please call Glen Hector of JPMorgan Chase Bank, N.A. at 713-750-7910.

[FORM OF]

ASSIGNMENT AND ACCEPTANCE

Reference is made to the Competitive Advance and Revolving Credit Facility Agreement dated as of June 29, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among The E.W. Scripps Company (the "Borrower"), the Banks named therein and JPMorgan Chase Bank, N.A., as Agent. Terms defined in the Credit Agreement are used herein with the same meanings.

1. The Assignor hereby sells and assigns, without recourse, to the Assignee, and the Assignee hereby purchases and assumes, without recourse, from the Assignor, effective as of the Effective Date set forth on the reverse hereof, the interests set forth on the reverse hereof (the "Assigned Interest") in the Assignor's rights and obligations under the Credit Agreement, including, without limitation, the interests set forth on the reverse hereof in the Commitment of the Assignor on the Effective Date and the Competitive Loans and Standby Loans owing to the Assignor which are outstanding on the Effective Date, together with unpaid interest accrued on the assigned Loans to the Effective Date and the amount, if any, set forth on the reverse hereof of the Fees accrued to the Effective Date for the account of the Assignor. Each of the Assignor and the Assignee hereby makes and agrees to be bound by all the representations, warranties and agreements set forth in Section 10.04(c) of the Credit Agreement, a copy of which has been received by each such party. From and after the Effective Date (i) the Assignee shall be a party to and be bound by the provisions of the Credit Agreement and, to the extent of the interests assigned by this Assignment and Acceptance, have the rights and obligations of a Bank thereunder and under the Loan Documents and (ii) the Assignor shall, to the extent of the interests assigned by this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

2. This Assignment and Acceptance is being delivered to the Agent together with (i) if the Assignee is organized under the laws of a jurisdiction outside the United States, the forms specified in Section 2.21(g) of the Credit Agreement, duly completed and executed by such Assignee, (ii) if the Assignee is not already a Bank under the Credit Agreement, an Administrative Questionnaire in the form of Exhibit [E] to the Credit Agreement and (iii) a processing and recordation fee of \$3,500.

3. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

Date of Assignment:

Legal Name of Assignor:

Legal Name of Assignee:

Assignee's Address for Notices:

Effective Date of Assignment
(may not be fewer than 5 Business
Days after the Date of Assignment):

<u>Facility</u>	<u>Principal Amount Assigned (and Identifying information as to individual Competitive Loans)</u>	<u>Percentage Assigned of Facility/ Commitment (set forth, to at least 8 decimals, as a percentage of the Facility and the aggregate Commitments of all Banks thereunder)</u>
Commitment Assigned:	\$	%
Standby Loans:		
Competitive Loans:		
Fees Assigned (if any):		

The terms set forth above and on the reverse side hereof are hereby agreed
to:

_____, as Assignor

By: _____
Name:
Title:

_____, as Assignee

By: _____
Name:
Title:

Title:

Accepted

JPMORGAN CHASE BANK, N.A., as agent

By: _____
Name:
Title:

E.W. SCRIPPS COMPANY, as Borrower

By: _____
Name:

[LETTERHEAD OF
BAKER & HOSTETLER]

June 29, 2006

JPMorgan Chase Bank, N.A.
270 Park Avenue
New York, NY 10017

The Banks listed on Schedule I hereto

Ladies and Gentlemen:

We have acted as counsel for The E.W. Scripps Company, an Ohio corporation (the "Company"), in connection with the Five-Year Competitive Advance and Revolving Credit Facility Agreement, dated as of June 29, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among the Company, the Banks named therein and JPMorgan Chase Bank, N.A., as Agent (the "Agent"). This opinion is provided pursuant to Section 5.02(a) of the Credit Agreement. All terms used and not otherwise defined herein shall have the same meanings given such terms in the Credit Agreement.

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records, and other instruments and such certificates of public officials and of officers of the Company as we have deemed necessary or appropriate for the purposes of this opinion.

As to questions of fact relating to the Company material to this opinion, we have consulted with responsible officers of the Company and have relied upon certificates of appropriate public officials and officers of the Company. In our review we have assumed the genuineness of all signatures, the conformity to original documents of all documents submitted to us as certified or facsimile copies, and the authenticity of such documents.

When a matter is stated herein as being "to the best of our knowledge," we have not conducted an independent investigation into such matter and such phrase means the conscious awareness of facts or other information by any member of this firm who either (a) signs this letter, (b) was active in negotiating any of the Loan Documents, preparing the Loan Documents, or preparing this letter, or (c) solely as to information relevant to a particular opinion issue or confirmation regarding a particular factual matter, is primarily responsible for providing the response concerning that particular opinion issue or confirmation ((a), (b) and (c) together, the "Primary Lawyer Group").

Based upon the foregoing and subject to the assumption hereinafter set forth, it is our opinion that:

1. The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the state of Ohio with all requisite corporate power and corporate authority to own its properties and conduct its business substantially as it is now being conducted.

2. The Company has all requisite corporate power and corporate authority to enter into each of the Loan Documents; to execute, deliver, and perform its obligations under the Loan Documents; and to incur the Loans in the manner contemplated by the Loan Documents.

3. The execution, delivery and performance by the Company of each of the Loan Documents and the receipt by the Company of the proceeds of the Loans in the manner contemplated by the Loan Documents have been duly authorized by all necessary corporate action on the part of the Company and: (a) to the best of our knowledge do not violate any provision of any material indenture, agreement, or other instrument to which the Company is a party or by which the Company or any of its properties and assets are or may be bound; (b) do not violate any provision of any applicable law, rule, or regulation to which the Company is subject, or to the best of our knowledge, any order of any court, or of any other agency of government presently in effect to which the Company is subject; (c) do not violate any provision of the Articles of Incorporation or Certificate of Incorporation, as amended, or the Code of Regulations or By-laws of the Company; (d) to the best of our knowledge will not result in the creation or imposition of any Lien upon any property or assets of the Company; and (e) to the best of our knowledge will not be in conflict with, result in a breach of, or constitute (alone, with notice, with lapse of time, or with any combination of these factors) a default under any material indenture, agreement, or other instrument referred to in (a) above. The Loan Documents being delivered on the date hereof have been duly executed and delivered by the Company.

4. Assuming mutuality of obligation of the Banks, the Loan Documents delivered on the date hereof, constitute the legal, valid, and binding obligations of the Company enforceable against it in accordance with their terms; subject as to enforceability, to applicable bankruptcy, liquidation, insolvency, reorganization, moratorium, and similar laws and equity principles, both state and federal, relating to or affecting the rights or remedies of creditors generally and to moratorium laws from time to time in effect; except that the availability of equitable remedies may be limited by equitable principles of general applicability; and subject to the possibility that provisions in the Loan Documents for the reimbursement of attorney fees and other expenses of enforcement of the Loan Documents may not be enforceable under the laws of the State of Ohio.

5. No approval, authorization, or consent of, or registration, qualification, or filing with, any federal, state, or other governmental authority or regulatory body is required on behalf of the Company for the execution, delivery, or performance by the Company of the Loan Documents or the consummation by the Company of the transactions contemplated thereby.

6. (A) To the best of our knowledge, except as set forth in Schedule 4.09 of the Credit Agreement, there are no actions, suits, or proceedings at law or in equity or by or before any governmental instrumentality or other agency now pending or threatened, to which the Company is a party or of which any property of the Company is the subject, as to which there is a significant likelihood of an adverse determination and which could, individually or in the

aggregate, if adversely determined to the Company, materially impair the validity or enforceability of the Loan Documents or the ability of the Company to perform under the terms of the Loan Documents or materially impair the ability of the Company and its Subsidiaries taken as a whole to carry on business substantially as now being conducted or result in any material adverse change in the business, assets, operations, or condition (financial or otherwise) of the Company and its Subsidiaries taken as a whole.

(B) To the best of our knowledge, neither the Company nor any of its Subsidiaries is in default with respect to any judgment, writ, injunction, decree, rule, or regulation of any governmental instrumentality or agency where such default could have a material and adverse effect on the business, assets, operations, or condition (financial or otherwise) of the Company and its Subsidiaries taken as a whole.

The members of the Primary Lawyer Group are members of the Bar of the State of Ohio and we do not express any opinion as to any matters governed by any law other than the law of the State of Ohio, the General Corporation law of the State of Delaware, and the federal law of the United States of America. For purposes of this opinion, we have assumed that the laws of the State of New York are identical in all relevant respects to the laws of the State of Ohio.

Very truly yours,

Schedule I

The Banks

Schedule 2.01

Commitments for 5-Year Credit Facility.

<u>Lender</u>	<u>Title</u>	<u>5-Year Commitments</u>
JPMorgan Chase Bank, N.A.	Administrative Agent	\$ 100,000,000.00
Fifth Third Bank	Syndication Agent	\$ 85,000,000.00
SunTrust Bank	Syndication Agent	\$ 85,000,000.00
U.S. Bank National Association	Syndication Agent	\$ 85,000,000.00
KeyBank National Association	Syndication Agent	\$ 75,000,000.00
Wachovia Bank, N.A.	Syndication Agent	\$ 75,000,000.00
LaSalle Bank, National Association	Participant	\$ 50,000,000.00
Mellon Bank, N.A.	Participant	\$ 50,000,000.00
The Northern Trust Company	Participant	\$ 50,000,000.00
Wells Fargo Bank, N.A.	Participant	\$ 50,000,000.00
First Tennessee Bank National Association	Participant	\$ 45,000,000.00
TOTAL		\$ 750,000,000.00

LITIGATION MATTERS

Without qualifying the representation and warranty of Section 4.09, the Borrower and each Subsidiary have knowledge of multiple litigation matters that occur or have occurred in the ordinary course of business and that in the judgment of the Borrower as of the Closing Date would not individually or in the aggregate reasonably be expected to result in liability that would materially and adversely affect the financial condition of the Borrower or any Subsidiary.

ENVIRONMENTAL AND SAFETY MATTERS

Without qualifying the representation and warranty of Section 4.17, the Borrower and each Subsidiary have knowledge of multiple environmental and safety matters that occur or have occurred in the ordinary course of business and that in the judgment of the Borrower as of the Closing Date would not individually or in the aggregate reasonably be expected to result in liability that would materially and adversely affect the financial condition of the Borrower or any Subsidiary.

The E. W. Scripps Company
Subsidiary Indebtedness and Other Obligations
(000's omitted)
As of March 31, 2006

<u>Description</u>	<u>Balance</u>
Scripps Howard Broadcasting Company	\$1,882
United Media	1,510
Scripps Networks	775
Shopzilla	546
Miscellaneous	274
Total subsidiary debt and other obligations*	<u>\$4,987</u>

* Excludes discounted interest expense and deferred compensation.

June 29, 2006

JPMorgan Chase Bank, N.A., As Agent
270 Park Avenue
New York, NY 10017

The Banks listed on Appendix A hereto

Ladies and Gentlemen:

We have acted as counsel for The E. W. Scripps Company, an Ohio corporation (the "Company"), in connection with the 5-Year Competitive Advance and Revolving Credit Facility Agreement, dated as of June 29, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among the Company, the Banks named therein and JPMorgan Chase Bank, N.A., as Agent (the "Agent"). This opinion is provided pursuant to Section 5.02(a) of the Credit Agreement. All terms used and not otherwise defined herein shall have the meanings given such terms in the Credit Agreement.

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records, and other instruments and such certificates of public officials and of officers of the Company as we have deemed necessary or appropriate for the purposes of this opinion.

As to questions of fact relating to the Company material to this opinion, we have consulted with responsible officers of the Company and have relied upon certificates of appropriate public officials and officers of the Company. In our review we have assumed the genuineness of all signatures, the conformity to original documents of all documents submitted to us as certified or facsimile copies, and the authenticity of such documents.

When a matter is stated herein as being "to the best of our knowledge," we have not conducted an independent investigation into such matter and such phrase means the conscious awareness of facts or other information by any member of this firm who either (a) signs this letter, (b) was active in negotiating any of the Loan Documents, preparing the Loan Documents, or preparing this letter, or (c) solely as to information relevant to a particular opinion issue or confirmation regarding a particular factual matter, is primarily responsible for providing the response concerning that particular opinion issue or confirmation (a), (b) and (c) together, the "Primary Lawyer Group").

Based upon the foregoing and subject to the assumptions hereinafter set forth, it is our opinion that:

1. The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Ohio with all requisite corporate power and corporate authority to own its properties and conduct its business substantially as it is now being conducted.
2. The Company has all requisite corporate power and corporate authority to enter into each of the Loan Documents; to execute, deliver, and perform its obligations under the Loan Documents; and to incur the Loans in the manner contemplated by the Loan Documents.
3. The execution, delivery and performance by the Company of each of the Loan Documents and the receipt by the Company of the proceeds of the Loans in the manner contemplated by the Loan Documents have been duly authorized by all necessary corporate action on the part of the Company and: (a) to the best of our knowledge do not violate any provision of any material indenture, agreement, or other instrument to which the Company is a party or by which the Company or any of its properties and assets are or may be bound; (b) do not violate any provision of any applicable law, rule, or regulation to which the Company is subject, or to the best of our knowledge, any order of any court, or of any other agency of government presently in effect to which the Company is subject; (c) do not violate any provision of the Articles of Incorporation, as amended, or the Code of Regulations of the Company; (d) to the best of our knowledge will not result in the creation or imposition of any Lien upon any property or assets of the Company; and (e) to the best of our knowledge will not be in conflict with, result in a breach of, or constitute (alone, with notice, with lapse of time, or with any combination of these factors) a default under any material indenture, agreement, or other instrument referred to in (a) above. The Loan Documents being delivered on the date hereof have been duly executed and delivered by the Company.
4. Assuming mutuality of obligation of the Banks, the Loan Documents delivered on the date hereof constitute the legal, valid, and binding obligations of the Company enforceable against it in accordance with their terms; subject as to enforceability, to applicable bankruptcy, liquidation, insolvency, reorganization, moratorium, and similar laws and equity principles, both state and federal, relating to or affecting the rights or remedies of creditors generally and to moratorium laws from time to time in effect; except that the availability of equitable remedies may be limited by equitable principles of general applicability; and subject to the possibility that provisions in the Loan Documents for the reimbursement of attorney fees and other expenses of enforcement of the Loan Documents may not be enforceable under the laws of the State of Ohio.
5. No approval, authorization, or consent of, or registration, qualification, or filing with, any federal, state, or other governmental authority or regulatory body is required on behalf of the Company for the execution, delivery, or performance by the Company of the Loan Documents or the consummation by the Company of the transactions contemplated thereby.

6. (A) To the best of our knowledge, except as set forth in Schedule 4.09 of the Credit Agreement, there are no actions, suits, or proceedings at law or in equity or by or before any governmental instrumentality or other agency now pending or threatened, to which the Company is a party or of which any property of the Company is the subject, as to which there is a significant likelihood of an adverse determination and that could, individually or in the aggregate, if adversely determined to the Company, materially impair the validity or enforceability of the Loan Documents or the ability of the Company to perform under the terms of the Loan Documents or materially impair the ability of the Company and its Subsidiaries taken as a whole to carry on business substantially as now being conducted or result in any material adverse change in the business, assets, operations, or condition (financial or otherwise) of the Company and its Subsidiaries taken as a whole.
- (B) To the best of our knowledge, neither the Company nor any of its Subsidiaries is in default with respect to any judgment, writ, injunction, decree, rule, or regulation of any governmental instrumentality or agency where such default could have a material and adverse effect on the business, assets, operations, or condition (financial or otherwise) of the Company and its Subsidiaries taken as a whole.

The members of the Primary Lawyer Group are members of the Bar of the State of Ohio and we do not express any opinion as to any matters governed by any law other than the laws of the State of Ohio and the federal law of the United States of America. These opinions have been rendered as if the Credit Agreement was governed in all respects by the laws of the State of Ohio, without giving effect to principles of conflicts of laws, and we have assumed that New York law is the same as Ohio law in all relevant respects.

Very truly yours,

A handwritten signature in cursive script that reads "Baker + Hostetler LLP". The signature is written in dark ink and is positioned above the typed name of the firm.

Baker & Hostetler LLP

Fifth Third Bank

SunTrust Bank

U.S. Bank, National Association

KeyBank, National Association

Wachovia Bank, N.A.

LaSalle Bank National Association

Mellon Bank, N.A.

The Northern Trust Company

Wells Fargo Bank, N.A.

First Tennessee Bank National Association

**AMENDMENT NO. 2 TO EMPLOYMENT AGREEMENT
DATED JUNE 16, 2003**

This Amendment No. 2 is made to that certain Employment Agreement between The E. W. Scripps Company, an Ohio corporation (together with its successors and assigns, the "Company"), and Kenneth W. Lowe ("Executive"), which was entered into on June 16, 2003 and was amended by Amendment No. 1 dated September 30, 2004 (the "Employment Agreement").

WHEREAS, the Company and Executive desire to amend the Employment Agreement to extend the stipulated term thereof two (2) years;

WHEREAS, the Board of Directors of the Company granted to Executive on February 23, 2006, 50,000 restricted Class A Common Shares of the Company (the "Restricted Shares") and an option for 125,000 Class A Common Shares of the Company (the "Option");

WHEREAS, the Restricted Shares are evidenced by that certain Restricted Share Award Agreement dated February 23, 2006 (the "Restricted Share Award Agreement"), and the Option is evidenced by that certain Option Agreement dated February 23, 2006 (the "Option Agreement");

WHEREAS, the Company and Executive desire to amend the Employment Agreement to clarify that Section 6 of the Restricted Share Award Agreement and Section 5 of the Option Agreement supersede any provision in the Employment Agreement that might be interpreted to the contrary;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the parties agree that from and after the date hereof:

1. The date "December 31, 2006" appearing in paragraph 2(a) shall be deleted in its entirety and the date "December 31, 2008" shall be substituted in its place.
2. No provision of the Employment Agreement shall override Section 6 of the Restricted Share Award Agreement or Section 5 of the Option Agreement, and accordingly any provision in the Employment Agreement relating to grants of restricted shares or options that otherwise would provide for an acceleration of vesting of the Restricted Shares or the Option upon Early Retirement of Executive will be deemed not to include the Restricted Shares or the Option.

This Amendment No. 2 is executed on May 10, 2006.

THE COMPANY:

THE E. W. SCRIPPS COMPANY

By: _____
 Name: _____
 Title: _____

EXECUTIVE:

 Kenneth W. Lowe

June 16, 2006

Mr. Richard A. Boehne
c/o The E. W. Scripps Company
312 Walnut Street
2800 Scripps Center
Cincinnati, OH 45202

Re: Employment Agreement

Dear Rich:

The E. W. Scripps Company (the "Company") agrees to employ you and you agree to accept such employment upon the following terms and conditions:

1. Term. Subject to the provisions for earlier termination provided in paragraph 10 below, the term of your employment hereunder shall become effective as of June 16, 2006 and shall continue through and until June 15, 2009. Such period shall be referred to as the "Term," notwithstanding any earlier termination of your employment for any reason. The Company shall provide you with at least ninety (90) days' notice prior to the expiration of the Term if the Company does not intend to continue to employ you beyond the expiration of the Term. If the Company does not provide you with such notice and the parties do not otherwise agree in writing to renew, extend, or replace this agreement, the Term shall automatically renew for one one-year term.

2. Duties. You will be the Executive Vice President and Chief Operating Officer of the Company, reporting to the President and Chief Executive Officer of the Company ("Reporting Senior"). You agree to devote substantially all your business time, and apply your best reasonable efforts, to promote the business and affairs of the Company and its affiliated companies during your employment. You will perform such duties and responsibilities commensurate with your position and title during the Term, and as may be reasonably assigned to you from time to time by your Reporting Senior. You shall not, without the prior written consent of the Company, directly or indirectly, during the Term, other than in the performance of duties naturally inherent to the businesses of the Company and in furtherance thereof, 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 interfere with the performance of your duties hereunder, you may serve as a director, trustee or officer of, or otherwise participate in, educational, welfare, social, religious, civic or trade organizations. Your principal place of business shall be in Cincinnati, OH.

3. Compensation.

(a) Annual Salary. For all the services rendered by you in any capacity under this Agreement, the Company agrees to pay you Six Hundred Fifty Thousand Dollars (\$650,000.00) a year in base salary ("Annual Salary"), less applicable deductions and withholding taxes, in accordance with the Company's payroll practices as they may exist from time to time during the Term. Your Annual Salary may be increased by the Company's Compensation Committee in conjunction with your annual performance review conducted pursuant to the guidelines and procedures of the Company applicable to similarly situated executives, but in no event shall your Annual Salary be less than the annual salary amount established under this paragraph 3(a) for the immediately previous calendar year.

(b) Bonus. You shall participate in the Company's executive bonus plan with a target bonus opportunity of 70% of your Annual Salary as established under paragraph 3(a) ("Bonus"). The Bonus amount actually paid shall be based on your attainment, within the range of the minimum and maximum performance objectives, of strategic and financial goals established for you by the Company and approved by the Company's Compensation Committee. If you are employed for only part of any calendar year during the Term, your Bonus will be prorated accordingly. The Company shall pay to you any Bonus under this paragraph 3(b) by no later than March 15 of the following calendar year.

(c) Long-Term Incentive Plans. During your employment hereunder, you shall be eligible to participate in all equity incentive plans of the Company, including but not limited to, the Company's 1997 Long-Term Incentive Plan, as amended, or any successor to such plan, applicable to similarly situated executives of the Company as shall be determined by the Company's Compensation Committee.

4. Benefits. During your employment hereunder, you shall be entitled to participate in any employee retirement, pension and welfare benefit plan or program available to similarly situated executives of the Company, or to the Company's employees generally, as such plans and 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, life insurance, short-term and long-term disability insurance plans, and all other plans that the Company may have or establish from time to time and in which you would be entitled to participate under the terms of the applicable plan. This provision is not intended, nor shall it have the effect of, reducing any benefit to which you were

entitled as of the effective date of this Agreement. However, this provision shall not be construed to require the Company to establish any welfare, compensation or long-term incentive plans, or to prevent the modification or termination of any plan once established, and no action or inaction with respect to any plan shall affect this Agreement. You shall be entitled to be reimbursed by the Company for tax and financial planning up to a maximum of \$15,000 per year, and for the annual membership fees and other dues associated with one luncheon club. In addition, the Company shall pay the costs of an annual "senior executive" physical examination. You shall be entitled to no less than five (5) weeks of PTO per calendar year.

5. Business Expenses. During your employment hereunder, the Company shall reimburse you for reasonable travel and other expenses incurred in the performance of your duties as are customarily reimbursed to similarly situated executives of the Company.

6. Entitlements in Event of Death. In the event of your death during your employment hereunder, your beneficiary or estate shall, for the one-year period following your death, receive payments equal to your Annual Salary. Also, your family members who are covered under a Company medical plan at the time of your death shall be entitled to receive commensurate medical coverage at the Company's expense throughout this same one-year period. In addition, your beneficiary or estate shall receive (i) any Bonus earned in the prior calendar year, but that has not yet been paid; and (ii) the amount equal to the target bonus opportunity described in paragraph 3(b) above, pro-rated to cover the time period commencing on January 1 of the calendar year of your death and ending one (1) year after your death. The payments reflected in 6(i) and (ii) above shall be payable, less applicable deductions and withholding taxes, by March 15th of the year immediately following the relevant calendar year. In addition, your beneficiary or estate shall be entitled to any vested benefits accrued and earned by you hereunder, in each case up to and including the date of your death. In the event of your death after the termination of your employment while you are entitled to receive compensation under paragraph 10(d), your beneficiary or estate shall receive any Annual Salary payable under paragraph 10(d)(i) up to the date on which the death occurs.

7. Entitlements in Event of Permanent Disability. In the event of your permanent disability during your employment hereunder (as defined under and covered by a Company employee disability plan), your employment shall immediately terminate. However, for the one-year period beginning on the date of such disability, you shall continue to receive payments equal to your Annual Salary. Also, your family members who are covered under a Company medical plan at the time of your permanent disability shall be entitled to receive commensurate medical coverage at the Company's expense for that same one-year period. In addition, you shall receive (i) any Bonus earned in the prior calendar year, but that has not yet been paid; and (ii) the amount equal to the target bonus opportunity described in

paragraph 3(b) above, pro-rated to cover the time period commencing on January 1 of the calendar year in which your permanent disability occurs and ending one (1) year after you become permanently disabled. The payments reflected in 7(i) and (ii) above shall be payable, less applicable deductions and withholding taxes, by March 15th of the year immediately following the relevant calendar year. In addition, you shall be entitled to any vested benefits accrued and earned by you hereunder, in each case up to and including the date of your permanent disability, and any amount payable to you pursuant to the applicable disability plan.

8. Change in Control Protections. You shall be included in and covered by the Company's Senior Executive Change in Control Plan, which is incorporated herein by reference. In the event that such plan is terminated or you are excluded from the plan for any reason during the Term, the Company agrees to promptly amend this Agreement so that you are similarly covered and eligible for the same benefits and protection thereunder.

9. Non-Competition, Confidential Information, Etc.

(a) Non-Competition. You agree that your employment with the Company is on an exclusive basis and that, while you are employed by the Company, you will not engage in any other business activity that would otherwise conflict with your duties and obligations (including your commitment of substantially all business time) under this Agreement. You agree that, during the Non-Compete Period (as defined below), you shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent you from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system. The Non-Compete Period shall cover the entire Term; provided, however, that, if your employment terminates before the end of the Term, the Non-Compete Period shall terminate, if earlier, (i) six (6) months after you terminate your employment for Good Reason or the Company terminates your employment without Cause, or on such earlier date as you may make the election under paragraph 9(i) (which relates to your ability to terminate your obligations under this paragraph 9(a) in exchange for waiving your right to certain compensation and benefits); or (ii) twelve (12) months after the Company terminates your employment for Cause. (Defined terms used without definitions in the preceding sentence have the meanings provided in paragraphs 10(a) and (b).)

(b) Confidential Information. You agree that, during the Term or at any time thereafter, (i) you shall not use for any purpose other than the duly authorized business of the Company, or disclose to any third party, any information relating to the Company or any of its affiliated companies which is proprietary to the Company

or any of its affiliated companies ("Confidential Information"), including any trade secret or any written (including in any electronic form) or oral communication incorporating Confidential Information in any way (except as may be required by law or in the performance of your duties under this Agreement consistent with the Company's policies); and (ii) you will comply with any and all confidentiality obligations of the Company to a third party, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information which (x) is or becomes generally available to the public other than as a result of a disclosure by you or at your direction or by any other person who directly or indirectly receives such information from you, or (y) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you.

(c) No Solicitation or Interference. You agree that, during the Term and for one (1) year thereafter, you shall not, directly or indirectly:

- (i) employ or solicit the employment of any person who is then or has been within six (6) months prior thereto, an employee of the Company or any of its affiliated companies; or
- (ii) interfere with, disturb or interrupt the relationships (whether or not such relationships have been reduced to formal contracts) of the Company or any of its affiliated companies with any customer, supplier or consultant.

(d) Ownership of Works. The results and proceeds of your services under this Agreement, including, without limitation, any works of authorship resulting from your services to the Company or any of its affiliates during your employment with the Company and/or any of its affiliated companies and any works in progress resulting from such services, shall be works-made-for-hire and the Company shall be deemed the sole owner throughout the universe of any and all rights of every nature in such works, whether such rights are now known or hereafter defined or discovered, with the right to use the works in perpetuity in any manner the Company determines in its sole discretion without any further payment to you. If, for any reason, any of such results and proceeds are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to the Company under the preceding sentence, then you hereby irrevocably assign and agree to assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, whether now known or hereafter defined or discovered, and the Company shall have the right to use the work in perpetuity throughout the universe in any manner the Company determines in its sole discretion without any further payment to you. You shall, as may be requested by the Company from time to time, do any and all things which the Company may deem useful or desirable to establish or document the Company's rights in any such results and proceeds, including, without limitation, the execution

of appropriate copyright, trademark and/or patent applications, assignments or similar documents and, if you are unavailable or unwilling to execute such documents, you hereby irrevocably designate your Reporting Senior or his designee as your attorney-in-fact with the power to execute such documents on your behalf. To the extent you have any rights in the results and proceeds of your services under this Agreement that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 9(d) is subject to, and does not limit, restrict, or constitute a waiver by the Company or any of its affiliated companies of any ownership rights to which the Company or any of its affiliated companies may be entitled by operation of law by virtue of being your employer.

(e) Litigation.

- (i) You agree that, during the Term, for one (1) year thereafter and, if longer, during the pendency of any litigation or other proceeding, and except as may be required by law or legal process, (x) you shall not communicate with anyone (other than your own attorneys and tax advisors), except to the extent necessary in the performance of your duties under this Agreement, with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving the Company or any of its affiliated companies, other than any litigation or other proceeding in which you are a party-in-opposition, without giving prior notice to the Company's General Counsel; and (y) in the event that any other party attempts to obtain information or documents from you with respect to such matter, either through formal legal process such as a subpoena or by informal means such as interviews, you shall promptly notify the Company's General Counsel before providing any information or documents.
- (ii) You agree to cooperate with the Company and its attorneys, both during and after the termination of your employment, in connection with any litigation or other proceeding arising out of or relating to matters in which you were involved prior to the termination of your employment. Your cooperation shall include, without limitation, providing assistance to the Company's counsel, experts or consultants, and providing truthful testimony in pretrial and trial or hearing proceedings. In the event that your cooperation is requested after the termination of your employment, the Company will (x) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (y) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses.

(iii) Except as required by law or legal process, you agree that you will not testify in any lawsuit or other proceeding which directly or indirectly involves the Company or any of its affiliated companies, or which may create the impression that such testimony is endorsed or approved by the Company or any of its affiliated companies. In all events, you shall give advance notice to the Company's General Counsel of such testimony promptly after you become aware that you may be required to provide it. The Company expressly reserves its attorney-client and other privileges except if expressly waived in writing.

(f) Return of Property. All documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with the Company or any of its affiliated companies shall remain the exclusive property of the Company. In the event of the termination of your employment for any reason, the Company reserves the right, to the extent permitted by law and in addition to any other remedy either may have, to deduct from any monies otherwise payable to you the following: (i) all amounts you may owe to the Company or any of its affiliated companies at the time of or subsequent to the termination of your employment with the Company; and (ii) the value of the Company property which you retain in your possession after the termination of your employment with the Company. In the event that the law of any state or other jurisdiction requires the consent of an employee for such deductions, this Agreement shall serve as such consent.

(g) Non-Disparagement. During the Term hereof and for one (1) year following the termination hereof for any reason, you shall not make, nor cause any one else to make or cause on your behalf, any public disparaging or derogatory statements or comments regarding the Company or its affiliated companies, or its officers or directors; likewise the Company will not make, nor cause any one else to make, any public disparaging or derogatory statements or comments regarding you.

(h) Injunctive Relief. The Company has entered into this Agreement in order to obtain the benefit of your unique skills, talent, and experience. You and the Company acknowledge and agree that your violation of paragraphs 9(a) through (h) of this Agreement may result in irreparable damage to the Company and/or its affiliated companies and, accordingly, the Company may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to the Company.

(i) Survival; Modification of Terms. The obligations set forth under paragraphs 9(a) through (i) shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment under this Agreement for any reason or the expiration of the Term; provided, however, that your

obligations under paragraph 9(a) (but not under any other provision of this Agreement) shall cease if you terminate your employment for Good Reason or the Company terminates your employment without Cause and you notify the Company in writing that you have elected to waive your right to receive, or to continue to receive, termination payments and benefits under paragraphs 10(d)(i) through (iv). You and the Company agree that the restrictions and remedies contained in paragraphs 9(a) through (h) are reasonable and that it is your intention and the intention of the Company that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If a court of competent jurisdiction shall find that any such restriction or remedy is unenforceable but would be enforceable if some part were deleted or the period or area of application reduced, then such restriction or remedy shall apply with the modification necessary to make it enforceable.

10. Termination.

(a) Termination for Cause. The Company may, at its option, terminate your employment under this Agreement for Cause and thereafter shall have no obligations under this Agreement, including, without limitation, any obligation to pay Annual Salary or Bonus or provide benefits. "Cause" shall mean exclusively: (i) embezzlement, fraud or other conduct that would constitute a felony; (ii) willful unauthorized disclosure of Confidential Information; (iii) your material breach of this Agreement; (iv) your gross misconduct or gross neglect in the performance of your duties hereunder; (v) your willful failure to cooperate with a bona fide internal investigation or investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other material reasonably known to be relevant to such an investigation, or the willful inducement of others to fail to cooperate or to destroy or fail to produce documents or other material; or (vi) your willful and material violation of the Company's written conduct policies, including but not limited to the Company's Employment Handbook and Ethics Code. The Company will give you written notice prior to terminating your employment pursuant to (iii), (iv), (v), or (vi), of this paragraph 10(a), setting forth the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, you shall have twenty (20) business days from the giving of such notice within which to cure any failure, breach or refusal under (iii), (iv), (v), or (vi) of this paragraph 10(a); provided, however, that, if the Company reasonably expects irreparable injury from a delay of twenty (20) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances.

(b) Good Reason Termination. You may terminate your employment under this Agreement for Good Reason at any time during the Term by written notice to the

Company no more than thirty (30) days after the occurrence of the event constituting Good Reason. Such notice shall state an effective date no earlier than thirty (30) business days after the date it is given. The Company shall have ten (10) business days from the giving of such notice within which to cure and, in the event of such cure, your notice shall be of no further force or effect. Good Reason shall mean without your consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with your Permanent Disability) exclusively: (i) the assignment to you of duties or responsibilities substantially inconsistent with your position(s) or duties; (ii) the withdrawal of material portions of your duties described in paragraph 2; (iii) the relocation of your position outside the Cincinnati, OH metropolitan area; (iv) the material breach by the Company of this Agreement; or (v) the failure of any successor to all or substantially all of the Company's assets to assume the Company's obligations under this Agreement.

(c) Termination Without Cause. The Company may terminate your employment under this Agreement without Cause or at any time during the Term by written notice to you.

(d) Termination Payments/Benefits. In the event that your employment terminates under paragraph 10(b) or (c), you shall thereafter receive through the end of the Term, less applicable deductions and withholding taxes:

- (i) payments equal to your Annual Salary, as in effect on the date on which your employment terminates, paid in accordance with the Company's then effective payroll practices;
- (ii) payments equal to your target bonus opportunity, as in effect on the date on which your employment terminates, paid in accordance with the Company's then effective bonus payment practices;
- (iii) medical and dental insurance coverage provided under COBRA at no cost to you (except as hereafter described) pursuant to the plans then covering the employees of the Company (until the end of the Term or, if earlier, the date on which you become eligible for medical and dental coverage from a third party); provided, that, during the period that the Company provides you with this coverage, an amount equal to the applicable COBRA premiums (or such other amounts as may be required by law) will be included in your income for tax purposes to the extent required by law and the Company may withhold taxes from your compensation for this purpose; and provided, further, that you may elect to continue your medical and dental insurance coverage under COBRA at your own expense for the balance, if any, of the period required by law; and

- (iv) life insurance coverage pursuant to the policy then covering the employees of the Company in the amount then furnished to the Company employees at no cost (the amount of such coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third party employer).

Notwithstanding the foregoing, in the event your employment is terminated pursuant to paragraphs 10(b) or (c) with less than eighteen (18) months remaining in the Term, you will be entitled to the benefits described in paragraphs 10(d)(i) – (iv) for a period of eighteen (18) months following the effective date of termination. You understand and agree that notice given by the Company in accordance with paragraph 1 that it does not intend to continue to employ you beyond the expiration of the Term does not constitute termination pursuant to paragraph 10(c).

(e) Termination of Benefits. Notwithstanding anything in this Agreement to the contrary (except as otherwise provided in paragraph 10(d) with respect to medical and dental benefits and life insurance), participation in all the Company benefit plans and programs will terminate upon the termination of your employment except to the extent otherwise expressly provided in such plans or programs and subject to any vested rights you may have under the terms of such plans or programs.

(f) Resignation from Official Positions. If your employment with the Company terminates for any reason, you shall be deemed to have resigned at that time from any and all officer or director positions that you may have held with the Company or any of its affiliated companies and all board seats or other positions in other entities you held on behalf of the Company. If, for any reason, this paragraph 10(f) is deemed insufficient to effectuate such resignation, you agree to execute, upon the request of the Company, any documents or instruments which the Company may deem necessary or desirable to effectuate such resignation or resignations, and you hereby authorize the Secretary and any Assistant Secretary of the Company to execute any such documents or instruments as your attorney-in-fact.

11. Severance Contingent On Release, Waiver and Non-Compete Agreement. If, pursuant to paragraph 1, the Company gives proper notice that it does not intend to employ you beyond the expiration of the Term, and your employment hereunder ends as a result, if you execute and do not later revoke or materially violate the Release, Waiver and Non-Compete Agreement in a form materially similar to the document attached hereto as Exhibit A, you will be entitled to the benefits described in paragraphs 10(d)(i) – (iv) for a period of twelve (12) months following the end of your employment.

12. Company's Policies. You agree that, during your employment hereunder, you will comply with all of the Company's written policies, including, but not limited to, the Company's Employee Handbook and Ethic Code.

13. Indemnification; D&O Liability Insurance. If you are made a party to, are threatened to be made a party to, receive any legal process in, or receive 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 you were an officer, director, employee, or agent of the Company or any of its affiliated companies, or were serving at the request of or on behalf of the Company or any of its affiliated companies, the Company shall indemnify and hold you harmless 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 all costs, expenses, liabilities and losses you incur in connection therewith. Such indemnification shall continue even if you have ceased to be an officer, director, employee or agent of the Company or any of its affiliated companies, and shall inure to the benefit of your heirs, executors and administrators. The Company shall reimburse you for all costs and expenses you incur in connection with any Proceeding within 20 business days after receipt by the Company of a written requests for such reimbursement and appropriate documentation associated with such expenses. In addition, the Company agrees to maintain a director's and officer's liability insurance policy or policies covering you at a level and on terms and conditions commensurate to the coverage the Company provides other similarly situated executives of the Company.

14. Notices. All notices under this Agreement must be given in writing, by personal delivery facsimile or by mail, if to you, to the address shown on this Agreement (or any other address designated in writing by you), with a copy to any other person you designate in writing, and, if to the Company, to the address shown on this Agreement (or any other address designated in writing by the Company), with a copy, to the attention of the Company's General Counsel. Any notice given by mail shall be deemed to have been given three days following such mailing.

15. Assignment. This is an Agreement for the performance of personal services by you and may not be assigned by you or the Company except that the Company may assign this Agreement to any affiliated company of or any successor-in-interest to the Company.

16. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio.

17. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on the Company or you to renew this Agreement or any portion thereof. The parties intend to be bound only upon execution of a written

agreement and no negotiation, exchange of draft or partial performance shall be deemed to imply an agreement. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of the Term.

18. Entire Understanding. Except where specifically stated otherwise herein, this Agreement contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement, and can be changed only by a writing signed by both parties.

19. Void Provisions. If any provision of this Agreement, as applied to either party or to any circumstances, shall be found by a court of competent jurisdiction to be unenforceable but would be enforceable if some part were deleted or the period or area of application were reduced, then such provision shall apply with the modification necessary to make it enforceable, and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

20. Supersedes Prior Agreements. With respect to the period covered by the Term, this Agreement supersedes and cancels all prior agreements relating to your employment by the Company or any of its affiliated companies.

21. Deductions and Withholdings, Payment of Deferred Compensation. All amounts payable under this Agreement shall be paid less deductions and income and payroll tax withholdings as may be required under applicable law and any property (including shares of the Company's Class A Common Stock), benefits and perquisites provided to you under this Agreement shall be taxable to you as may be required under applicable law. Notwithstanding any other provisions of this Agreement to the contrary, no payment for any restricted shares or distribution of any other deferred compensation shall be made sooner than the earliest date permitted under the provisions of the Internal Revenue Code or the rules or regulations promulgated thereunder, as in effect on the date of such payment, in order for such payment to be taxable at the time of the distribution thereof without imposition of penalty taxes under the American Jobs Creation Act of 2004.

Richard A. Boehne
June 16, 2006
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If the foregoing correctly sets forth our understanding, please sign, date and return all three (3) copies of this Agreement to the undersigned for execution on behalf of the Company; after this Agreement has been executed by the Company and a fully-executed copy returned to you, it shall constitute a binding agreement between us.

Sincerely yours,

THE E. W. SCRIPPS COMPANY

By: _____
Name: _____
Title: _____

ACCEPTED AND AGREED:

Richard A. Boehne
Dated: _____

RELEASE, WAIVER AND NON-COMPETE AGREEMENT

This Release, Waiver and Non-Compete Agreement (the "Agreement") is entered by and between Richard A. Boehne (the "Executive") and The E. W. Scripps Company (the "Company").

WITNESSETH:

WHEREAS, the Company and Executive entered into that certain Employment Agreement dated June 16, 2006 (the "Employment Agreement");

WHEREAS, paragraph 11 of the Employment Agreement specifically provides that, "[i]f, pursuant to paragraph 1, the Company gives proper notice that it does not intend to employ [Executive] beyond the expiration of the Term, and [Executive's] employment hereunder ends as a result, if [Executive] execute[s] and do[es] not later revoke or materially violate the Release and Waiver Agreement in a form materially similar to the document attached hereto as Exhibit A ..., [Executive] will be entitled to the benefits described in paragraphs 10(d)(i) – (iv) for a period of twelve (12) months following the end of [Executive's] employment";

WHEREAS, the Company and Executive desire to enter into this Agreement to give effect to the foregoing, and to agree on and/or reaffirm certain rights, obligations and understandings that shall survive the Employment Agreement; and

NOW, THEREFORE, in consideration of the mutual promises contained herein and in the Employment Agreement and other valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Reference and Definitions. The Employment Agreement shall be incorporated herein for reference, but only to the extent specifically called for hereunder. The capitalized terms contained in this Agreement shall, to the extent they are the same as those used in the Employment Agreement, shall carry the same meaning as in the Employment Agreement.

2. **Severance and Other Benefits.** In consideration for Executive executing and not revoking or materially violating this Agreement and for his/her compliance with its terms and those certain Covenants that shall survive the Employment Agreement specified in paragraph 5 below, the Company shall provide the following benefits to Executive, less any applicable deductions and withholding taxes, for the twelve (12) months immediately following the expiration of his employment:

- (i) payments equal to Executive's Annual Salary, as in effect on the date on which his employment expires, paid in accordance with the Company's then effective payroll practices;
- (ii) payments equal to Executive's target bonus opportunity, as in effect on the date on which his employment expires, paid in accordance with the Company's then effective bonus payment practices;
- (iii) medical and dental insurance coverage provided under COBRA at no cost to Executive (except as hereafter described) pursuant to the plans then covering the employees of the Company; provided, that, during the period that the Company provides Executive with this coverage, an amount equal to the applicable COBRA premiums (or such other amounts as may be required by law) will be included in his income for tax purposes to the extent required by law and the Company may withhold taxes from Executive's compensation for this purpose; and provided, further, that Executive may elect to continue his medical and dental insurance coverage under COBRA at his own expense for the balance, if any, of the period required by law; and
- (iv) life insurance coverage pursuant to the policy then covering the employees of the Company in the amount then furnished to the Company employees at no cost (the amount of such coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third-party employer).

3. General Release and Waiver of Claims. In exchange for and in consideration of the benefits described and set forth in paragraph 2 above, Executive, on behalf of himself/herself and his/her successors, assigns, heirs, executors, and administrators, hereby releases and forever discharges the Company and its parents, affiliates, associated entities, representatives, successors and assigns, and their officers, directors, shareholders, agents and employees from all liability, claims and demands, actions and causes of action, damages, costs, payments and expenses of every kind, nature or description arising out of his/her employment relationship with the Company, or the ending of his/her employment on _____, 200_. These claims, demands, actions or causes of action include, but are not limited to, actions sounding in contract, tort, discrimination of any kind, and causes of action or claims arising under federal, state, or local laws, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act of 1990, the Americans With Disabilities Act, and any similar state or local laws. Executive further agrees that Executive will neither seek nor accept any further benefit or consideration from any source whatsoever in respect to any claims which Executive has asserted or could have asserted against the Company. Executive represents to his/her knowledge neither Executive nor any person or entity acting on Executive's behalf or with Executive's authority has asserted with any federal, state, or local judicial or administrative body any claim of any kind based on or arising out of any aspect of Executive's employment with the Company or the ending of that employment. If Executive, or any person or entity representing Executive, or any federal, state, or local agency, assert any such claim, this Release and Waiver Agreement will act as a total and complete bar to recovery of any judgment, award, damages, or remedy of any kind.,

4. No Admission of Liability. It is understood and agreed that this Agreement is a compromise of any alleged claims and that the making of this offer, the entering into of this Agreement, and the benefits paid to Executive are not to be construed as an admission of liability on the part of the Company, and that all liability is expressly denied by the Company.

5. Non-Compete. In exchange for and in consideration of the benefits described and set forth in paragraph 2 above Executive agrees that, for the twelve (12) months following the effective date hereof, he/she shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent Executive from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system.

6. SURVIVING COVENANTS. EXECUTIVE AND THE COMPANY HEREBY ACKNOWLEDGE AND AFFIRM, TO THE EXTENT APPLICABLE, THEIR RESPECTIVE CONTINUING OBLIGATIONS WITH RESPECT TO THOSE CERTAIN COVENANTS CONTAINED IN THE EMPLOYMENT AGREEMENT, WHICH ARE INCORPORATED HEREIN BY REFERENCE, SPECIFICALLY: SECTION 9(B) CONFIDENTIAL INFORMATION; SECTION 9(C) NO SOLICITATION OR INTERFERENCE; SECTION 9(E) LITIGATION; AND SECTION 9(G) NON-DISPARAGEMENT.

7. Return of Property. Executive agrees to return, as soon as practicable and no later than three (3) business days after his/her execution hereof, any and all property, including duplicates or copies thereof, belonging to the Company, including, but not limited to: keys, security cards, documents, equipment, supplies, customer lists, customer information, and confidential information.

8. Business Expense Reports and Reconciliation of Company Charge Card Expenses. Executive agrees that the severance pay defined in paragraph 2 above shall not be paid until Executive submits all required business expense reports, if any, and pays for any and all non-business charges on the Company's charge card or otherwise for which he/she is personally responsible.

9. Severability/Waivers. Executive agrees that if any provision of this Agreement shall be held invalid or unenforceable, that such provision shall be modified to the extent necessary to comply with the law, or if necessary stricken, but the parties agree that the remainder of this Agreement shall nevertheless remain in full force and effect. No waiver of any term or condition of this Agreement or any part thereof shall be deemed a waiver of any other terms or conditions of this Agreement or of any later breach of this Agreement.

10. Confidentiality. The terms of this Agreement shall remain confidential, and neither Executive nor the Company will publish or publicize the terms of this Agreement in any manner, unless specifically required to do so by valid law or regulatory requirement, which, in such case, the disclosing party shall provide the other party reasonable advance notice. Executive shall not discuss or reveal the terms of this Agreement to any persons other than his/her immediate family, personal attorney, and financial advisors.

11. 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/her heirs, personal representatives and successors and assigns. Except to the extent specifically provided for in paragraphs 1 and 5 above, upon its execution, this Agreement shall supersede and render null and void any and all previous agreements, arrangements, or understandings between you and the Company pertaining to Executive's employment with the Company, including, but not limited to the Employment Agreement.

12. Notices. Notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by certified mail, postage prepaid, addressed to the intended recipient at the address set forth below, or at such other address as such intended recipient hereafter may have designated most recently to the other party hereto with specific reference to this Section.

If to the Company: The E. W. Scripps Company
28th Floor
312 Walnut Street
Cincinnati, Ohio 45202
Attn: Jennifer Weber, Senior Vice President, Human Resources
A.B. Cruz III, Senior Vice President & General Counsel

If to Executive:

13. Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the laws of the State of Ohio. The Parties agree that any conflict of law rule that might require reference to the laws of some jurisdiction other than Ohio shall be disregarded. Each Party hereby agrees for itself and its properties that the courts sitting in Hamilton County, Ohio shall have sole and exclusive jurisdiction and venue over any matter arising out of or relating to this Agreement, or from the relationship of the Parties, or from the Executive's employment with the Company, or from the termination of the Executive's employment with the Company, whether arising from contract, tort, statute, or otherwise, and hereby submits itself and its property to the venue and jurisdiction of such courts.

14. Revocation Period. Executive agrees that Executive has read this Agreement and is hereby advised and fully understands his/her right to discuss all aspects of this Agreement with Executive's attorney prior to signing this Agreement. Executive has carefully read and fully understands all of the provisions of this Agreement. Executive acknowledges that he/she has been given at least twenty-one (21) days to discuss, review, and consider all of the terms, conditions, and covenants of this Agreement. Executive understands that this Agreement does not become effective or enforceable until seven (7) days after it has been executed by Executive. During the seven-day period following its execution, Executive may revoke this Agreement in its entirety by providing written revocation to the Company by notice to the Company pursuant to Section 12, in which case this Agreement shall be on no further legal force or effect.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the date(s) specified below.

Executive's Name (Please Print)

THE E. W. SCRIPPS COMPANY

Employee's Signature (Date)

By: _____

Witness's Name (Please Print)

Its: _____

Witness's Signature (Date)

Date: _____

June 16, 2006

Mr. Joseph G. NeCastro
c/o The E. W. Scripps Company
312 Walnut Street
2800 Scripps Center
Cincinnati, OH 45202

Re: Employment Agreement

Dear Joe:

The E. W. Scripps Company (the "Company") agrees to employ you and you agree to accept such employment upon the following terms and conditions:

1. Term. Subject to the provisions for earlier termination provided in paragraph 10 below, the term of your employment hereunder shall become effective as of June 16, 2006 and shall continue through and until June 15, 2009. Such period shall be referred to as the "Term," notwithstanding any earlier termination of your employment for any reason. The Company shall provide you with at least ninety (90) days' notice prior to the expiration of the Term if the Company does not intend to continue to employ you beyond the expiration of the Term. If the Company does not provide you with such notice and the parties do not otherwise agree in writing to renew, extend, or replace this agreement, the Term shall automatically renew for one one-year term.

2. Duties. You will be the Executive Vice President and Chief Financial Officer of the Company, reporting to the President and Chief Executive Officer of the Company ("Reporting Senior"). You agree to devote substantially all your business time, and apply your best reasonable efforts, to promote the business and affairs of the Company and its affiliated companies during your employment. You will perform such duties and responsibilities commensurate with your position and title during the Term, and as may be reasonably assigned to you from time to time by your Reporting Senior. You shall not, without the prior written consent of the Company, directly or indirectly, during the Term, other than in the performance of duties naturally inherent to the businesses of the Company and in furtherance thereof, 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 interfere with the performance of your duties hereunder,

you may serve as a director, trustee or officer of, or otherwise participate in, educational, welfare, social, religious, civic or trade organizations. Your principal place of business shall be in Cincinnati, OH.

3. Compensation.

(a) Annual Salary. For all the services rendered by you in any capacity under this Agreement, the Company agrees to pay you Five Hundred Fifty Thousand Dollars (\$550,000.00) a year in base salary ("Annual Salary"), less applicable deductions and withholding taxes, in accordance with the Company's payroll practices as they may exist from time to time during the Term. Your Annual Salary may be increased by the Company's Compensation Committee in conjunction with your annual performance review conducted pursuant to the guidelines and procedures of the Company applicable to similarly situated executives, but in no event shall your Annual Salary be less than the annual salary amount established under this paragraph 3(a) for the immediately previous calendar year.

(b) Bonus. You shall participate in the Company's executive bonus plan with a target bonus opportunity of 60% of your Annual Salary as established under paragraph 3(a) ("Bonus"). The Bonus amount actually paid shall be based on your attainment, within the range of the minimum and maximum performance objectives, of strategic and financial goals established for you by the Company and approved by the Company's Compensation Committee. If you are employed for only part of any calendar year during the Term, your Bonus will be prorated accordingly. The Company shall pay to you any Bonus under this paragraph 3(b) by no later than March 15 of the following calendar year.

(c) Long-Term Incentive Plans. During your employment hereunder, you shall be eligible to participate in all equity incentive plans of the Company, including but not limited to, the Company's 1997 Long-Term Incentive Plan, as amended, or any successor to such plan, applicable to similarly situated executives of the Company as shall be determined by the Company's Compensation Committee.

4. Benefits. During your employment hereunder, you shall be entitled to participate in any employee retirement, pension and welfare benefit plan or program available to similarly situated executives of the Company, or to the Company's employees generally, as such plans and 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, life insurance, short-term and long-term disability insurance plans, and all other plans that the Company may have or establish from time to time and in which you would be entitled to participate under the terms of the applicable plan. This provision is not intended, nor shall it have the effect of, reducing any benefit to which you were entitled as of the effective date of this Agreement. However, this provision shall

not be construed to require the Company to establish any welfare, compensation or long-term incentive plans, or to prevent the modification or termination of any plan once established, and no action or inaction with respect to any plan shall affect this Agreement. You shall be entitled to be reimbursed by the Company for tax and financial planning up to a maximum of \$15,000 per year, and for the annual membership fees and other dues associated with one luncheon club. In addition, the Company shall pay the costs of an annual "senior executive" physical examination. You shall be entitled to no less than five (5) weeks of PTO per calendar year.

5. Business Expenses. During your employment hereunder, the Company shall reimburse you for reasonable travel and other expenses incurred in the performance of your duties as are customarily reimbursed to similarly situated executives of the Company.

6. Entitlements in Event of Death. In the event of your death during your employment hereunder, your beneficiary or estate shall, for the one-year period following your death, receive payments equal to your Annual Salary. Also, your family members who are covered under a Company medical plan at the time of your death shall be entitled to receive commensurate medical coverage at the Company's expense throughout this same one-year period. In addition, your beneficiary or estate shall receive (i) any Bonus earned in the prior calendar year, but that has not yet been paid; and (ii) the amount equal to the target bonus opportunity described in paragraph 3(b) above, pro-rated to cover the time period commencing on January 1 of the calendar year of your death and ending one (1) year after your death. The payments reflected in 6(i) and (ii) above shall be payable, less applicable deductions and withholding taxes, by March 15th of the year immediately following the relevant calendar year. In addition, your beneficiary or estate shall be entitled to any vested benefits accrued and earned by you hereunder, in each case up to and including the date of your death. Also, in the event of your death during employment, any remaining principal and interest you owe to the Company under that certain loan agreement entered into by you and the Company on or about May 2, 2002 shall be forgiven and such loan agreement terminated, it being understood, however, that the foregoing shall apply only if such loan agreement is not amended or revised in any material respect after the effective date hereof. In the event of your death after the termination of your employment while you are entitled to receive compensation under paragraph 10(d), your beneficiary or estate shall receive any Annual Salary payable under paragraph 10(d)(i) up to the date on which the death occurs.

7. Entitlements in Event of Permanent Disability. In the event of your permanent disability during your employment hereunder (as defined under and covered by a Company employee disability plan), your employment shall immediately terminate. However, for the one-year period beginning on the date of such disability, you shall continue to receive payments equal to your Annual Salary.

Also, your family members who are covered under a Company medical plan at the time of your permanent disability shall be entitled to receive commensurate medical coverage at the Company's expense for that same one-year period. In addition, you shall receive (i) any Bonus earned in the prior calendar year, but that has not yet been paid; and (ii) the amount equal to the target bonus opportunity described in paragraph 3(b) above, pro-rated to cover the time period commencing on January 1 of the calendar year in which your permanent disability occurs and ending one (1) year after you become permanently disabled. The payments reflected in 7(i) and (ii) above shall be payable, less applicable deductions and withholding taxes, by March 15th of the year immediately following the relevant calendar year. In addition, you shall be entitled to any vested benefits accrued and earned by you hereunder, in each case up to and including the date of your permanent disability, and any amount payable to you pursuant to the applicable disability plan. Also, in the event of your permanent disability, any remaining principal and interest you owe to the Company under that certain loan agreement entered into by you and the Company on or about May 2, 2002 shall be forgiven and such loan agreement terminated, it being understood, however, that the foregoing shall apply only if such loan agreement is not amended or revised in any material respect after the effective date hereof.

8. Change in Control Protections. You shall be included in and covered by the Company's Senior Executive Change in Control Plan, which is incorporated herein by reference. In the event that such plan is terminated or you are excluded from the plan for any reason during the Term, the Company agrees to promptly amend this Agreement so that you are similarly covered and eligible for the same benefits and protection thereunder.

9. Non-Competition, Confidential Information, Etc.

(a) Non-Competition. You agree that your employment with the Company is on an exclusive basis and that, while you are employed by the Company, you will not engage in any other business activity that would otherwise conflict with your duties and obligations (including your commitment of substantially all business time) under this Agreement. You agree that, during the Non-Compete Period (as defined below), you shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent you from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system. The Non-Compete Period shall cover the entire Term; provided, however, that, if your employment terminates before the end of the Term, the Non-Compete Period shall terminate, if earlier, (i) six (6) months after you terminate your employment for Good Reason or the Company terminates your employment without Cause, or on such earlier date as you may make the election under

paragraph 9(i) (which relates to your ability to terminate your obligations under this paragraph 9(a) in exchange for waiving your right to certain compensation and benefits); or (ii) twelve (12) months after the Company terminates your employment for Cause. (Defined terms used without definitions in the preceding sentence have the meanings provided in paragraphs 10(a) and (b).)

(b) Confidential Information. You agree that, during the Term or at any time thereafter, (i) you shall not use for any purpose other than the duly authorized business of the Company, or disclose to any third party, any information relating to the Company or any of its affiliated companies which is proprietary to the Company or any of its affiliated companies ("Confidential Information"), including any trade secret or any written (including in any electronic form) or oral communication incorporating Confidential Information in any way (except as may be required by law or in the performance of your duties under this Agreement consistent with the Company's policies); and (ii) you will comply with any and all confidentiality obligations of the Company to a third party, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information which (x) is or becomes generally available to the public other than as a result of a disclosure by you or at your direction or by any other person who directly or indirectly receives such information from you, or (y) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you.

(c) No Solicitation or Interference. You agree that, during the Term and for one (1) year thereafter, you shall not, directly or indirectly:

- (i) employ or solicit the employment of any person who is then or has been within six (6) months prior thereto, an employee of the Company or any of its affiliated companies; or
- (ii) interfere with, disturb or interrupt the relationships (whether or not such relationships have been reduced to formal contracts) of the Company or any of its affiliated companies with any customer, supplier or consultant.

(d) Ownership of Works. The results and proceeds of your services under this Agreement, including, without limitation, any works of authorship resulting from your services to the Company or any of its affiliates during your employment with the Company and/or any of its affiliated companies and any works in progress resulting from such services, shall be works-made-for-hire and the Company shall be deemed the sole owner throughout the universe of any and all rights of every nature in such works, whether such rights are now known or hereafter defined or discovered, with the right to use the works in perpetuity in any manner the Company determines in its sole discretion without any further payment to you. If, for any reason, any of such results and proceeds are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not

accrue to the Company under the preceding sentence, then you hereby irrevocably assign and agree to assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, whether now known or hereafter defined or discovered, and the Company shall have the right to use the work in perpetuity throughout the universe in any manner the Company determines in its sole discretion without any further payment to you. You shall, as may be requested by the Company from time to time, do any and all things which the Company may deem useful or desirable to establish or document the Company's rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents and, if you are unavailable or unwilling to execute such documents, you hereby irrevocably designate your Reporting Senior or his designee as your attorney-in-fact with the power to execute such documents on your behalf. To the extent you have any rights in the results and proceeds of your services under this Agreement that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 9(d) is subject to, and does not limit, restrict, or constitute a waiver by the Company or any of its affiliated companies of any ownership rights to which the Company or any of its affiliated companies may be entitled by operation of law by virtue of being your employer.

(e) Litigation.

- (i) You agree that, during the Term, for one (1) year thereafter and, if longer, during the pendency of any litigation or other proceeding, and except as may be required by law or legal process, (x) you shall not communicate with anyone (other than your own attorneys and tax advisors), except to the extent necessary in the performance of your duties under this Agreement, with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving the Company or any of its affiliated companies, other than any litigation or other proceeding in which you are a party-in-opposition, without giving prior notice to the Company's General Counsel; and (y) in the event that any other party attempts to obtain information or documents from you with respect to such matter, either through formal legal process such as a subpoena or by informal means such as interviews, you shall promptly notify the Company's General Counsel before providing any information or documents.
- (ii) You agree to cooperate with the Company and its attorneys, both during and after the termination of your employment, in connection with any litigation or other proceeding arising out of or relating to matters in which you were involved prior to the termination of your employment.

Your cooperation shall include, without limitation, providing assistance to the Company's counsel, experts or consultants, and providing truthful testimony in pretrial and trial or hearing proceedings. In the event that your cooperation is requested after the termination of your employment, the Company will (x) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (y) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses.

- (iii) Except as required by law or legal process, you agree that you will not testify in any lawsuit or other proceeding which directly or indirectly involves the Company or any of its affiliated companies, or which may create the impression that such testimony is endorsed or approved by the Company or any of its affiliated companies. In all events, you shall give advance notice to the Company's General Counsel of such testimony promptly after you become aware that you may be required to provide it. The Company expressly reserves its attorney-client and other privileges except if expressly waived in writing.

(f) Return of Property. All documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with the Company or any of its affiliated companies shall remain the exclusive property of the Company. In the event of the termination of your employment for any reason, the Company reserves the right, to the extent permitted by law and in addition to any other remedy either may have, to deduct from any monies otherwise payable to you the following: (i) all amounts you may owe to the Company or any of its affiliated companies at the time of or subsequent to the termination of your employment with the Company; and (ii) the value of the Company property which you retain in your possession after the termination of your employment with the Company. In the event that the law of any state or other jurisdiction requires the consent of an employee for such deductions, this Agreement shall serve as such consent.

(g) Non-Disparagement. During the Term hereof and for one (1) year following the termination hereof for any reason, you shall not make, nor cause any one else to make or cause on your behalf, any public disparaging or derogatory statements or comments regarding the Company or its affiliated companies, or its officers or directors; likewise the Company will not make, nor cause any one else to make, any public disparaging or derogatory statements or comments regarding you.

(h) Injunctive Relief. The Company has entered into this Agreement in order to obtain the benefit of your unique skills, talent, and experience. You and the

Company acknowledge and agree that your violation of paragraphs 9(a) through (h) of this Agreement may result in irreparable damage to the Company and/or its affiliated companies and, accordingly, the Company may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to the Company.

- (i) Survival; Modification of Terms. The obligations set forth under paragraphs 9(a) through (i) shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment under this Agreement for any reason or the expiration of the Term; provided, however, that your obligations under paragraph 9(a) (but not under any other provision of this Agreement) shall cease if you terminate your employment for Good Reason or the Company terminates your employment without Cause and you notify the Company in writing that you have elected to waive your right to receive, or to continue to receive, termination payments and benefits under paragraphs 10(d)(i) through (iv). You and the Company agree that the restrictions and remedies contained in paragraphs 9(a) through (h) are reasonable and that it is your intention and the intention of the Company that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If a court of competent jurisdiction shall find that any such restriction or remedy is unenforceable but would be enforceable if some part were deleted or the period or area of application reduced, then such restriction or remedy shall apply with the modification necessary to make it enforceable.

10. Termination.

(a) Termination for Cause. The Company may, at its option, terminate your employment under this Agreement for Cause and thereafter shall have no obligations under this Agreement, including, without limitation, any obligation to pay Annual Salary or Bonus or provide benefits. "Cause" shall mean exclusively: (i) embezzlement, fraud or other conduct that would constitute a felony; (ii) willful unauthorized disclosure of Confidential Information; (iii) your material breach of this Agreement; (iv) your gross misconduct or gross neglect in the performance of your duties hereunder; (v) your willful failure to cooperate with a bona fide internal investigation or investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other material reasonably known to be relevant to such an investigation, or the willful inducement of others to fail to cooperate or to destroy or fail to produce documents or other material; or (vi) your willful and material violation of the Company's written conduct policies, including but not limited to the Company's Employment Handbook and Ethics Code. The Company will give you written notice prior to terminating your employment pursuant to (iii), (iv), (v), or

(vi), of this paragraph 10(a), setting forth the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, you shall have twenty (20) business days from the giving of such notice within which to cure any failure, breach or refusal under (iii), (iv), (v), or (vi) of this paragraph 10(a); provided, however, that, if the Company reasonably expects irreparable injury from a delay of twenty (20) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances.

(b) Good Reason Termination. You may terminate your employment under this Agreement for Good Reason at any time during the Term by written notice to the Company no more than thirty (30) days after the occurrence of the event constituting Good Reason. Such notice shall state an effective date no earlier than thirty (30) business days after the date it is given. The Company shall have ten (10) business days from the giving of such notice within which to cure and, in the event of such cure, your notice shall be of no further force or effect. Good Reason shall mean without your consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with your Permanent Disability) exclusively: (i) the assignment to you of duties or responsibilities substantially inconsistent with your position(s) or duties; (ii) the withdrawal of material portions of your duties described in paragraph 2; (iii) the relocation of your position outside the Cincinnati, OH metropolitan area; (iv) the material breach by the Company of this Agreement; or (v) the failure of any successor to all or substantially all of the Company's assets to assume the Company's obligations under this Agreement.

(c) Termination Without Cause. The Company may terminate your employment under this Agreement without Cause or at any time during the Term by written notice to you.

(d) Termination Payments/Benefits. In the event that your employment terminates under paragraph 10(b) or (c), you shall thereafter receive through the end of the Term, less applicable deductions and withholding taxes:

- (i) payments equal to your Annual Salary, as in effect on the date on which your employment terminates, paid in accordance with the Company's then effective payroll practices;
- (ii) payments equal to your target bonus opportunity, as in effect on the date on which your employment terminates, paid in accordance with the Company's then effective bonus payment practices;

- (iii) medical and dental insurance coverage provided under COBRA at no cost to you (except as hereafter described) pursuant to the plans then covering the employees of the Company (until the end of the Term or, if earlier, the date on which you become eligible for medical and dental coverage from a third party); provided, that, during the period that the Company provides you with this coverage, an amount equal to the applicable COBRA premiums (or such other amounts as may be required by law) will be included in your income for tax purposes to the extent required by law and the Company may withhold taxes from your compensation for this purpose; and provided, further, that you may elect to continue your medical and dental insurance coverage under COBRA at your own expense for the balance, if any, of the period required by law; and
- (iv) life insurance coverage pursuant to the policy then covering the employees of the Company in the amount then furnished to the Company employees at no cost (the amount of such coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third party employer).

Notwithstanding the foregoing, in the event your employment is terminated pursuant to paragraphs 10(b) or (c) with less than eighteen (18) months remaining in the Term, you will be entitled to the benefits described in paragraphs 10(d)(i) – (iv) for a period of eighteen (18) months following the effective date of termination. You understand and agree that notice given by the Company in accordance with paragraph 1 that it does not intend to continue to employ you beyond the expiration of the Term does not constitute termination pursuant to paragraph 10(c).

(e) Termination of Benefits. Notwithstanding anything in this Agreement to the contrary (except as otherwise provided in paragraph 10(d) with respect to medical and dental benefits and life insurance), participation in all the Company benefit plans and programs will terminate upon the termination of your employment except to the extent otherwise expressly provided in such plans or programs and subject to any vested rights you may have under the terms of such plans or programs.

(f) Resignation from Official Positions. If your employment with the Company terminates for any reason, you shall be deemed to have resigned at that time from any and all officer or director positions that you may have held with the Company or any of its affiliated companies and all board seats or other positions in other entities you held on behalf of the Company. If, for any reason, this paragraph 10(f) is deemed insufficient to effectuate such resignation, you agree to execute, upon the request of the Company, any documents or instruments which the Company may deem necessary or desirable to effectuate such resignation or resignations, and you hereby authorize the Secretary and any Assistant Secretary of the Company to execute any such documents or instruments as your attorney-in-fact.

11. Severance Contingent On Release, Waiver and Non-Compete Agreement. If, pursuant to paragraph 1, the Company gives proper notice that it does not intend to employ you beyond the expiration of the Term, and your employment hereunder ends as a result, if you execute and do not later revoke or materially violate the Release, Waiver and Non-Compete Agreement in a form materially similar to the document attached hereto as Exhibit A, you will be entitled to the benefits described in paragraphs 10(d)(i) – (iv) for a period of twelve (12) months following the end of your employment.

12. Company's Policies. You agree that, during your employment hereunder, you will comply with all of the Company's written policies, including, but not limited to, the Company's Employee Handbook and Ethic Code.

13. Indemnification; D&O Liability Insurance. If you are made a party to, are threatened to be made a party to, receive any legal process in, or receive 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 you were an officer, director, employee, or agent of the Company or any of its affiliated companies, or were serving at the request of or on behalf of the Company or any of its affiliated companies, the Company shall indemnify and hold you harmless 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 all costs, expenses, liabilities and losses you incur in connection therewith. Such indemnification shall continue even if you have ceased to be an officer, director, employee or agent of the Company or any of its affiliated companies, and shall inure to the benefit of your heirs, executors and administrators. The Company shall reimburse you for all costs and expenses you incur in connection with any Proceeding within 20 business days after receipt by the Company of a written requests for such reimbursement and appropriate documentation associated with such expenses. In addition, the Company agrees to maintain a director's and officer's liability insurance policy or policies covering you at a level and on terms and conditions commensurate to the coverage the Company provides other similarly situated executives of the Company.

14. Notices. All notices under this Agreement must be given in writing, by personal delivery facsimile or by mail, if to you, to the address shown on this Agreement (or any other address designated in writing by you), with a copy to any other person you designate in writing, and, if to the Company, to the address shown on this Agreement (or any other address designated in writing by the Company), with a copy, to the attention of the Company's General Counsel. Any notice given by mail shall be deemed to have been given three days following such mailing.

15. Assignment. This is an Agreement for the performance of personal services by you and may not be assigned by you or the Company except that the Company may assign this Agreement to any affiliated company or any successor-in-interest to the Company.
16. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio.
17. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on the Company or you to renew this Agreement or any portion thereof. The parties intend to be bound only upon execution of a written agreement and no negotiation, exchange of draft or partial performance shall be deemed to imply an agreement. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of the Term.
18. Entire Understanding. Except where specifically stated otherwise herein, this Agreement contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement, and can be changed only by a writing signed by both parties.
19. Void Provisions. If any provision of this Agreement, as applied to either party or to any circumstances, shall be found by a court of competent jurisdiction to be unenforceable but would be enforceable if some part were deleted or the period or area of application were reduced, then such provision shall apply with the modification necessary to make it enforceable, and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.
20. Supersedes Prior Agreements. With respect to the period covered by the Term, this Agreement supersedes and cancels all prior agreements relating to your employment by the Company or any of its affiliated companies.
21. Deductions and Withholdings, Payment of Deferred Compensation. All amounts payable under this Agreement shall be paid less deductions and income and payroll tax withholdings as may be required under applicable law and any property (including shares of the Company's Class A Common Stock), benefits and perquisites provided to you under this Agreement shall be taxable to you as may be required under applicable law. Notwithstanding any other provisions of this Agreement to the contrary, no payment for any restricted shares or distribution of any other deferred compensation shall be made sooner than the earliest date permitted under the provisions of the Internal Revenue Code or the rules or regulations promulgated thereunder, as in effect on the date of such payment, in order for such payment to be taxable at the time of the distribution thereof without imposition of penalty taxes under the American Jobs Creation Act of 2004.

Joseph G. NeCastro
June 16, 2006
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If the foregoing correctly sets forth our understanding, please sign, date and return all three (3) copies of this Agreement to the undersigned for execution on behalf of the Company; after this Agreement has been executed by the Company and a fully-executed copy returned to you, it shall constitute a binding agreement between us.

Sincerely yours,

THE E. W. SCRIPPS COMPANY

By: _____
Name: _____
Title: _____

ACCEPTED AND AGREED:

Joseph G. NeCastro

Dated: _____

RELEASE, WAIVER AND NON-COMPETE AGREEMENT

This Release, Waiver and Non-Compete Agreement (the "Agreement") is entered by and between Joseph G. NeCastro (the "Executive") and The E. W. Scripps Company (the "Company").

WITNESSETH:

WHEREAS, the Company and Executive entered into that certain Employment Agreement dated June 16, 2006 (the "Employment Agreement");

WHEREAS, paragraph 11 of the Employment Agreement specifically provides that, "[i]f, pursuant to paragraph 1, the Company gives proper notice that it does not intend to employ [Executive] beyond the expiration of the Term, and [Executive's] employment hereunder ends as a result, if [Executive] execute[s] and do[es] not later revoke or materially violate the Release and Waiver Agreement in a form materially similar to the document attached hereto as Exhibit A ..., [Executive] will be entitled to the benefits described in paragraphs 10(d)(i) – (iv) for a period of twelve (12) months following the end of [Executive's] employment";

WHEREAS, the Company and Executive desire to enter into this Agreement to give effect to the foregoing, and to agree on and/or reaffirm certain rights, obligations and understandings that shall survive the Employment Agreement; and

NOW, THEREFORE, in consideration of the mutual promises contained herein and in the Employment Agreement and other valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Reference and Definitions. The Employment Agreement shall be incorporated herein for reference, but only to the extent specifically called for hereunder. The capitalized terms contained in this Agreement shall, to the extent they are the same as those used in the Employment Agreement, shall carry the same meaning as in the Employment Agreement.

2. **Severance and Other Benefits.** In consideration for Executive executing and not revoking or materially violating this Agreement and for his/her compliance with its terms and those certain Covenants that shall survive the Employment Agreement specified in paragraph 5 below, the Company shall provide the following benefits to Executive, less any applicable deductions and withholding taxes, for the twelve (12) months immediately following the expiration of his employment:

- (i) payments equal to Executive's Annual Salary, as in effect on the date on which his employment expires, paid in accordance with the Company's then effective payroll practices;
- (ii) payments equal to Executive's target bonus opportunity, as in effect on the date on which his employment expires, paid in accordance with the Company's then effective bonus payment practices;
- (iii) medical and dental insurance coverage provided under COBRA at no cost to Executive (except as hereafter described) pursuant to the plans then covering the employees of the Company; provided, that, during the period that the Company provides Executive with this coverage, an amount equal to the applicable COBRA premiums (or such other amounts as may be required by law) will be included in his income for tax purposes to the extent required by law and the Company may withhold taxes from Executive's compensation for this purpose; and provided, further, that Executive may elect to continue his medical and dental insurance coverage under COBRA at his own expense for the balance, if any, of the period required by law; and
- (iv) life insurance coverage pursuant to the policy then covering the employees of the Company in the amount then furnished to the Company employees at no cost (the amount of such coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third-party employer).

3. General Release and Waiver of Claims. In exchange for and in consideration of the benefits described and set forth in paragraph 2 above, Executive, on behalf of himself/herself and his/her successors, assigns, heirs, executors, and administrators, hereby releases and forever discharges the Company and its parents, affiliates, associated entities, representatives, successors and assigns, and their officers, directors, shareholders, agents and employees from all liability, claims and demands, actions and causes of action, damages, costs, payments and expenses of every kind, nature or description arising out of his/her employment relationship with the Company, or the ending of his/her employment on _____, 200_. These claims, demands, actions or causes of action include, but are not limited to, actions sounding in contract, tort, discrimination of any kind, and causes of action or claims arising under federal, state, or local laws, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act of 1990, the Americans With Disabilities Act, and any similar state or local laws. Executive further agrees that Executive will neither seek nor accept any further benefit or consideration from any source whatsoever in respect to any claims which Executive has asserted or could have asserted against the Company. Executive represents to his/her knowledge neither Executive nor any person or entity acting on Executive's behalf or with Executive's authority has asserted with any federal, state, or local judicial or administrative body any claim of any kind based on or arising out of any aspect of Executive's employment with the Company or the ending of that employment. If Executive, or any person or entity representing Executive, or any federal, state, or local agency, assert any such claim, this Release and Waiver Agreement will act as a total and complete bar to recovery of any judgment, award, damages, or remedy of any kind.,

4. No Admission of Liability. It is understood and agreed that this Agreement is a compromise of any alleged claims and that the making of this offer, the entering into of this Agreement, and the benefits paid to Executive are not to be construed as an admission of liability on the part of the Company, and that all liability is expressly denied by the Company.

5. Non-Compete. In exchange for and in consideration of the benefits described and set forth in paragraph 2 above Executive agrees that, for the twelve (12) months following the effective date hereof, he/she shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent Executive from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system.

6. SURVIVING COVENANTS. EXECUTIVE AND THE COMPANY HEREBY ACKNOWLEDGE AND AFFIRM, TO THE EXTENT APPLICABLE, THEIR RESPECTIVE CONTINUING OBLIGATIONS WITH RESPECT TO THOSE CERTAIN COVENANTS CONTAINED IN THE EMPLOYMENT AGREEMENT, WHICH ARE INCORPORATED HEREIN BY REFERENCE, SPECIFICALLY: SECTION 9(B) CONFIDENTIAL INFORMATION; SECTION 9(C) NO SOLICITATION OR INTERFERENCE; SECTION 9(E) LITIGATION; AND SECTION 9(G) NON-DISPARAGEMENT.

7. Return of Property. Executive agrees to return, as soon as practicable and no later than three (3) business days after his/her execution hereof, any and all property, including duplicates or copies thereof, belonging to the Company, including, but not limited to: keys, security cards, documents, equipment, supplies, customer lists, customer information, and confidential information.

8. Business Expense Reports and Reconciliation of Company Charge Card Expenses. Executive agrees that the severance pay defined in paragraph 2 above shall not be paid until Executive submits all required business expense reports, if any, and pays for any and all non-business charges on the Company's charge card or otherwise for which he/she is personally responsible.

9. Severability/Waivers. Executive agrees that if any provision of this Agreement shall be held invalid or unenforceable, that such provision shall be modified to the extent necessary to comply with the law, or if necessary stricken, but the parties agree that the remainder of this Agreement shall nevertheless remain in full force and effect. No waiver of any term or condition of this Agreement or any part thereof shall be deemed a waiver of any other terms or conditions of this Agreement or of any later breach of this Agreement.

10. Confidentiality. The terms of this Agreement shall remain confidential, and neither Executive nor the Company will publish or publicize the terms of this Agreement in any manner, unless specifically required to do so by valid law or regulatory requirement, which, in such case, the disclosing party shall provide the other party reasonable advance notice. Executive shall not discuss or reveal the terms of this Agreement to any persons other than his/her immediate family, personal attorney, and financial advisors.

11. 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/her heirs, personal representatives and successors and assigns. Except to the extent specifically provided for in paragraphs 1 and 5 above, upon its execution, this Agreement shall supersede and render null and void any and all previous agreements, arrangements, or understandings between you and the Company pertaining to Executive's employment with the Company, including, but not limited to the Employment Agreement.

12. Notices. Notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by certified mail, postage prepaid, addressed to the intended recipient at the address set forth below, or at such other address as such intended recipient hereafter may have designated most recently to the other party hereto with specific reference to this Section.

If to the Company: The E. W. Scripps Company
28th Floor
312 Walnut Street
Cincinnati, Ohio 45202
Attn: Jennifer Weber, Senior Vice President, Human Resources
A.B. Cruz III, Senior Vice President & General Counsel

If to Executive:

13. Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the laws of the State of Ohio. The Parties agree that any conflict of law rule that might require reference to the laws of some jurisdiction other than Ohio shall be disregarded. Each Party hereby agrees for itself and its properties that the courts sitting in Hamilton County, Ohio shall have sole and exclusive jurisdiction and venue over any matter arising out of or relating to this Agreement, or from the relationship of the Parties, or from the Executive's employment with the Company, or from the termination of the Executive's employment with the Company, whether arising from contract, tort, statute, or otherwise, and hereby submits itself and its property to the venue and jurisdiction of such courts.

14. Revocation Period. Executive agrees that Executive has read this Agreement and is hereby advised and fully understands his/her right to discuss all aspects of this Agreement with Executive's attorney prior to signing this Agreement. Executive has carefully read and fully understands all of the provisions of this Agreement. Executive acknowledges that he/she has been given at least twenty-one (21) days to discuss, review, and consider all of the terms, conditions, and covenants of this Agreement. Executive understands that this Agreement does not become effective or enforceable until seven (7) days after it has been executed by Executive. During the seven-day period following its execution, Executive may revoke this Agreement in its entirety by providing written revocation to the Company by notice to the Company pursuant to Section 12, in which case this Agreement shall be on no further legal force or effect.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the date(s) specified below.

Executive's Name (Please Print)

THE E. W. SCRIPPS COMPANY

Employee's Signature (Date)

By: _____

Witness's Name (Please Print)

Its: _____

Witness's Signature (Date)

Date: _____

June 20, 2006

Mr. Mark G. Contreras
c/o The E. W. Scripps Company
312 Walnut Street
2800 Scripps Center
Cincinnati, OH 45202

Re: Employment Agreement

Dear Mark:

The E. W. Scripps Company (the "Company") agrees to employ you and you agree to accept such employment upon the following terms and conditions:

1. Term. Subject to the provisions for earlier termination provided in paragraph 10 below, the term of your employment hereunder shall become effective as of June 20, 2006 and shall continue through and until June 19, 2009. Such period shall be referred to as the "Term," notwithstanding any earlier termination of your employment for any reason. The Company shall provide you with at least ninety (90) days' notice prior to the expiration of the Term if the Company does not intend to continue to employ you beyond the expiration of the Term. If the Company does not provide you with such notice and the parties do not otherwise agree in writing to renew, extend, or replace this agreement, the Term shall automatically renew for one one-year term.

2. Duties. You will be the Senior Vice President - Newspapers of the Company, reporting directly to the Chief Operating Officer of the Company ("Reporting Senior"). In this capacity, you will be responsible for the entire newspaper division of the Company. You agree to devote substantially all your business time, and apply your best reasonable efforts, to promote the business and affairs of the Company and its affiliated companies during your employment. You will perform such duties and responsibilities commensurate with your position and title during the Term, and as may be reasonably assigned to you from time to time by your Reporting Senior. You shall not, without the prior written consent of the Company, directly or indirectly, during the Term, other than in the performance of duties naturally inherent to the businesses of the Company and in furtherance thereof, 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 your duties hereunder, you may serve as a director, trustee or officer of, or otherwise participate in, educational, welfare, social, religious, civic, professional or trade organizations. Your principal place of business shall be in Cincinnati, OH.

3. Compensation.

(a) Annual Salary. For all the services rendered by you in any capacity under this Agreement, the Company agrees to pay you at least Four Hundred Seventy-Five Thousand Dollars (\$475,000.00) a year in base salary ("Annual Salary"), less applicable deductions and withholding taxes, in accordance with the Company's payroll practices as they may exist from time to time during the Term. Your Annual Salary may be increased by the Company's Compensation Committee in conjunction with your annual performance review conducted pursuant to the guidelines and procedures of the Company applicable to similarly situated executives, but in no event shall your Annual Salary be less than the annual salary amount established under this paragraph 3(a) for the immediately previous calendar year.

(b) Bonus. You shall participate in the Company's executive bonus plan with a target bonus opportunity of not less than 50% of your Annual Salary as established under paragraph 3(a) ("Bonus"). The Bonus amount actually paid shall be based on your attainment, within the range of the minimum and maximum performance objectives, of strategic and financial goals established for you by the Company and approved by the Company's Compensation Committee. If you are employed for only part of any calendar year during the Term, your Bonus will be prorated accordingly. The Company shall pay to you any Bonus under this paragraph 3(b) by no later than March 15 of the following calendar year.

(c) Long-Term Incentive Plans. During your employment hereunder, you shall be eligible to participate in all equity incentive plans of the Company, including but not limited to, the Company's 1997 Long-Term Incentive Plan, as amended, or any successor to such plan, applicable to similarly situated executives of the Company as shall be determined by the Company's Compensation Committee.

4. Benefits. During your employment hereunder, you shall be entitled to participate in any employee retirement, pension and welfare benefit plan or program available to similarly situated executives of the Company, or to the Company's employees generally, as such plans and 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, life insurance, short-term and long-term disability insurance plans, accidental death and dismemberment protection, travel accident protection and all other plans that the Company may have or establish from time to time and in which you would be

entitled to participate under the terms of the applicable plan. This provision is not intended, nor shall it have the effect of, reducing any benefit to which you were entitled as of the effective date of this Agreement. However, this provision shall not be construed to require the Company to establish any welfare, compensation or long-term incentive plans, or to prevent the modification or termination of any plan once established, and no action or inaction with respect to any plan shall affect this Agreement. You shall be entitled to be reimbursed by the Company for tax and financial planning up to a maximum of \$10,000 per year, and for the annual membership fees and other dues associated with one luncheon club. In addition, the Company shall pay the costs of an annual "senior executive" physical examination. You shall be entitled to no less than four (4) weeks of paid time off ("PTO") per calendar year.

5. Business Expenses. During your employment hereunder, the Company shall reimburse you for reasonable travel, hotel and other expenses incurred in the performance of your duties as are customarily reimbursed to similarly situated executives of the Company.

6. Entitlements in Event of Death. In the event of your death during your employment hereunder, your beneficiary or estate shall, for the one-year period following your death, receive payments equal to your then effective Annual Salary. Also, your family members who are covered under a Company medical plan at the time of your death shall be entitled to receive commensurate medical coverage at the Company's expense throughout this same one-year period. In addition, your beneficiary or estate shall receive (i) any Bonus earned in the prior calendar year, but that has not yet been paid; and (ii) the target bonus opportunity for the calendar year of your death, pro-rated for the portion of the year through the date of death, payable, less applicable deductions and withholding taxes, by March 15th of the following year; and (iii) reimbursement for all documented business expenses previously incurred for which you have not been reimbursed. In addition, your beneficiary or estate shall be entitled to any vested benefits accrued and earned by you hereunder, in each case up to and including the date of your death. In the event of your death after the termination of your employment while you are entitled to receive compensation under paragraph 10(d), your beneficiary or estate shall receive any Annual Salary payable under paragraph 10(d)(i) up to the date on which the death occurs.

7. Entitlements in Event of Permanent Disability. In the event of your permanent disability during your employment hereunder (as defined under and covered by a Company employee disability plan), your employment hereunder shall terminate. However, for the one-year period beginning on the date of such disability, you shall continue to receive payments equal to your Annual Salary. Also, your family members who are covered under a Company medical plan at the time of your permanent disability shall be entitled to receive commensurate medical

coverage at the Company's expense for the same one-year period. In addition, you shall receive (i) any Bonus earned in the prior calendar year, but that has not yet been paid; and (ii) the target bonus opportunity for the calendar year in which your permanent disability occurs, pro-rated for the portion of the year through the date of your permanent disability, payable, less applicable deductions and withholding taxes, by March 15th of the following year. In addition, you shall be entitled to any vested benefits accrued and earned by you hereunder, in each case up to and including the date of your permanent disability, and any amount payable to you pursuant to the applicable disability plan.

8. Change in Control Protections. You shall be included in and covered by the Company's Senior Executive Change in Control Plan, which is incorporated herein by reference. Your Termination Pay Multiple, as defined in the Plan, will be at least "2". In the event that such plan is terminated or you are excluded from the plan for any reason during the Term, the Company agrees to promptly amend this Agreement so that you are similarly covered and eligible for the same benefits and protection thereunder.

9. Non-Competition, Confidential Information, Etc.

(a) Non-Competition. You agree that your employment with the Company is on an exclusive basis and that, while you are employed by the Company, you will not engage in any other business activity that would otherwise conflict with your duties and obligations (including your commitment of substantially all business time) under this Agreement. You agree that, during the Non-Compete Period (as defined below), you shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent you from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system. The Non-Compete Period shall cover the entire Term; provided, however, that, if your employment terminates before the end of the Term, the Non-Compete Period shall terminate, if earlier, (i) six (6) months after you terminate your employment for Good Reason or the Company terminates your employment without Cause, or on such earlier date as you may make the election under paragraph 9(i) (which relates to your ability to terminate your obligations under this paragraph 9(a) in exchange for waiving your right to certain compensation and benefits); or (ii) twelve (12) months after the Company terminates your employment for Cause. (Defined terms used without definitions in the preceding sentence have the meanings provided in paragraphs 10(a) and (b).)

(b) Confidential Information. You agree that, during the Term or at any time thereafter, (i) you shall not use for any purpose other than the duly authorized

business of the Company, or disclose to any third party, any information relating to the Company or any of its affiliated companies which is proprietary to the Company or any of its affiliated companies ("Confidential Information"), including any trade secret or any written (including in any electronic form) or oral communication incorporating Confidential Information in any way (except as may be required by law or in the performance of your duties under this Agreement consistent with the Company's policies); and (ii) you will comply with any and all confidentiality obligations of the Company to a third party, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information which (x) is or becomes generally available to the public other than as a result of a disclosure by you or at your direction or by any other person who directly or indirectly receives such information from you, or (y) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you.

(c) No Solicitation or Interference. You agree that, during the Term and for one (1) year thereafter, you shall not, directly or indirectly:

- (i) employ or solicit the employment of any person who is then or has been within six (6) months prior thereto, an employee of the Company or any of its affiliated companies; or
- (ii) interfere with, disturb or interrupt the relationships (whether or not such relationships have been reduced to formal contracts) of the Company or any of its affiliated companies with any customer, supplier or consultant.

(d) Ownership of Works. The results and proceeds of your services under this Agreement, including, without limitation, any works of authorship resulting from your services to the Company or any of its affiliates during your employment with the Company and/or any of its affiliated companies and any works in progress resulting from such services, shall be works-made-for-hire and the Company shall be deemed the sole owner throughout the universe of any and all rights of every nature in such works, whether such rights are now known or hereafter defined or discovered, with the right to use the works in perpetuity in any manner the Company determines in its sole discretion without any further payment to you. If, for any reason, any of such results and proceeds are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to the Company under the preceding sentence, then you hereby irrevocably assign and agree to assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, whether now known or hereafter defined or discovered, and the Company shall have the right to use the work in perpetuity throughout the universe in any manner the Company determines in its sole discretion without any further payment to you. You shall, as may be requested by the Company from time to time, do any and all things which the

Company may deem useful or desirable to establish or document the Company's rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents and, if you are unavailable or unwilling to execute such documents, you hereby irrevocably designate your Reporting Senior or his designee as your attorney-in-fact with the power to execute such documents on your behalf. To the extent you have any rights in the results and proceeds of your services under this Agreement that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 9(d) is subject to, and does not limit, restrict, or constitute a waiver by the Company or any of its affiliated companies of any ownership rights to which the Company or any of its affiliated companies may be entitled by operation of law by virtue of being your employer.

(e) Litigation.

- (i) You agree that, during the Term, for one (1) year thereafter and, if longer, during the pendency of any litigation or other proceeding, and except as may be required by law or legal process, (x) you shall not communicate with anyone (other than your own attorneys and tax advisors), except to the extent necessary in the performance of your duties under this Agreement, with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving the Company or any of its affiliated companies, other than any litigation or other proceeding in which you are a party-in-opposition, without giving prior notice to the Company's General Counsel; and (y) in the event that any other party attempts to obtain information or documents from you with respect to such matter, either through formal legal process such as a subpoena or by informal means such as interviews, you shall promptly notify the Company's General Counsel before providing any information or documents.
- (ii) You agree to cooperate with the Company and its attorneys, both during and after the termination of your employment, in connection with any litigation or other proceeding arising out of or relating to matters in which you were involved prior to the termination of your employment. Your cooperation shall include, without limitation, providing assistance to the Company's counsel, experts or consultants, and providing truthful testimony in pretrial and trial or hearing proceedings. In the event that your cooperation is requested after the termination of your employment, the Company will (x) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (y) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses.

(iii) Except as required by law or legal process, you agree that you will not testify in any lawsuit or other proceeding which directly or indirectly involves the Company or any of its affiliated companies, or which may create the impression that such testimony is endorsed or approved by the Company or any of its affiliated companies. In all events, you shall give advance notice to the Company's General Counsel of such testimony promptly after you become aware that you may be required to provide it. The Company expressly reserves its attorney-client and other privileges except if expressly waived in writing.

(f) Return of Property. All documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with the Company or any of its affiliated companies shall remain the exclusive property of the Company. In the event of the termination of your employment for any reason, the Company reserves the right, to the extent permitted by law and in addition to any other remedy either may have, to deduct from any monies otherwise payable to you the following: (i) all amounts you may directly owe to the Company or any of its affiliated companies at the time of or subsequent to the termination of your employment with the Company; and (ii) the reasonable value of the Company property which you retain in your possession after the termination of your employment with the Company. In the event that the law of any state or other jurisdiction requires the consent of an employee for such deductions, this Agreement shall serve as such consent.

(g) Non-Disparagement. During the Term hereof and for one (1) year following the termination hereof for any reason, you shall not make, nor cause any one else to make or cause on your behalf, any public disparaging or derogatory statements or comments regarding the Company or its affiliated companies, or its officers or directors; likewise the Company will not make, nor cause any one else to make, any public disparaging or derogatory statements or comments regarding you.

(h) Injunctive Relief. The Company has entered into this Agreement in order to obtain the benefit of your unique skills, talent, and experience. You and the Company acknowledge and agree that your violation of paragraphs 9(a) through (h) of this Agreement may result in irreparable damage to the Company and/or its affiliated companies and, accordingly, the Company may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to the Company.

- (i) Survival; Modification of Terms. The obligations set forth under paragraphs 9(a) through (i) shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment under this Agreement for any reason or the expiration of the Term; provided, however, that your obligations under paragraph 9(a) (but not under any other provision of this Agreement) shall cease if you terminate your employment for Good Reason or the Company terminates your employment without Cause and you notify the Company in writing that you have elected to waive your right to receive, or to continue to receive, termination payments and benefits under paragraphs 10(d)(i) through (iv). You and the Company agree that the restrictions and remedies contained in paragraphs 9(a) through (h) are reasonable and that it is your intention and the intention of the Company that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If a court of competent jurisdiction shall find that any such restriction or remedy is unenforceable but would be enforceable if some part were deleted or the period or area of application reduced, then such restriction or remedy shall apply with the modification necessary to make it enforceable.

10. Termination.

(a) Termination for Cause. The Company may, at its option, terminate your employment under this Agreement for Cause and thereafter shall have no obligations under this Agreement, including, without limitation, any obligation to pay Annual Salary or Bonus or provide benefits. "Cause" shall mean exclusively:

(i) embezzlement, fraud or other conduct that would constitute a felony (other than traffic-related citations); (ii) willful unauthorized disclosure of Confidential Information; (iii) your material breach of this Agreement; (iv) your gross misconduct or gross neglect in the performance of your duties hereunder; (v) your willful failure to cooperate with a bona fide internal investigation or investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other material reasonably known to be relevant to such an investigation, or the willful inducement of others to fail to cooperate or to destroy or fail to produce documents or other material; or (vi) your willful and material violation of the Company's written conduct policies, including but not limited to the Company's Employment Handbook and Ethics Code. The Company will give you written notice prior to terminating your employment pursuant to (iii), (iv), (v), or (vi), of this paragraph 10(a), setting forth the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, you shall have twenty (20) business days from the giving of such notice within which to cure any failure, breach or refusal under (iii), (iv), (v), or (vi) of this paragraph 10(a);

provided, however, that, if the Company reasonably expects irreparable injury from a delay of twenty (20) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances.

(b) Good Reason Termination. You may terminate your employment under this Agreement for Good Reason at any time during the Term by written notice to the Company no more than thirty (30) days after the later of the occurrence of the event constituting Good Reason or your having knowledge of such event. Such notice shall state an effective date no earlier than thirty (30) business days after the date it is given. The Company shall have ten (10) business days from the giving of such notice within which to cure and, in the event of such cure, your notice shall be of no further force or effect. Good Reason shall mean without your consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with your Permanent Disability) exclusively: (i) the assignment to you of duties or responsibilities substantially inconsistent with or materially less than your position(s) or duties as Senior Vice President-Newspapers of the Company; (ii) the withdrawal of material portions of your duties described in paragraph 2; (iii) the relocation of your position to a location more than twenty-five (25) miles outside the Cincinnati, OH metropolitan area; (iv) the material breach by the Company of this Agreement; or (v) the failure of any successor to all or substantially all of the Company's assets to assume the Company's obligations under this Agreement; or (vi) a change in reporting structure such that you report to someone other than the Chief Operating Officer or the Chief Executive Officer of the Company or similar positions then in effect.

(c) Termination Without Cause. The Company may terminate your employment under this Agreement without Cause or at any time during the Term by written notice to you.

(d) Termination Payments/Benefits. In the event that your employment terminates under paragraph 10(b) or (c), you shall thereafter receive the following, less applicable deductions and withholding taxes:

- (i) a lump sum payment in an amount equal to your Annual Salary, as in effect on the date on which your employment terminates, calculated through the end of the Term. Such payment shall be made within thirty (30) days of the termination of your employment.
- (ii) payments equal to your target bonus opportunity, as in effect on the date on which your employment terminates, calculated through the end of the Term and paid in accordance with the Company's then effective bonus payment practices;

- (iii) medical and dental insurance coverage provided under COBRA at no cost to you (except as hereafter described) pursuant to the plans then covering the employees of the Company (until the end of the Term or, if earlier, the date on which you become eligible for medical and dental coverage from a third party); provided, that, during the period that the Company provides you with this coverage, an amount equal to the applicable COBRA premiums (or such other amounts as may be required by law) will be included in your income for tax purposes to the extent required by law and the Company may withhold taxes from your compensation for this purpose; and provided, further, that you may elect to continue your medical and dental insurance coverage under COBRA at your own expense for the balance, if any, of the period required by law; and
- (iv) life insurance coverage pursuant to the policy then covering the employees of the Company in the amount then furnished to the Company employees at no cost (the amount of such coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third party employer).

Notwithstanding the foregoing, in the event your employment is terminated pursuant to paragraphs 10(b) or (c) with less than one (1) year remaining in the Term, you will be entitled to one (1) year of the benefits described in paragraphs 10(d)(i) – (iv) upon the effective date of termination. Payment of the benefit described in paragraph 10(d)(i) shall be made in a lump sum within thirty (30) days of such termination. You understand and agree that notice given by the Company in accordance with paragraph 1 that it does not intend to continue to employ you beyond the expiration of the Term does not constitute termination pursuant to paragraph 10(c).

(e) Termination of Benefits. Notwithstanding anything in this Agreement to the contrary (except as otherwise provided in paragraph 10(d) with respect to medical and dental benefits and life insurance), participation in all the Company benefit plans and programs will terminate upon the termination of your employment except to the extent otherwise expressly provided in such plans or programs and subject to any vested rights you may have under the terms of such plans or programs.

(f) Resignation from Official Positions. If your employment with the Company terminates for any reason, you shall be deemed to have resigned at that time from any and all officer or director positions that you may have held with the Company or any of its affiliated companies and all board seats or other positions in other entities you held on behalf of the Company. If, for any reason, this paragraph 10(f) is deemed insufficient to effectuate such resignation, you agree to execute, upon the request of the Company, any documents or instruments which the Company may

deem necessary or desirable to effectuate such resignation or resignations, and you hereby authorize the Secretary and any Assistant Secretary of the Company to execute any such documents or instruments as your attorney-in-fact.

11. Severance Contingent On Release Waiver and Non-Compete Agreement. If, pursuant to paragraph 1, the Company gives proper notice that it does not intend to employ you beyond the expiration of the Term, and your employment hereunder ends as a result, if you execute and do not later revoke or materially violate the Release Waiver and Non-Compete Agreement in a form materially similar to the document attached hereto as Exhibit A, you will be entitled to the following benefits for a period of six (6) months following the end of your employment:

- (a) payments equal to your Annual Salary, as in effect on the date on which your employment expires, paid in accordance with the Company's then effective payroll practices;
- (b) payments equal to your target bonus opportunity, as in effect on the date on which your employment expires, prorated for the aforementioned six-month period, paid in accordance with the Company's then effective bonus payment practices;
- (c) medical and dental insurance coverage provided under COBRA at no cost to Executive (except as hereafter described) pursuant to the plans then covering the employees of the Company; provided, that, during the period that the Company provides Executive with this coverage, an amount equal to the applicable COBRA premiums (or such other amounts as may be required by law) will be included in his income for tax purposes to the extent required by law and the Company may withhold taxes from Executive's compensation for this purpose; and provided, further, that Executive may elect to continue his medical and dental insurance coverage under COBRA at his own expense for the balance, if any, of the period required by law; and
- (d) life insurance coverage pursuant to the policy then covering the employees of the Company in the amount then furnished to the Company employees at no cost (the amount of such coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third-party employer).

12. Company's Policies. You agree that, during your employment hereunder, you will comply in all material respects with all of the Company's written policies, including, but not limited to, the Company's Employee Handbook and Ethic Code.

13. Indemnification; D&O Liability Insurance. If you are made a party to, are threatened to be made a party to, receive any legal process in, or receive 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 you were an officer, director, employee, or agent of the Company or any of its affiliated companies, or were serving at the request of or on behalf of the Company or any of its affiliated companies, the Company shall indemnify and hold you harmless 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 all costs, expenses, liabilities and losses you incur in connection therewith. Such indemnification shall continue even if you have ceased to be an officer, director, employee or agent of the Company or any of its affiliated companies, and shall inure to the benefit of your heirs, executors and administrators. The Company shall reimburse you for all costs and expenses you incur in connection with any Proceeding within 20 business days after receipt by the Company of a written requests for such reimbursement and appropriate documentation associated with such expenses. In addition, the Company agrees to maintain a director's and officer's liability insurance policy or policies covering you at a level and on terms and conditions commensurate to the coverage the Company provides other similarly situated executives of the Company.

14. Notices. All notices under this Agreement must be given in writing, by personal delivery facsimile or by mail, if to you, to the address shown on this Agreement (or any other address designated in writing by you), with a copy to any other person you designate in writing, and, if to the Company, to the address shown on this Agreement (or any other address designated in writing by the Company), with a copy, to the attention of the Company's General Counsel. Any notice given by mail shall be deemed to have been given three days following such mailing.

15. Assignment. This is an Agreement for the performance of personal services by you and may not be assigned by you or the Company except that the Company may assign this Agreement to any affiliated company of or any successor-in-interest to the Company, provided that such assignee or transferee assumes the liabilities, obligations and duties of the Company under this Agreement, either contractually or as a matter of law.

16. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio.

17. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on the Company or you to renew this Agreement or any portion thereof. The parties intend to be bound only upon execution of a written agreement and no negotiation, exchange of draft or partial performance shall be deemed to imply an agreement. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of the Term.

18. Entire Understanding. Except where specifically stated otherwise herein, this Agreement contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement, and can be changed only by a writing signed by both parties.

19. Void Provisions. If any provision of this Agreement, as applied to either party or to any circumstances, shall be found by a court of competent jurisdiction to be unenforceable but would be enforceable if some part were deleted or the period or area of application were reduced, then such provision shall apply with the modification necessary to make it enforceable, and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

20. Supersedes Prior Agreements. With respect to the period covered by the Term, this Agreement supersedes and cancels all prior agreements relating to your employment by the Company or any of its affiliated companies.

21. Deductions and Withholdings, Payment of Deferred Compensation. All amounts payable under this Agreement shall be paid less deductions and income and payroll tax withholdings as may be required under applicable law and any property (including shares of the Company's Class A Common Stock), benefits and perquisites provided to you under this Agreement shall be taxable to you as may be required under applicable law. Notwithstanding any other provisions of this Agreement to the contrary, no payment for any restricted shares or distribution of any other deferred compensation shall be made sooner than the earliest date permitted under the provisions of the Internal Revenue Code or the rules or regulations promulgated thereunder, as in effect on the date of such payment, in order for such payment to be taxable at the time of the distribution thereof without imposition of penalty taxes under the American Jobs Creation Act of 2004.

[The remainder of this page intentionally left blank.]

If the foregoing correctly sets forth our understanding, please sign, date and return all three (3) copies of this Agreement to the undersigned for execution on behalf of the Company; after this Agreement has been executed by the Company and a fully-executed copy returned to you, it shall constitute a binding agreement between us.

Sincerely yours,

THE E. W. SCRIPPS COMPANY

By: _____
Name: _____
Title: _____

ACCEPTED AND AGREED:

Mark G. Contreras

Dated: _____

RELEASE, WAIVER AND NON-COMPETE AGREEMENT

This Release, Waiver and Non-Compete Agreement (the "Agreement") is entered by and between Mark G. Contreras (the "Executive") and The E. W. Scripps Company (the "Company").

WITNESSETH:

WHEREAS, the Company and Executive entered into that certain Employment Agreement dated June 20, 2006 (the "Employment Agreement");

WHEREAS, paragraph 11 of the Employment Agreement specifically provides that, "[i]f, pursuant to paragraph 1, the Company gives proper notice that it does not intend to employ [Executive] beyond the expiration of the Term, and [Executive's] employment hereunder ends as a result, if [Executive] execute[s] and do[es] not later revoke or materially violate the Release and Waiver Agreement in a form materially similar to the document attached hereto as Exhibit A ... , [Executive] will be entitled to the following benefits following the end of [Executive's] employment...";

WHEREAS, the Company and Executive desire to enter into this Agreement to give effect to the foregoing, and to agree on and/or reaffirm certain rights, obligations and understandings that shall survive the Employment Agreement; and

NOW, THEREFORE, in consideration of the mutual promises contained herein and in the Employment Agreement and other valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Reference and Definitions. The Employment Agreement shall be incorporated herein for reference, but only to the extent specifically called for hereunder. The capitalized terms contained in this Agreement shall, to the extent they are the same as those used in the Employment Agreement, shall carry the same meaning as in the Employment Agreement.

2. **Severance and Other Benefits.** In consideration for Executive executing and not revoking or materially violating this Agreement and for his/her compliance with its terms and those certain Covenants that shall survive the Employment Agreement specified in paragraph 5 below, the Company shall provide the following benefits to Executive, less any applicable deductions and withholding taxes, for the six (6) months immediately following the expiration of his employment:

- (i) payments equal to Executive's Annual Salary, as in effect on the date on which his employment expires, paid in accordance with the Company's then effective payroll practices;
- (ii) payments equal to Executive's target bonus opportunity, as in effect on the date on which his employment expires, prorated for the aforementioned six-month period, paid in accordance with the Company's then effective bonus payment practices;
- (iii) medical and dental insurance coverage provided under COBRA at no cost to Executive (except as hereafter described) pursuant to the plans then covering the employees of the Company; provided, that, during the period that the Company provides Executive with this coverage, an amount equal to the applicable COBRA premiums (or such other amounts as may be required by law) will be included in his income for tax purposes to the extent required by law and the Company may withhold taxes from Executive's compensation for this purpose; and provided, further, that Executive may elect to continue his medical and dental insurance coverage under COBRA at his own expense for the balance, if any, of the period required by law; and

- (iv) life insurance coverage pursuant to the policy then covering the employees of the Company in the amount then furnished to the Company employees at no cost (the amount of such coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third-party employer).

3. General Release and Waiver of Claims. In exchange for and in consideration of the benefits described and set forth in paragraph 2 above, Executive, on behalf of himself/herself and his/her successors, assigns, heirs, executors, and administrators, hereby releases and forever discharges the Company and its parents, affiliates, associated entities, representatives, successors and assigns, and their officers, directors, shareholders, agents and employees from all liability, claims and demands, actions and causes of action, damages, costs, payments and expenses of every kind, nature or description arising out of his/her employment relationship with the Company, or the ending of his/her employment on _____, 200_. These claims, demands, actions or causes of action include, but are not limited to, actions sounding in contract, tort, discrimination of any kind, and causes of action or claims arising under federal, state, or local laws, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act of 1990, the Americans With Disabilities Act, and any similar state or local laws. Executive further agrees that Executive will neither seek nor accept any further benefit or consideration from any source whatsoever in respect to any claims which Executive has asserted or could have asserted against the Company. Executive represents to his/her knowledge neither Executive nor any person or entity acting on Executive's behalf or with Executive's authority has asserted with any federal, state, or local judicial or administrative body any claim of any kind based on or arising out of any aspect of Executive's employment with the Company or the ending of that employment. If Executive, or any person or entity representing Executive, or any federal, state, or local agency, assert any such claim, this Release and Waiver Agreement will act as a total and complete bar to recovery of any judgment, award, damages, or remedy of any kind.,

4. No Admission of Liability. It is understood and agreed that this Agreement is a compromise of any alleged claims and that the making of this offer, the entering into of this Agreement, and the benefits paid to Executive are not to be construed as an admission of liability on the part of the Company, and that all liability is expressly denied by the Company.

5. Non-Compete. In exchange for and in consideration of the benefits described and set forth in paragraph 2 above Executive agrees that, for the six (6) months following the effective date hereof, he/she shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent Executive from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system.

6. SURVIVING COVENANTS. EXECUTIVE AND THE COMPANY HEREBY ACKNOWLEDGE AND AFFIRM, TO THE EXTENT APPLICABLE, THEIR RESPECTIVE CONTINUING OBLIGATIONS WITH RESPECT TO THOSE CERTAIN COVENANTS CONTAINED IN THE EMPLOYMENT AGREEMENT, WHICH ARE INCORPORATED HEREIN BY REFERENCE, SPECIFICALLY: SECTION 9(B) CONFIDENTIAL INFORMATION; SECTION 9(C) NO SOLICITATION OR INTERFERENCE; SECTION 9(E) LITIAGATION; AND SECTION 9(G) NON-DISPARAGEMENT.

7. Return of Property. Executive agrees to return, as soon as practicable and no later than three (3) business days after his/her execution hereof, any and all property, including duplicates or copies thereof, belonging to the Company, including, but not limited to: keys, security cards, documents, equipment, supplies, customer lists, customer information, and confidential information.

8. Business Expense Reports and Reconciliation of Company Charge Card Expenses. Executive agrees that the severance pay defined in paragraph 2 above shall not be paid until Executive submits all required business expense reports, if any, and pays for any and all non-business charges on the Company's charge card or otherwise for which he/she is personally responsible.

9. Severability/Waivers. Executive agrees that if any provision of this Agreement shall be held invalid or unenforceable, that such provision shall be modified to the extent necessary to comply with the law, or if necessary stricken, but the parties agree that the remainder of this Agreement shall nevertheless remain in full force and effect. No waiver of any term or condition of this Agreement or any part thereof shall be deemed a waiver of any other terms or conditions of this Agreement or of any later breach of this Agreement.

10. Confidentiality. The terms of this Agreement shall remain confidential, and neither Executive nor the Company will publish or publicize the terms of this Agreement in any manner, unless specifically required to do so by valid law or regulatory requirement, which, in such case, the disclosing party shall provide the other party reasonable advance notice. Executive shall not discuss or reveal the terms of this Agreement to any persons other than his/her immediate family, personal attorney, and financial advisors.

11. 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/her heirs, personal representatives and successors and assigns. Except to the extent specifically provided for in paragraphs 1 and 5 above, upon its execution, this Agreement shall supersede and render null and void any and all previous agreements, arrangements, or understandings between you and the Company pertaining to Executive's employment with the Company, including, but not limited to the Employment Agreement.

12. Notices. Notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by certified mail, postage prepaid, addressed to the intended recipient at the address set forth below, or at such other address as such intended recipient hereafter may have designated most recently to the other party hereto with specific reference to this Section.

If to the Company: The E. W. Scripps Company
 28th Floor
 312 Walnut Street
 Cincinnati, Ohio 45202
 Attn: Jennifer Weber, Senior Vice President, Human Resources
 A.B. Cruz III, Senior Vice President & General Counsel

If to Executive:

13. Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the laws of the State of Ohio. The Parties agree that any conflict of law rule that might require reference to the laws of some jurisdiction other than Ohio shall be disregarded. Each Party hereby agrees for itself and its properties that the courts sitting in Hamilton County, Ohio shall have sole and exclusive jurisdiction and venue over any matter arising out of or relating to this Agreement, or from the relationship of the Parties, or from the Executive's employment with the Company, or from the termination of the Executive's employment with the Company, whether arising from contract, tort, statute, or otherwise, and hereby submits itself and its property to the venue and jurisdiction of such courts.

14. Revocation Period. Executive agrees that Executive has read this Agreement and is hereby advised and fully understands his/her right to discuss all aspects of this Agreement with Executive's attorney prior to signing this Agreement. Executive has carefully read and fully understands all of the provisions of this Agreement. Executive acknowledges that he/she has been given at least twenty-one (21) days to discuss, review, and consider all of the terms, conditions, and covenants of this Agreement. Executive understands that this Agreement does not become effective or enforceable until seven (7) days after it has been executed by Executive. During the seven-day period following its execution, Executive may revoke this Agreement in its entirety by providing written revocation to the Company by notice to the Company pursuant to Section 12, in which case this Agreement shall be on no further legal force or effect.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the date(s) specified below.

Executive's Name (Please Print)

THE E. W. SCRIPPS COMPANY

Employee's Signature (Date)

By: _____

Witness's Name (Please Print)

Its: _____

Witness's Signature (Date)

Date: _____

RATIO OF EARNINGS TO FIXED CHARGES

<i>(in thousands)</i>	Three months ended		Six months ended	
	June 30,		June 30,	
	2006	2005	2006	2005
EARNINGS AS DEFINED:				
Earnings from operations before income taxes after eliminating undistributed earnings of 20%- to 50%-owned affiliates	\$ 195,554	\$ 189,663	\$ 348,361	\$ 319,759
Fixed charges excluding capitalized interest and preferred stock dividends of majority-owned subsidiary companies	17,651	9,519	31,940	18,894
Earnings as defined	\$ 213,205	\$ 199,182	\$ 380,301	\$ 338,653
FIXED CHARGES AS DEFINED:				
Interest expense, including amortization of debt issue costs	\$ 15,537	\$ 7,559	\$ 27,690	\$ 14,931
Interest capitalized	28		28	
Portion of rental expense representative of the interest factor	2,114	1,960	4,250	3,963
Preferred stock dividends of majority-owned subsidiary companies	20	20	40	40
Fixed charges as defined	\$ 17,699	\$ 9,539	\$ 32,008	\$ 18,934
RATIO OF EARNINGS TO FIXED CHARGES	<u>12.05</u>	<u>20.88</u>	<u>11.88</u>	<u>17.89</u>

CERTIFICATIONS

I, Kenneth W. Lowe, certify that:

1. I have reviewed this report on Form 10-Q 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-1f(f) and 15d-15(f)) 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - 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 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 functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls 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: August 9, 2006

BY: /s/ Kenneth W. Lowe

Kenneth W. Lowe
President and Chief Executive Officer

CERTIFICATIONS

I, Joseph G. NeCastro, certify that:

1. I have reviewed this report on Form 10-Q 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-1f(f) and 15d-15(f)) 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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - 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 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 functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls 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: August 9, 2006

BY: /s/ Joseph G. NeCastro

Joseph G. NeCastro
Executive Vice President and Chief Financial Officer

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 Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2006 (the "Report"), which this certification accompanies, fully complies with the requirements of Section 13(a) or 15(d) 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

August 9, 2006

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph G. NeCastro, Executive 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 Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2006 (the "Report"), which this certification accompanies, fully complies with the requirements of Section 13(a) or 15(d) 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

Executive Vice President and Chief Financial Officer

August 9, 2006