SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 1997

Commission File Number 33-43989

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

Ohio	31-1223339
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

312 Walnut Street Cincinnati, Ohio	45201
(Address of principal executive offices)	(Zip Code)

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

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

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities 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 X No

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

The aggregate market value of Class A Common Shares of the Registrant held by nonaffiliates of the Registrant, based on the $53.06 per share closing price for such stock on February 28, 1998, was approximately $1,447,000,000. As of February 28, 1998, nonaffiliates held approximately 1,563,000 Common Voting Shares. There is no active market for such stock.

As of February 28, 1998, there were 61,535,430 of the Registrant's Class A Common Shares, $.01 par value per share, outstanding and 19,218,913 of the Registrant's Common Voting Shares, $.01 par value per share, outstanding.

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PART I

ITEM 1. BUSINESS

The E. W. Scripps Company ("Company") is a diversified media company operating in three reportable segments: newspapers, broadcast television and category television. The newspaper segment includes 20 daily newspapers in the U.S. The broadcast television segment includes nine network-affiliated stations. Category television includes Home & Garden Television ("HGTV"), The Television Food Network ("Food Network"), and the Company's 12% equity interest in SportSouth, a regional cable television network. Licensing and other media aggregates the Company's operating segments that are too small to report separately, including syndication and licensing of news features and comics, television program production, and publication of independent telephone directories. A summary of segment information for the three years ended December 31, 1997, is set forth on page F-31 of this Form 10-K.

The Company's cable television systems ("Scripps Cable") were acquired by Comcast Corporation ("Comcast") on November 13, 1996 ("Cable Transaction") through a merger whereby the Company's shareholders received, tax-free, a total of 93 million shares of Comcast's Class A Special Common Stock. The aggregate market value of the Comcast shares was $1,593,000,000 ($19.83 per share of the Company) and the net book value of Scripps Cable was $356,000,000, yielding an economic gain of $1,237,000,000 to the Company's shareholders. Despite the economic gain, accounting rules required the Company to record the Cable Transaction as a spin-off, at net book value, of Scripps Cable to the Company's shareholders. Therefore no gain was reflected in the Company's financial statements.

Scripps Cable represented an entire business segment, therefore its results are reported as a "discontinued operation" for all periods presented (see Note 15 to the

Consolidated Financial Statements). Results of the remaining business segments, including results for divested operating units within these segments through their dates of sale, are reported as "continuing operations."

Newspapers

General - The Company publishes daily newspapers in 20 markets. From its Washington bureau the Company operates the Scripps Howard News Service, a supplemental wire service covering stories in the capital, other parts of the United States and abroad. The Company acquired or divested the following newspaper operations in the five years ended December 31, 1997:

- 1997 - Acquired daily newspapers in Abilene, Corpus Christi, Plano, San Angelo and Wichita Falls, Texas, and a daily newspaper in Anderson, South Carolina. Traded its Monterey and San Luis Obispo, California, daily newspapers for the daily newspaper in Boulder, Colorado, and terminated the joint operating agency and ceased operations of its newspaper in El Paso, Texas.
- 1996 - Acquired the Vero Beach, Florida, daily newspaper.
- 1995 - Divested the Watsonville, California, daily newspaper.
- 1993 - Divested the Tulare, California, and San Juan, Puerto Rico, newspapers.

Revenues - The Company's newspaper operating revenues for the five years ended December 31, 1997, were as follows:

(in thousands)	1997	1996	1995	1994	1993
Newspaper advertising:					
Local ROP	$ 221,199	$ 192,563	$ 185,821	$ 179,599	$ 167,247
Classified ROP	214,912	184,629	170,058	153,156	133,588
National ROP	23,056	19,384	16,480	14,963	11,490
Preprint and other	73,268	64,538	65,585	60,045	54,436
Total newspaper advertising	532,435	461,114	437,944	407,763	366,761
Circulation	129,612	121,365	117,288	109,057	105,952
Joint operating agency distributions	47,052	39,341	39,476	39,375	33,793
Other	14,689	8,669	7,399	7,745	8,462
Total	723,788	630,489	602,107	563,940	514,968
Divested newspapers	27,226	40,372	38,291	38,998	53,086
Total newspaper operating revenues	$ 751,014	$ 670,861	$ 640,398	$ 602,938	$ 568,054

The Company's newspaper operating revenues are derived primarily from advertising and circulation. Joint operating agency distributions represent the Company's share of profits of newspapers managed by the other parties to joint operating agencies (see "Joint Operating Agencies"). Other newspaper operating revenues include commercial printing.

Advertising rates and revenues vary among the Company's newspapers depending on circulation, type of advertising, local market conditions and competition. Advertising revenues are derived from run-of-paper ("ROP") advertisements included with news stories in the body of the newspaper and from preprinted advertisements that are generally produced by advertisers and inserted into the newspaper.

ROP is further broken down among "local," "classified" and "national" advertising. Local refers to advertising that is not in the classified advertising section and is purchased by in-market advertisers. Classified refers to advertising in the section of the newspaper that is grouped by type of advertising, e.g., automotive and help wanted. National refers to advertising purchased by businesses that operate beyond the local market and purchase advertising from many newspapers, primarily through advertising agencies. A given

volume of ROP advertisements is generally more profitable to the Company than the same volume of preprinted advertisements.

Advertising revenues vary through the year, with the first and third quarters generally having lower revenues than the second and fourth quarters. Advertising rates and volume are highest on Sundays, primarily because circulation and readership is greatest on Sundays.

Full-run ROP advertising volume for the Company's newspapers was as follows (excluding divested newspapers):

(in thousands)	1997	1996	1995	1994	1993
Newspaper advertising inches:					
Local	7,889	6,332	6,124	6,186	5,894
Classified	7,611	6,228	5,796	5,876	5,387
National	477	375	307	275	244
Total full-run advertising inches	15,977	12,935	12,227	12,337	11,525

Circulation revenues are derived from home delivery sales of newspapers to subscribers and from single-copy sales made through retail outlets and vending machines. Circulation information for the Company's daily newspapers is as follows:

(in thousands) (1) Newspaper	Morning (M) Evening (E)	1997	1996	1995	1994	1993
Daily Paid Circulation						
Abilene (TX) Reporter-News	M (5)	40.3	41.3	42.7	42.7	42.6
Albuquerque (NM) Tribune (2)	E	25.1	27.2	30.0	32.4	34.7
Anderson (SC) Independent-Mail	M (5)	41.4	42.0	42.4	42.9	42.5
Birmingham (AL) Post-Herald (2)	E (3)	25.6	49.7	58.2	59.6	60.1
Boulder (CO) Camera	M (5)	34.2	33.9	34.7	34.6	34.6
Bremerton (WA) Sun	M (4)	38.4	36.2	35.9	38.2	39.6
Cincinnati (OH) Post (2)	E (6)	77.2	81.3	87.4	90.9	95.1
Corpus Christi (TX) Caller-Times	M (5)	68.1	64.8	66.4	66.3	66.8
Denver (CO) Rocky Mountain News	M	302.9	316.9	331.0	344.9	342.9
Evansville (IN) Courier (2)	M	61.8	60.5	61.8	62.8	64.3
Knoxville (TN) News-Sentinel	M	122.3	122.7	124.9	127.9	123.9
Memphis (TN) Commercial Appeal	M	185.7	182.6	190.2	198.0	196.2
Naples (FL) Daily News	M	49.2	48.4	47.8	45.2	44.1
Plano (TX) Star Courier	M (5)	10.9	11.8	12.3	12.9	12.9
Redding (CA) Record-Searchlight	M (4)	35.7	35.2	37.7	37.1	38.4
San Angelo (TX) Standard-Times	M (5)	31.5	32.2	32.7	32.2	32.3
Stuart (FL) News	M	35.4	35.1	36.3	34.7	33.1
Ventura County (CA) Star	M (4)	95.9	94.7	96.3	102.9	99.6
Vero Beach (FL) Press Journal	M (5)	32.4	33.3	32.9	32.2	31.5
Wichita Falls (TX) Times Record News	M (5)	37.9	38.0	38.4	39.3	39.1
Total Daily Circulation		1,351.9	1,387.8	1,440.0	1,477.7	1,474.3
Sunday Paid Circulation						
Abilene (TX) Reporter-News	(5)	50.4	51.5	52.8	53.7	54.1
Anderson (SC) Independent-Mail	(5)	47.8	48.1	48.5	49.0	48.4
Boulder (CO) Camera	(5)	41.4	41.7	42.7	43.1	44.0
Bremerton (WA) Sun		41.7	39.8	39.6	40.5	40.7
Corpus Christi (TX) Caller-Times	(5)	89.4	88.1	96.1	95.3	95.0
Denver (CO) Rocky Mountain News		415.7	406.5	436.1	447.2	453.3
Evansville (IN) Courier		109.2	109.6	114.0	116.4	118.6
Knoxville (TN) News-Sentinel		166.2	167.6	174.8	177.9	183.5
Memphis (TN) Commercial Appeal		256.6	259.4	269.4	279.9	279.5
Naples (FL) Daily News		63.1	61.5	61.4	58.4	57.4
Plano (TX) Star Courier	(5)	12.6	13.2	13.9	14.8	14.5
Redding (CA) Record-Searchlight		38.1	38.2	39.9	40.3	40.7
San Angelo (TX) Standard-Times	(5)	37.7	38.7	39.4	38.9	39.3
Stuart (FL) News		45.4	44.1	44.4	43.1	40.6
Ventura County (CA) Star		103.4	102.8	104.0	108.8	106.2
Vero Beach (FL) Press Journal	(5)	35.9	35.7	35.3	34.5	33.8
Wichita Falls (TX) Times Record News	(5)	44.4	45.2	46.8	48.1	48.0
Total Sunday Circulation		1,599.0	1,591.7	1,659.1	1,689.9	1,697.6

(1) Based on Audit Bureau of Circulation Publisher's Statements ("Statements") for the six-month periods ending September 30, except figures for the Naples Daily News, the Stuart News and the Vero Beach Press Journal which are from the Statements for the twelve-month periods ending September 30.

(2) This newspaper is published under a JOA with another

newspaper in its market. See "Joint Operating Agencies."

(3) Moved to evening distribution in 1996.

(4) Redding moved from evening to morning distribution in 1994. Bremerton and the Thousand Oaks and Simi Valley editions of the Ventura County newspaper moved to morning distribution in 1995.

(5) Abilene, Anderson, Boulder, Corpus Christi, Plano, San Angelo and Wichita Falls acquired in 1997. Vero Beach acquired in 1996.

(6) Includes circulation of The Kentucky Post.

Joint Operating Agencies - The Company is currently a party to newspaper joint operating agencies ("JOAs") in four markets. A JOA combines all but the editorial operations of two competing newspapers in a market in order to reduce aggregate expenses and take advantage of economies of scale, thereby allowing the continuing operation of both newspapers in that market. The Newspaper Preservation Act of 1970 ("NPA") provides a limited exemption from anti-trust laws, generally permitting the continuance of JOAs in existence prior to the enactment of the NPA and the formation, under certain circumstances, of new JOAs between newspapers. Except for the Company's JOA in Cincinnati, all of the Company's JOAs were entered into prior to the enactment of the NPA. From time to time the legality of pre-NPA JOAs has been challenged on anti-trust grounds but no such challenge has yet succeeded in the courts.

JOA revenues less JOA expenses, as defined in each JOA, equals JOA profits, which are split between the parties to the JOA. In each case JOA expenses exclude editorial expenses. The Company manages the JOA in Evansville and receives approximately 80% of JOA profits. Each of the other three JOAs are managed by the other party to the JOA. The Company receives approximately 20% to 40% of JOA profits for those JOAs.

The table below provides certain information about the Company's JOAs.

Newspaper	Publisher of Other Newspaper	Year JOA Entered Into	Year of JOA Expiration
Managed by the Company:			
The Evansville Courier	Hartmann Publications	1938	1998
Managed by Other Publisher:			
The Albuquerque Tribune	Journal Publishing Company	1933	2022
Birmingham Post-Herald	Newhouse Newspapers	1950	2015
The Cincinnati Post	Gannett Co., Inc.	1977	2007

The JOAs generally provide for automatic renewal terms of ten years unless an advance notice of termination ranging from two to five years is given by either party. The Company has notified Hartmann Publications of its intent to terminate the Evansville JOA.

Competition - The Company's newspapers compete for advertising revenues primarily with other local media, including other local newspapers, television and radio stations, cable television, telephone directories and direct mail. Competition for advertising revenues is based upon audience size and demographics, price and effectiveness. Changes in technology and new media, such as electronic publications, may create additional competitors for

classified advertising revenue. Most of the Company's newspapers publish electronic versions of the newspaper on the internet. Newspapers compete with all other information and entertainment media for consumers' discretionary time.

All of the Company's newspaper markets are highly competitive, particularly Denver, the largest market in which the Company publishes a newspaper.

Newspaper Production - The Company's daily newspapers are printed using offset or flexographic presses and use computer systems for writing, editing and composing and producing the advertising and news material printed in each edition.

Raw Materials and Labor Costs - The Company consumed approximately 214,000 metric tons of newsprint for the year ended December 31, 1997 and 190,000 metric tons of newsprint in 1996. The Company purchases newsprint from various suppliers, many of which are Canadian. Management believes that the Company's sources of supply of newsprint are adequate for its anticipated needs.

Newsprint prices have fluctuated widely in recent years. Newsprint prices generally declined from 1992 through 1998, but began rising in the first quarter of 1994, from approximately $420 per metric tonne to $745 by the first quarter of 1996. Newsprint prices declined from that level, to approximately $500 by March 1997, before beginning to increase to $560 in December 1997. The March 1998 price of newsprint is 8% higher than the average price in 1997. At the current price, newsprint costs in 1998 would increase approximately 30%. However, some newsprint suppliers have announced a 7% price increase effective April 1, 1998. It is uncertain if the announced increase will be billed or, rather, resistance from buyers will cause suppliers to reduce or delay the increase.

Labor costs accounted for approximately 43% of the Company's newspaper operating expenses in 1997 and in 1996. A substantial number of the Company's newspaper employees are represented by labor unions. See "Employees."

Broadcast Television

General - The Company's broadcast television segment consists of nine network-affiliated television stations. The Company acquired or divested the following broadcast operations in the five years ended December 31, 1997:

- 1993 - Divested radio stations and Memphis, Tennessee, television station.

Revenues - The Company's broadcasting operating revenues for the five years ended December 31, 1997, were as follows:

(in thousands)

	1997	1996	1995	1994	1993
Local advertising	$ 171,211	$ 159,412	$ 150,489	$ 142,491	$ 130,603
National advertising	139,322	127,172	125,476	122,668	114,558
Political advertising	2,106	19,505	3,207	14,291	1,344
Other	18,577	17,378	16,056	8,734	8,439
Total	331,216	323,467	295,228	288,184	254,944
Divested television and radio stations					29,350
Total broadcasting operating revenues	$ 331,216	$ 323,467	$ 295,228	$ 288,184	$ 284,294

The Company's television operating revenues are derived primarily from the sale of time to businesses for commercial messages that appear during entertainment and news programming. Local and national advertising refer to time

purchased by local, regional and national businesses; political refers to campaigns for elective office and campaigns for political issues. Automobile advertising accounts for approximately one-fourth of the Company's local and national advertising revenues.

The first and third quarters of each year generally have lower advertising revenues than the second and fourth quarters. The television stations have benefited from increasing political advertising in even-numbered years when congressional and presidential elections occur, making it more difficult to achieve year-over-year increases in operating results in odd-numbered years.

Other revenues primarily consist of network compensation (see "Network Affiliation and Programming"). The new and extended network affiliation agreements signed in 1994 and 1995 with ABC caused the increase in network compensation payments.

Information concerning the Company's stations and the markets in which they operate is as follows:

Station and Market	Network Affiliation	Expiration of FCC License	Rank of Market(1)	Current Affiliation Agreement Expires	Stations in Market(3)	1997	1996	1995	1994	1993
WXYZ, Detroit, Ch. 7	ABC	2005	9	2004	6					
Average Audience Share (2)						18	21	21	21	21
Station Rank in Market (3)						2	1	1	1	1
WEWS, Cleveland, Ch. 5	ABC	2005	13	2004	11					
Average Audience Share (2)						17	19	19	20	20
Station Rank in Market (3)						2	1	1	1	1
WFTS, Tampa, Ch. 28	ABC (5)	2005	15	2004	10					
Average Audience Share (2)						9	9	11	8	8
Station Rank in Market (3)						4	4	4	4	4
KNXV, Phoenix, Ch. 15	ABC (5)	1998	17	2004	11					
Average Audience Share (2)						10	10	11	10	9
Station Rank in Market (3)						4	4	3	4	4
WMAR, Baltimore, Ch. 2	ABC (5)	2001	23	2005	6					
Average Audience Share (2)						11	12	14	17	19
Station Rank in Market (3)						3	3	3	3	2
WCPO, Cincinnati, Ch. 9	ABC (4)	2005	30	2006	6					
Average Audience Share (2)						17	18	17	19	21
Station Rank in Market (3)						1	1	1	1	1
KSHB, Kansas City, Ch. 41	NBC (6)	2006	31	2004	8					
Average Audience Share (2)						10	10	11	11	10
Station Rank in Market (3)						4	4	4	4	4
WPTV, W. Palm Beach, Ch. 5	NBC	2005	43	2004	7					
Average Audience Share (2)						19	20	21	20	24
Station Rank in Market (3)						1	1	1	1	1
KJRH, Tulsa, Ch. 2	NBC	1998	58	2004	8					
Average Audience Share (2)						14	14	16	16	15
Station Rank in Market (3)						3	3	3	4	3

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

(1) Rank of Market represents the relative size of the television market in the United States.
(2) Represents the number of television households tuned to a specific station from 6 a.m. to 2 a.m. each day, as a percentage of total viewing households in Area of Dominant Influence.
(3) Stations in Market does not include public broadcasting stations, satellite stations, or translators which rebroadcast signals from distant stations. Station Rank in Market is based on Average Audience Share as described in (2).
(4) Prior to June 1996, WCPO was a CBS affiliate.
(5) Prior to January 1995, WFTS and KNXV were FOX affiliates and WMAR was a NBC affiliate.
(6) Prior to September 1994, KSHB was a FOX affiliate.

Competition - The Company's television stations compete for advertising revenues primarily with other local media, including other television stations, radio stations, cable television, newspapers, and telephone directories and direct mail. Competition for advertising revenues is based upon audience size

and demographics, price and effectiveness. Television stations compete for consumers' discretionary time with all other information and entertainment media. Continuing technological advances will improve the capability of alternative service providers such as traditional cable, "wireless" cable and direct broadcast satellite television to offer video services in competition with terrestrial broadcasting. The degree of competition is expected to increase. The Company intends to undertake upgrades in its services as may be permitted by the Federal Communications Commission ("FCC") to maintain its competitive posture. Such facility upgrades may require large capital investments. Technological advances in interactive media services will increase these competitive pressures.

Network Affiliation and Programming - The Company's television stations are affiliated with national television networks. The networks offer a variety of programs to affiliated stations, which have the right of first refusal before such programming may be offered to other television stations in the same market. Networks compensate affiliated stations for carrying network programming.

In addition to network programs, the Company's television stations broadcast locally produced programs, syndicated programs, sports events, movies and public service programs. News is the focus of the Company's locally produced programming. Advertising during local news programs accounts for more than 30% of revenues.

Federal Regulation of Broadcasting - Television broadcasting is subject to the jurisdiction of the FCC pursuant to the Communications Act of 1934, as amended ("Communications Act"). The Communications Act prohibits the operation of television broadcasting stations except in accordance with a license issued by the FCC and empowers the FCC to revoke, modify and renew broadcasting licenses, approve the transfer of control of any corporation holding such licenses, determine the location of stations, regulate the equipment used by stations and adopt and enforce necessary regulations. The Telecommunications Act of 1996 (the "1996 Act") significantly relaxed the regulatory environment applicable to broadcasters.

Under the 1996 Act, television broadcast licenses may be granted for a term of eight years, rather than five, and they remain renewable upon request. While there can be no assurance regarding the renewal of the Company's television broadcast licenses, the Company has never had a license revoked, has never been denied a renewal and all previous renewals have been for the maximum term.

FCC regulations govern the multiple ownership of television stations and other media. Under the multiple ownership rule, a license for a television station will generally not be granted or renewed if (i) the applicant already owns, operates, or controls a television station serving substantially the same area, or (ii) the grant of the license would result in the applicant's owning, operating, controlling, or having an interest in television stations whose total national audience reach exceeds 35% of all television households. The legislation also directed the FCC to promptly reconsider its local multiple ownership limits for television. The FCC rules also generally prohibit "cross-ownership" of a television station and daily newspaper or cable television system in the same service area. The Company's television station and daily newspaper in Cincinnati were owned by the Company at the time the cross-ownership rules were enacted and enjoy "grandfathered" status. These properties would become subject to the cross-ownership rules upon their sale.

Under the Cable Television Consumer Protection and Competition Act of 1992 ("1992 Act"), each television broadcast station gained "must-carry" rights on any cable

system defined as "local" with respect to that station. Stations may waive their must-carry rights and instead negotiate retransmission consent agreements with local cable companies. The Company's stations have generally elected to negotiate retransmission consent agreements with cable companies. A challenge to the validity of the must-carry rules is pending before the United States Supreme Court.

Management believes the Company is in substantial compliance with all applicable regulatory requirements.

Category Television

General - The Company's category television segment includes HGTV, Food Network and a 12% interest in SportSouth, a regional cable television network. The Company acquired its approximate 56% controlling interest in Food Network in 1997.

Food Network began telecasting in December 1993 and HGTV on December 31, 1994.

Revenues - The Company's category television revenues for the five years ended December 31, 1997, were as follows:

(in thousands)	1997	1996	1995
Advertising	36,603	14,888	8,175
Affiliate fees	19,711	6,943	3,021
Other	2,082	280	140
Total category television operating revenues	58,396	22,111	11,336

Category television revenues are derived from the sale of advertising time and, if provided for in the affiliation agreement, from affiliate fees received from cable television and other distribution systems that carry the networks. Such fees are generally based on the number of subscribers who receive the networks. Most of Food Network's affiliation agreements do not provide for affiliate fees.

Programming - HGTV features 24 hours of daily programming, focusing on home repair and remodeling, gardening, decorating and other activities associated with the home. Food Network also features 24 hours of daily programming, focusing on food and nutrition. Both HGTV and Food Network strive to entertain as well as inform viewers.

Some programming is produced internally and other programming is purchased from a variety of independent producers. Programming is transmitted via satellite to cable television systems and to satellite dish owners.

Competition - HGTV and Food Network compete with other television networks for distribution on cable television and direct broadcast satellite systems, and for advertiser support. Popularity of the programming is a primary factor in obtaining and retaining distribution and attracting advertising revenues. Because of limited channel capacity, cable television system operators have been able to demand incentive payments or equity interests in cable television programming networks in exchange for long-term agreements to distribute the networks. In 1996 and 1997 the Company agreed to pay distribution fees of approximately $75,000,000 to certain cable and direct broadcast satellite systems in exchange for long-term contracts to carry HGTV. The amount of the incentives approximates the affiliate fee revenue HGTV expects to receive over the lives of the contracts. In 1996 and 1997 Food Network paid approximately $6,000,000 in distribution fees (including $1,500,000 subsequent to its

acquisition by the Company) to cable television systems in exchange for long-term contracts that do not provide for affiliate fee revenue, and approximately $10,000,000 to direct broadcast satellite systems for long-term contracts that do provide for affiliate fee revenue. Advertising revenues are expected to increase as distribution of the networks increases, consistent with the historical growth in advertising revenues.

According to the Nielsen Homevideo Index, HGTV was telecast to 36.1 million homes in December 1997, up 10.9 million from December 1996. Food Network was telecast to 29.1 million homes in December 1997, up 10.0 million from December 1996. Additional distribution fees may be required to obtain carriage on additional cable television systems.

Management believes the popularity of HGTV and Food Network, which consistently rank among the favorite channels of cable television subscribers, will enable the Company to expand distribution and to attract additional advertising revenue.

Licensing and Other Media

General - Licensing and other media aggregates operating segments that are too small to report separately, including syndication and licensing of news features and comics, television program production, and publication of independent telephone directories. The Company announced its intention to sell Scripps Howard Productions in December 1997. The Company will continue to operate Cinetel Productions, which produces non-fiction programming for broadcast and cable television.

Cinetel was acquired on March 31, 1994. SHP began operations in 1993 and sold its first programs in 1995.

Revenues - The Company's licensing and other media revenues for the five years ended December 31, 1997, were as follows:

(in thousands)	1997	1996	1995	1994	1993
Licensing	$ 56,813	$ 53,672	$ 49,366	$ 49,236	$ 55,083
Newspaper feature distribution	20,920	20,695	18,915	17,998	18,814
Program production	17,823	29,062	13,554	5,682	10,757
Other	5,775	1,990	1,581	557	87
Total licensing and other media revenues	$ 101,331	$ 105,419	$ 83,416	$ 73,473	$ 84,741

The Company, under the trade name United Media, is a leading distributor of news columns, comics and other features for the newspaper industry. Included among these features is PEANUTS, one of the most successful strips in the history of comic art. United Media sold its worldwide GARFIELD and U.S. ACRES copyrights in 1994. Program production revenues prior to 1994 were primarily related to GARFIELD television programming.

United Media owns and licenses worldwide copyrights relating to PEANUTS and other character properties for use on numerous products, including plush toys, greeting cards and apparel, for promotional purposes and for exhibit on television, video cassettes and other media. PEANUTS provides more than 80% of the Company's licensing revenues. Approximately 70% of PEANUTS licensing revenues are earned in international markets, with the Japanese market providing approximately two-thirds of international revenue.

Merchandise, literary and exhibition licensing revenues are generally a negotiated percentage of the licensee's sales. The Company generally receives a fixed fee for the use of its copyrights for promotional and advertising purposes.

The Company generally pays a percentage of gross syndication and licensing royalties to the creators of these properties.

Cinetel and SHP create, develop and produce television programming product for domestic and international markets. Programs are developed and produced internally and in collaboration with a number of independent writers, producers and creative teams under production arrangements. Generally, Cinetel licenses the initial telecast rights for programs prior to commencing production. Initial license fees commonly approximate the production costs of a program. Additional license fees may be pursued from foreign, syndicated television, cable television and home video markets. The ultimate profitability of the Company's programs is dependent upon public taste, which is unpredictable and subject to change.

Competition - The Company's newspaper feature distribution operations compete for a limited amount of newspaper space with other distributors of news columns, comics and other features. Competition is primarily based on price and popularity of the features. Popularity of licensed characters is a primary factor in obtaining and renewing merchandise and promotional licenses.

The Company's program production operations compete with all forms of entertainment. In addition to competing for market share with other entertainment companies, the Company also competes to obtain creative talents and story properties. A significant number of other companies produce and/or distribute programs. Competition is primarily based on price, quality of the programming and public taste.

Employees

As of December 31, 1997, the Company had approximately 8,100 full-time employees, of whom 6,000 were engaged in newspapers, 1,500 in broadcast television, 300 in category television and 200 in licensing and other media. Various labor unions represent approximately 2,800 employees, primarily in newspapers. The present operations of the Company have not experienced any work stoppages since March 1985. The Company considers its relationship with employees to be generally satisfactory.

ITEM 2. PROPERTIES

The properties used in the Company's newspaper operations generally include business and editorial offices and printing plants.

The Company's television operations require offices and studios and other real property for towers upon which broadcasting transmitters and antenna equipment are located. Increased capital expenditures in 1994 and 1995 are associated with more local news programming, primarily, in Kansas City, Phoenix and Tampa. Ongoing advances in the technology for delivering video signals to the home, such as "high definition television," may, in the future, require a high level of capital expenditures in order to maintain competitive position. The Company's Detroit station is expected to begin high definition broadcasting in 1998. Capital spending is expected to increase from $16,000,000 in 1997 to approximately $38,000,000 in 1998 and $33,000,000 in 1999, including costs of a new building for the Phoenix and West Palm Beach stations.

The Company's category television operations require offices and studios and other real and personal property to produce programs and to transmit the network programming via leased satellite. HGTV and Cinetel operate from an 80,000 square-foot production facility in Knoxville. Food Network operates from leased facilities in New York.

Management believes the Company's present facilities are generally well-maintained and are sufficient to serve its present needs.

ITEM 3. LEGAL PROCEEDINGS

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

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

No matters were submitted to a vote of security holders during the quarter for which this report is filed.

PART II

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

The Company's Class A Common Shares are traded on the New York Stock Exchange ("NYSE") under the symbol "SSP." There are approximately 5,000 owners of the Company's Class A Common Shares, based on security position listings, and 21 owners of Company's Common Voting Shares (which does not have a public market). The Company has declared cash dividends in every year since its incorporation in 1922. Future dividends are, however, subject to the Company's earnings, financial condition and capital requirements.

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

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
1997					
Market price of common stock:					
High	$37.500	$41.750	$43.938	$48.938	
Low	32.625	32.250	36.563	40.250	
Cash dividends per share of common stock	$ .13	$ .13	$ .13	$ .13	$ .52
1996					
Market price of common stock:					
High	$43.500	$47.000	$47.500	$52.375	
Low	38.125	40.625	40.750	32.750	
Cash dividends per share of common stock	$ .13	$ .13	$ .13	$ .13	$ .52

On November 13, 1996, the Company completed the Cable Transaction. For each share of the Company, shareholders received 1.15826 shares of Class A Special Common Stock of Comcast Corporation with a value of $19.83, based on Comcast's November 13, 1996, closing price of $17.125 on NASDAQ.

ITEM 6. SELECTED FINANCIAL DATA

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

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

Management's Discussion and Analysis of Financial Condition and Results of Operation required by this item is filed as

part of this Form 10-K. See Index to Consolidated Financial Statement Information at page F-1 of this Form 10-K.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

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

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Executive Officers

Executive officers serve at the pleasure of the Board of Directors. Certain information about such officers appears in the table below.

Name	Age	Position
Lawrence A. Leser	62	Chairman of the Board of Directors (since August 1994); Director (since 1977); Chief Executive Officer (1985 to 1996); President (1985 to August 1994)
William R. Burleigh	62	Chief Executive Officer (since May 1996); President (since August 1994); Director (since 1990); Chief Operating Officer (1994 to 1996); Executive Vice President (1990 to 1994)
Daniel J. Castellini	58	Senior Vice President/Finance and Administration (since 1986)
Paul F. (Frank) Gardner	55	Senior Vice President/Television (since April 1993); Senior Vice President, News Programming, Fox Broadcasting Company (1991 to 1993)
Alan M. Horton	54	Senior Vice President/Newspapers (since May 1994); Vice President/ Operations, Newspapers (1991 to 1994)
Craig C. Standen	55	Senior Vice President/Corporate Development (since August 1994); Vice President/Marketing-Advertising, Newspapers (1990 to 1994)
J. Robert Routt	43	Vice President and Controller (since 1985)
E. John Wolfzorn	52	Treasurer (since 1979)
M. Denise Kuprionis	41	Corporate Secretary (since 1987)
Gregory L. Ebel	42	Vice President/Human Resources (since 1994); Senior Vice President, PNC Bank Ohio (1990 to 1994)
Richard A. Boehne	41	Vice President/Corporate Communications and Investor Relations (since 1995); Director of

		Corporate Communications and Investor Relations (1989 to 1994)
Jeffrey J. Hively	44	Vice President/Newspaper Operations (since May 1994); Director of Circulation (1992 to 1994)
Stephen W. Sullivan	51	Vice President/Newspapers (since October 1997); previously Senior Vice President, Harte-Hanks Communications, Inc. and President, Harte-Hanks Newspapers
Daniel K. Thomasson	64	Vice President/News - Newspapers (since 1986)
James M. Hart	56	Vice President/Television (since May 1995); President, Multimedia, Inc.'s broadcasting division (1994 to 1995); Vice President and General Manager WBIR, a Multimedia television station (1981 to 1994)
Neal F. Fondren	39	Vice President/New Media (since November 1996); Director Administration and Business Development, Cable Division (1994 to 1996); General Manager Northwest Georgia cable systems (1990 to 1994)

Directors

The information required by Item 10 of Form 10-K relating to directors of the Company is incorporated by reference to the material captioned "Election of Directors" in the Company's definitive proxy statement for the Annual Meeting of Shareholders ("Proxy Statement"). The Proxy Statement will be filed with the Securities and Exchange Commission on or before April 30, 1998.

ITEM 11. EXECUTIVE COMPENSATION

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

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

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

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

Financial Statements and Supplemental Schedules

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

The report of Deloitte & Touche LLP, Independent Auditors, dated January 22, 1998, is filed as part of this Form 10-K. See Index to Consolidated Financial Statement Information at page F-1.

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

Exhibits

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

Reports on Form 8-K

A Current Report on Form 8-K reporting the Company's agreement to acquire the newspaper and broadcast properties of Harte-Hanks Communications, Inc. was filed on June 5, 1997.

A Current Report on Form 8-K dated September 4, 1997 reporting Item 2. "Acquisition or Disposition of Assets" for the purchase of the newspaper and broadcast operations of Harte-Hanks Communications, Inc. ("HHC") and the sale of HHC's broadcast operations in connection with the acquisition of approximately 56% controlling interest in The Television Food Network, G.P. was filed on September 29, 1997.

An amendment to the Current Report on Form 8-K filed September 29, 1997 was filed on October 6, 1997. The amendment provided certain information regarding rights of first refusal related to the acquisition of The Television Food Network, G.P., corrected certain financial information in Notes C and D to the Pro Forma Financial Information and reflected the execution of the Variable Rate Credit Facilities. The Form 8-K/A included the financial information listed below:

Financial Statements of Harte-Hanks Newspapers

- Financial Statements as of December 31, 1996, and for the Three Years Then Ended
- Financial Statements as of June 30, 1997, and for the Six Months Then Ended

Financial Statements of Harte-Hanks Television

- Financial Statements as of December 31, 1996, and for the Three Years Then Ended
- Financial Statements as of June 30, 1997, and for the Six Months Then Ended

Financial Statements of the Television Food Network, G.P.

- Financial Statements as of December 31, 1996, and for the Three Years Then Ended, and as of June 30, 1997, and for the Six Months Ended June 30, 1997, and June 30, 1996

Combined Pro Forma Financial Information

- Pro Forma Balance Sheet as of June 30, 1997
- Pro Forma Statement of Income for the Six Months Ended June 30, 1997

Pro Forma Statement of Income for the Year Ended December 31, 1996
Notes to Pro Forma Financial Information

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934 the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 27, 1998.

THE E. W. SCRIPPS COMPANY

By /s/ William R. Burleigh
William R. Burleigh
President and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities indicated, on March 27, 1998.

Signature	Title
/s/ Lawrence A. Leser Lawrence A. Leser	Chairman of the Board
/s/ William R. Burleigh William R. Burleigh	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Daniel J. Castellini Daniel J. Castellini	Senior Vice President/Finance and Administration (Principal Financial and Accounting Officer)
/s/ Charles E. Scripps Charles E. Scripps	Chairman of the Executive Committee of the Board of Directors
/s/ John H. Burlingame John H. Burlingame	Director
/s/ Daniel J. Meyer Daniel J. Meyer	Director
/s/ Nicholas B. Paumgarten Nicholas B. Paumgarten	Director
/s/ Paul K. Scripps Paul K. Scripps	Director
/s/ Robert P. Scripps Robert P. Scripps	Director
/s/ Ronald W. Tysoe Ronald W. Tysoe	Director
/s/ Julie A. Wrigley Julie A. Wrigley	Director

THE E. W. SCRIPPS COMPANY

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SELECTED FINANCIAL DATA

(in millions, except share data)

	1997 (1)	1996 (1)	1995 (1)	1994 (1)	1993 (1)
Summary of Operations					
Operating Revenues:					
Newspapers	$ 723.8	$ 630.5	$ 602.1	$ 563.9	$ 515.0
Broadcast television	331.2	323.5	295.2	288.2	254.9
Category television	58.4	22.1	11.3		
Licensing and other media	101.3	105.4	83.4	73.5	84.7
Total	1,214.7	1,081.5	992.1	925.6	854.7
Divested operating units (2)	27.2	40.4	38.3	39.0	90.5
Total operating revenues	$ 1,242.0	$ 1,121.9	$ 1,030.4	$ 964.6	$ 945.2
Operating Income (Loss):					
Newspapers	$ 172.7	$ 134.0	$ 120.8	$ 116.0	$ 73.8
Broadcast television	103.7	100.4	86.9	94.5	69.1
Category television	(13.1)	(17.9)	(18.6)	(9.1)	(0.5)
Licensing and other media	2.9	6.5	4.2	2.1	3.7
Corporate	(17.2)	(18.5)	(16.8)	(15.5)	(13.6)
Total	249.0	204.5	176.5	188.0	132.5
Divested operating units (2)	1.8	5.4	4.7	3.5	10.4
Unusual items (3)		(4.0)		(7.9)	(0.9)
Total operating income	250.8	205.9	181.2	183.6	142.0
Interest expense	(18.5)	(9.6)	(11.2)	(16.3)	(26.4)
Net gains on divested operating units (1)	47.6				91.9
Gain on sale of Garfield copyrights (4)				31.6	
Other unusual credits (charges) (5)	(2.7)	21.5		(16.9)	2.5
Miscellaneous, net	3.1	1.8	1.5	(0.9)	(2.4)
Income taxes (6)	(117.5)	(86.0)	(74.5)	(80.4)	(86.4)
Minority interests	(5.1)	(3.4)	(3.3)	(7.8)	(16.2)
Income from continuing operations	$ 157.7	$ 130.1	$ 93.6	$ 92.8	$ 104.9
Share Data					
Income from continuing operations	$1.93	$1.61	$1.17	$1.21	$1.40
Adjusted income from continuing operations (excluding unusual items and net gains)	1.63	1.41	1.17	1.25	.72
Dividends	.52	.52	.50	.44	.44
Other Operating Data					
EBITDA(8) - excluding divested operating units(2) and unusual items(3):					
Newspapers	$ 217.1	$ 170.6	$ 155.5	$ 149.5	$ 109.7
Broadcast television	128.0	126.2	113.0	115.8	89.5
Category television	(9.3)	(16.4)	(17.6)	(9.1)	(0.5)
Licensing and other media	5.3	8.8	6.3	3.8	4.6
Corporate	(16.0)	(17.4)	(15.9)	(14.8)	(13.0)
Total	$ 325.2	$ 271.8	$ 241.3	$ 245.2	$ 190.3

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

(in millions)

	1997 (1)	1996 (1)	1995 (1)	1994 (1)	1993 (1)
Cash Flow Statement Data					
Net cash provided by continuing operations	$ 196.9	$ 176.2	$ 113.8	$ 170.2	$ 142.0
Depreciation and amortization of intangible assets	77.6	69.4	66.6	58.9	60.8
Investing activity:					
Capital expenditures	(56.6)	(53.3)	(57.3)	(54.0)	(36.8)
Business acquisitions and investments	(749.2)	(127.7)	(12.2)	(32.4)	(41.5)
Other (investing)/divesting activity, net	30.6	35.0	(18.7)	51.3	146.9
Financing activity:					
Increase (decrease) in long-term debt	651.2	41.0	(29.7)	(137.9)	(194.0)
Dividends paid	(46.0)	(44.5)	(42.6)	(37.3)	(37.0)
Purchase and retirement of common stock	(25.7)				
Other financing activity	3.0	8.5	5.5	1.7	1.9
Balance Sheet Data					
Total assets	$ 2,280.8	$ 1,468.7	$ 1,349.7	$ 1,286.7	$ 1,255.1
Long-term debt (including current portion) (7)	773.1	121.8	80.9	110.4	247.9

Stockholders' equity (7)	1,049.0	944.6	1,191.4	1,083.5	859.6
Long-term debt % of total capitalization (7)	42%	11%	6%	9%	22%
Discontinued Operation - Scripps Cable					
Operating revenues		$ 270.2	$ 279.5	$ 255.4	$ 251.8
Operating income excluding unusual items		60.7	64.8	43.4	45.8
Net income		39.5	39.8	29.9	23.8
Net income per share of common stock		.49	.50	.39	.32
EBITDA - excluding unusual items		108.7	118.8	100.8	105.9
Capital expenditures		(57.9)	(47.5)	(41.6)	(67.0)

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

Notes to Selected Financial Data

The income statement and cash flow data for the five years ended December 31, 1997, and the balance sheet data as of the same dates have been derived from the audited consolidated financial statements of the Company. The data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operation" and the consolidated financial statements and notes thereto included elsewhere herein. All per share amounts are presented on a diluted basis.

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

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

Acquisitions

- 1997 - Daily newspapers in Abilene, Corpus Christi, Plano, San Angelo, and Wichita Falls, Texas; Anderson, South Carolina; and Boulder, Colorado (in exchange for the Company's daily newspapers in Monterey and San Luis Obispo, California). Approximate 56% interest in The Television Food Network.
- 1996 - Vero Beach, Florida, daily newspaper.
- 1994 - The remaining 13.9% minority interest in Scripps Howard Broadcasting Company ("SHB") in exchange for 4,952,659 Class A Common Shares. Cinetel Productions (an independent producer of programs for cable television).
- 1993 - Remaining 2.7% minority interest in the Knoxville News-Sentinel and 5.7% of the outstanding shares of SHB.

Divestitures

- 1997 - Monterey and San Luis Obispo, California, daily newspapers (in exchange for Boulder, Colorado, daily newspaper). Terminated joint operating agreement ("JOA") and ceased operations of El Paso, Texas, daily newspaper. The JOA termination and trade resulted in pre-tax gains totaling $47.6 million, increasing income from continuing operations by $26.2 million, $.32 per share.
- 1995 - Watsonville, California, daily newspaper. No material gain or loss was realized as proceeds approximated the book value of net assets sold.
- 1993 - Book publishing; newspapers in Tulare, California, and San Juan; Memphis television station; radio stations. The divestitures resulted in net pre-tax gains of $91.9 million, increasing income from continuing operations by $46.8 million, $.63 per share.

(2) Noncable television operating units sold prior to December 31, 1997.

(3) Total operating income included the following:
   1996 - A $4.0 million charge for the Company's share of certain costs associated with restructuring portions of the distribution system of the Cincinnati JOA. The charge reduced income from continuing operations by $2.6 million, $.03 per share.
   1994 - A $7.9 million loss on program rights expected to be sold as a result of changes in television network affiliations. The loss reduced income from continuing operations by $4.9 million, $.07 per share.
   1993 - A change in estimate of disputed music license fees increased operating income by $4.3 million; a gain on the sale of certain publishing equipment increased operating income by $1.1 million; a charge for workforce reductions at 1) the Company's Denver newspaper and 2) the newspaper feature and the licensing operations of United Media decreased operating income by $6.3 million. The planned workforce reductions were fully implemented in 1994. These items totaled $0.9 million and reduced income from continuing operations by $0.6 million, $.01 per share.

(4) In 1994 the Company sold its worldwide GARFIELD and U.S. ACRES copyrights. The sale resulted in a pre-tax gain of $31.6 million, $17.4 million after-tax, $.23 per share.

(5) Other unusual credits (charges) included the following:
   1997 - Write-down of investments totaling $2.7 million. Income from continuing operations was reduced $1.7 million, $.02 per share.
   1996 - A $40.0 million gain on the Company's investment in Turner Broadcasting Systems when Turner was merged into Time Warner; $3.0 million write-off of an investment in Patient Education Media, Inc.; and $15.5 million contribution to a charitable foundation. These items totaled $21.5 million and increased income from continuing operations by $19.1 million, $.23 per share.
   1994 - An estimated $2.8 million loss on real estate expected to be sold as a result of changes in television network affiliations; $8.0 million contribution to a charitable foundation; and $6.1 million accrual for lawsuits associated with a divested operating unit. These items totaled $16.9 million and reduced income from continuing operations by $9.8 million, $.13 per share.
   1993 - A $2.5 million fee received in connection with the change in ownership of the Ogden, Utah, newspaper. Income from continuing operations was increased $1.6 million, $.02 per share.

(6) The provision for income taxes is affected by the following unusual items:
   1994 - A change in estimated tax liability for prior years increased the tax provision, reducing income from continuing operations by $5.3 million, $.07 per share.
   1993 - A change in estimated tax liability for prior years decreased the tax provision, increasing income from continuing operations by $5.4 million, $.07 per share; the effect of the increase in the federal income tax rate to 35% from 34% on the beginning of the year deferred tax liabilities increased the tax provision, reducing income from continuing operations by $2.3 million, $.03 per share.

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

(8) EBITDA is defined as earnings before interest, income taxes, depreciation and amortization (see page F-6).

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

The E. W. Scripps Company ("Company") operates in three reportable segments: newspapers, broadcast television and category television. The newspaper segment includes 20 daily newspapers in the U.S. The broadcast television segment includes nine network-affiliated stations. Category television includes Home & Garden Television ("HGTV"), The Television Food Network ("Food Network"), and the Company's 12% equity interest in SportSouth, a regional cable television network. Licensing and other media aggregates the Company's operating segments that are too small to report separately, including syndication and licensing of news features and comics, television program production, and publication of independent telephone directories.

All per share disclosures included in management's discussion and analysis of financial condition and results of operation are on a diluted basis.

Consolidated results of continuing operations were as follows:

(in thousands, except per share data)

	For the years ended December 31, 1997	Change	1996	Change	1995
Operating revenues:					
Newspapers	$ 723,788	14.8 %	$ 630,489	4.7 %	$ 602,107
Broadcast television	331,216	2.4 %	323,467	9.6 %	295,228
Category television	58,396	164.1 %	22,111	95.1 %	11,336
Licensing and other media	101,331	(3.9)%	105,419	26.4 %	83,416
Total	1,214,731	12.3 %	1,081,486	9.0 %	992,087
Divested operating units	27,226		40,372		38,291
Total operating revenues	$ 1,241,957	10.7 %	$ 1,121,858	8.9 %	$ 1,030,378
Operating income (loss):					
Newspapers	$ 172,653	28.9 %	$ 133,952	10.9 %	$ 120,783
Broadcast television	103,690	3.2 %	100,437	15.5 %	86,927
Category television	(13,079)	27.1 %	(17,949)	3.7 %	(18,634)
Licensing and other media	2,940	(55.0)%	6,531	57.3 %	4,151
Corporate	(17,207)	6.8 %	(18,471)	(10.1)%	(16,772)
Total	248,997	21.8 %	204,500	15.9 %	176,455
Divested operating units	1,827		5,351		4,701
Unusual items			(4,000)		
Total operating income	250,824	21.8 %	205,851	13.6 %	181,156
Interest expense	(18,543)		(9,629)		(11,223)
Net gains and unusual items	44,894		21,531		
Miscellaneous, net	3,126		1,834		1,535
Income taxes	(117,510)		(86,011)		(74,532)
Minority interest	(5,089)		(3,436)		(3,347)
Income from continuing operations	$ 157,702	21.2 %	$ 130,140	39.1 %	$ 93,589
Per share of common stock:					
Income from continuing operations	$ 1.93	19.9 %	$ 1.61	37.6 %	$ 1.17
Adjusted income from continuing operations (excluding unusual items and net gains)	$ 1.63	15.6 %	$ 1.41	20.5 %	$ 1.17

(in thousands)

	For the years ended December 31, 1997	Change	1996	Change	1995
Other Financial and Statistical Data - excluding divested operating units and unusual items:					
Total advertising revenues	$ 899,556	12.8 %	$ 797,267	7.8 %	$ 739,360
Advertising revenues as a percentage of total revenues	74.1 %		73.7 %		74.5 %
EBITDA:					
Newspapers	$ 217,147	27.3 %	$ 170,557	9.7 %	$ 155,521
Broadcast television	128,048	1.4 %	126,225	11.7 %	112,956
Category television	(9,306)	43.1 %	(16,362)	6.8 %	(17,550)
Licensing and other media	5,274	(39.9)%	8,775	39.9 %	6,271
Corporate	(16,011)	7.8 %	(17,372)	(9.3)%	(15,888)
Total	$ 325,152	19.6 %	$ 271,823	12.6 %	$ 241,310
Effective income tax rate	41.9 %		39.2 %		43.5 %
Weighted-average shares outstanding	81,645	1.0 %	80,841	0.8 %	80,170
Net cash provided by continuing operating activities	196,908	11.7 %	176,224	54.9 %	113,771

Capital expenditures	$	55,808	7.3 % $	51,988	(7.6)% $	56,272
Business acquisitions and other additions to long-lived assets	$	844,987	$	173,543	$	12,537
Increase (decrease) in long-term debt	$	651,170	$	40,958	$	(29,703)
Dividends paid, including minority interests	$	46,014	3.3 % $	44,537	4.6 % $	42,581
Purchase and retirement of common stock	$	25,694				

Earnings before interest, income taxes, depreciation and amortization ("EBITDA") is included in the discussion of segment results because:

Management believes the year-over-year change in EBITDA is a more useful measure of year-over-year economic performance than the change in operating income because, combined with information on capital spending plans, it is more reliable. Changes in amortization and depreciation have no impact on economic performance. Depreciation is a function of capital spending, which is important and is separately disclosed.

Banks and other lenders use EBITDA to determine the Company's borrowing capacity.

Financial analysts and acquirors use EBITDA, combined with capital spending requirements, to value communications media companies.

EBITDA should not, however, be construed as an alternative measure of the amount of the Company's income or cash flows from operating activities as EBITDA excludes significant costs of doing business.

The estimated effect of amortization of intangible assets on earnings per share was $.23 in 1997 and is expected to be $.35 in 1998.

In the three years ending December 31, 1997, the Company acquired the following operations:

1997 - In October the Company acquired the newspaper and broadcast operations of Harte-Hanks Communications ("Harte-Hanks") for $775,000,000, plus working capital, in cash. The Harte-Hanks newspaper operations ("HHC Newspaper Operations") include daily newspapers in Abilene, Corpus Christi, Plano, San Angelo and Wichita Falls, Texas, and a daily newspaper in Anderson, South Carolina. The Company immediately traded the Harte-Hanks broadcast operations for an approximate 56% controlling interest in Food Network and approximately $75,000,000 in cash. In August the Company traded its daily newspapers in Monterey and San Luis Obispo, California, for the daily newspaper in Boulder, Colorado.

1996 - In May the Company acquired the Vero Beach, Florida, Press Journal for $20,073,000 in cash and $100,000,000 in notes issued to the seller.

The estimated reduction in earnings per share due to the HHC Newspaper Operations and Food Network acquisitions was $.04 in 1997.

In the three years ended December 31, 1997, the Company divested the following operations (the "Divested Operating Units"):

1997 - Traded its Monterey and San Luis Obispo, California, daily newspapers for the daily newspaper in Boulder, Colorado, and terminated the joint operating agreement ("JOA") and ceased operations of its newspaper in El Paso, Texas. The JOA

termination and the trade resulted in gains totaling $47,600,000, $26,200,000 after-tax, $.32 per share.

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

Unusual items affecting the comparability of the Company's results of operations include the following:

1997 - The Company adjusted certain investments to estimated realizable value, resulting in a loss of $2,700,000, $1,700,000 after tax, $.02 per share.

1996 - The Company incurred an unusual operating charge (the "Cincinnati JOA Charge") of approximately $4,000,000, $2,600,000 after tax, $.03 per share, the Company's share of certain costs associated with restructuring portions of the distribution system of the Cincinnati JOA.

The Company recognized net gains that increased income from continuing operations by $24,300,000, $.30 per share. A pre-tax gain of $40,000,000 was recognized on the Company's investment in Turner Broadcasting Systems when Turner was merged into Time Warner, and a $3,000,000 investment in Patient Education Media, Inc. was written off.

The Company contributed 375,000 shares of Time Warner stock to Scripps Howard Foundation, a private charitable foundation. The contribution reduced pre-tax income by $15,500,000 and income from continuing operations by $5,200,000, $.07 per share.

Operating results for the Company's reportable segments, excluding the Divested Operating Units and unusual items described above, are presented on the following pages.

Licensing revenues increased $3,100,000 in 1997 due to sales of PEANUTS and DILBERT merchandise in international markets. Total licensing and other media operating revenues and EBITDA decreased in 1997, however, as Scripps Howard Productions ("SHP") delivered fewer hours of television programming. SHP delivered 5 hours of programming in 1997, 8 hours in 1996 and 5 hours in 1995. The Company has announced its intention to sell SHP. The Company will continue to operate Cinetel Productions, which produces non-fiction programming for broadcast and cable television.

The average balance of outstanding debt increased $123,000,000 in 1997 and $10,900,000 in 1996. Long-term debt was used to finance the purchase of acquired operations. Lower average interest rates led to the decrease in interest expense in 1996.

The effective income tax rate in 1996 was affected by contributions to a charitable foundation described above. The effective income tax rate in 1998 is expected to be approximately 41%.

NEWSPAPERS - Operating results, excluding Divested Operating Units and the Cincinnati JOA Charge, were as follows:

(in thousands)

	For the years ended December 31,				
	1997	Change	1996	Change	1995
Operating revenues:					
Local	$ 221,199	14.9 %	$ 192,563	3.6 %	$ 185,821
Classified	214,912	16.4 %	184,629	8.6 %	170,058
National	23,056	18.9 %	19,384	17.6 %	16,480
Preprint and other	73,268	13.5 %	64,538	(1.6)%	65,585

Newspaper advertising	532,435	15.5 %	461,114	5.3 %	437,944
Circulation	129,612	6.8 %	121,365	3.5 %	117,288
Joint operating agency distributions	47,052	19.6 %	39,341	(0.3)%	39,476
Other	14,689	69.4 %	8,669	17.2 %	7,399
Total operating revenues	723,788	14.8 %	630,489	4.7 %	602,107
Operating expenses:					
Employee compensation and benefits	235,565	12.7 %	208,969	2.8 %	203,315
Newsprint and ink	120,361	1.4 %	118,729	(0.4)%	119,163
Other	150,715	14.0 %	132,234	6.5 %	124,108
Depreciation and amortization	44,494	21.6 %	36,605	5.4 %	34,738
Total operating expenses	551,135	11.0 %	496,537	3.2 %	481,324
Operating income	$ 172,653	28.9 %	$ 133,952	10.9 %	$ 120,783
Other Financial and Statistical Data:					
EBITDA	$ 217,147	27.3 %	$ 170,557	9.7 %	$ 155,521
Percent of operating revenues:					
Operating income	23.9 %		21.2 %		20.1 %
EBITDA	30.0 %		27.1 %		25.8 %
Capital expenditures	$ 32,950	35.4 %	$ 24,340	15.1 %	$ 21,156
Business acquisitions and other additions to long-lived assets	$ 644,527		$ 122,230		$ 745

The HHC Newspaper Operations and the Boulder newspaper acquisitions accounted for 72% of the increase in advertising revenue in 1997. The Vero Beach newspaper accounted for one-third of the 1996 increase in advertising revenue. Advertising revenues increased 7.6% in 1997 and 3.7% in 1996 on a pro forma basis, assuming all newspapers owned at the end of 1997 were owned for the full three-year period.

Newsprint prices have fluctuated widely in recent years. The average price of newsprint increased from approximately $420 per metric tonne in the first quarter of 1994 to $745 in the first quarter of 1996, declined to approximately $500 by March 1997, then increased to $560 in December 1997. For all of 1997 the average price of newsprint was 15% less than in 1996. The average price of newsprint in 1996 was 1% less than in 1995. The Company anticipates that year-over-year newsprint costs will increase approximately 40% in the first quarter of 1998 on an increase in newsprint prices of about 15%. The current price of newsprint is 8% higher than the average price in 1997. At the current price, newsprint costs in 1998 would increase approximately 30%. However, some newsprint suppliers have announced a 7% price increase effective April 1, 1998. It is uncertain if the announced increase will be billed or, rather, resistance from buyers will cause suppliers to reduce or delay the increase.

Excluding the acquired newspapers, employee compensation and benefits and other operating expenses increased approximately 5% in 1997. Depreciation and amortization increased due to newspaper acquisitions. Capital expenditures in 1998 are expected to be approximately $27,000,000 and depreciation and amortization is expected to increase approximately 45%.

BROADCAST TELEVISION - Operating results were as follows:

(in thousands)

	For the years ended December 31,				
	1997	Change	1996	Change	1995
Operating revenues:					
Local	$ 171,211	7.4 %	$ 159,412	5.9 %	$ 150,489
National	139,322	9.6 %	127,172	1.4 %	125,476
Political	2,106		19,505		3,207
Other	18,577	6.9 %	17,378	8.2 %	16,056
Total operating revenues	331,216	2.4 %	323,467	9.6 %	295,228
Operating expenses:					
Employee compensation and benefits	103,350	5.4 %	98,099	9.5 %	89,570
Program and copyright costs	47,890	(0.3)%	48,049	4.1 %	46,138
Other	51,928	1.6 %	51,094	9.7 %	46,564

	1997	Change	1996	Change	1995
Depreciation and amortization	24,358	(5.5)%	25,788	(0.9)%	26,029
Total operating expenses	227,526	2.0 %	223,030	7.1 %	208,301
Operating income	$ 103,690	3.2 %	$ 100,437	15.5 %	$ 86,927
Other Financial and Statistical Data:					
EBITDA	$ 128,048	1.4 %	$ 126,225	11.7 %	$ 112,956
Percent of operating revenues:					
Operating income	31.3 %		31.1 %		29.4 %
EBITDA	38.7 %		39.0 %		38.3 %
Capital expenditures	$ 15,632	(33.5)%	$ 23,491	(0.6)%	$ 23,630
Business acquisitions and other additions to long-lived assets	$ 3,000	76.5 %	$ 1,700		

The television stations have benefited from increasing political advertising in even-numbered years when congressional and presidential elections occur, making it more difficult to achieve year-over-year increases in operating results in odd-numbered years.

The increase in employee costs and other operating expenses in 1996 is due primarily to the Company's expanded schedules of local news programs at the former FOX affiliates. Program costs in 1996 include a $1,500,000 charge for the unrecoverable cost of syndicated programming held by several stations. Program costs are expected to increase nearly 20% in 1998, primarily due to the higher cost of the popular talk show "The Rosie O'Donnell Show," which is carried by five stations.

In 1996 the Company changed its Cincinnati television station's network affiliation to ABC from CBS. In 1995 the Company changed its Baltimore station's affiliation to ABC from NBC.

Capital expenditures in 1998 are expected to be approximately $38,000,000, including a new building for the Phoenix station and initial expenditures on a new building for the West Palm Beach station. Depreciation and amortization in 1998 is expected to increase approximately 5%.

CATEGORY TELEVISION - Operating results were as follows:

(in thousands)

	For the years ended December 31,				
	1997	Change	1996	Change	1995
Operating revenues:					
Advertising	$ 36,603	145.9 %	$ 14,888	82.1 %	$ 8,175
Affiliate fees	19,711	183.9 %	6,943	129.8 %	3,021
Other	2,082		280	100.0 %	140
Total operating revenues	58,396	164.1 %	22,111	95.1 %	11,336
Operating expenses:					
Employee compensation and benefits	15,404	87.9 %	8,199	17.0 %	7,006
Programming and production costs	20,007	43.4 %	13,953	63.9 %	8,515
Other	32,291	97.8 %	16,321	22.1 %	13,365
Depreciation and amortization	3,773	137.7 %	1,587	46.4 %	1,084
Total operating expenses	71,475	78.4 %	40,060	33.7 %	29,970
Operating income (loss)	$ (13,079)		$ (17,949)		$ (18,634)
Other Financial and Statistical Data:					
EBITDA	$ (9,306)		$ (16,362)		$ (17,550)
Capital expenditures	$ 5,742	105.1 %	$ 2,800	(51.0)%	$ 5,716
Business acquisitions and other additions to long-lived assets	$ 173,569		$ 44,000		$ 7,269

The increase in advertising and affiliate fee revenues is primarily due to the increase in cable television systems that carry HGTV, and, therefore, the increase in potential

audience. The October 1997 acquisition of Food Network increased operating revenues approximately 30%. Operating revenues increased 112% in 1997 and 97% in 1996 on a pro forma basis, assuming Food Network was owned for the full three-year period.

EBITDA for HGTV was ($9,700,000) in 1997, ($17,600,000) in 1996, and ($16,100,000) in 1995. Operating losses totaled $11,900,000, $7,600,000 after-tax, $.09 per share in 1997; $19,200,000, $11,900,000 after-tax, $.15 per share in 1996; and $17,200,000, $10,600,000 after-tax, $.13 per share in 1995. Food Network operating losses included in the Company's 1997 operating results were $2,500,000, $1,600,000 after-tax, $.02 per share.

In 1996 and 1997 the Company agreed to pay distribution fees of approximately $75,000,000 to certain cable and direct broadcast satellite systems in exchange for long-term contracts to carry HGTV. The amount of the incentives approximates the affiliate fee revenue HGTV expects to receive over the lives of the contracts. In 1996 and 1997 Food Network paid approximately $6,000,000 in distribution fees (including $1,500,000 subsequent to its acquisition by the Company) to cable television systems in exchange for long-term contracts that do not provide for affiliate fee revenue, and approximately $10,000,000 to direct broadcast satellite systems for long-term contracts that do provide for affiliate fee revenue. Advertising revenues are expected to increase as distribution of the networks increases, consistent with the historical growth in advertising revenues. Distribution fees are amortized based upon the percentage of the current period's affiliate fee revenue to the estimated total of such revenue over the lives of the contracts, or, for contracts that do not provide for affiliate fee revenue, on a straight-line basis. Amortization of prepaid distribution fees was approximately $9,000,000 in 1997.

According to the Nielsen Homevideo Index, HGTV was telecast to 36.1 million homes in December 1997, up 10.9 million from December 1996. Food Network was telecast to 29.1 million homes in December 1997, up 10.0 million from December 1996. Additional distribution fees may be required to obtain carriage on additional cable television systems.

Capital expenditures in 1998 are expected to be approximately $10,000,000. Depreciation and amortization is expected to increase approximately $7,000,000, primarily due to the acquisition of Food Network.

LIQUIDITY AND CAPITAL RESOURCES

The Company generates significant cash flow from operating activities, primarily from its newspaper and broadcast television operating segments. There are no significant legal or other restrictions on the transfer of funds among the Company's business segments. Cash flows provided by the operating activities of the newspaper and broadcast television segments in excess of the capital expenditures of those segments are used primarily to invest in the category television segment, to fund corporate expenditures, or to invest in new businesses. Management expects total cash flow from continuing operating activities in 1998 will be sufficient to meet the Company's expected total capital expenditures, required interest payments and dividend payments. Total capital expenditures in 1998 are expected to be approximately $75,000,000. The Company expects to extend the $400,000,000 one-year term portion of its variable rate credit facility, or to refinance the borrowings under that line.

Cash flow provided by continuing operating activities was $197,000,000 in 1997 compared to $176,000,000 in 1996 and

$114,000,000 in 1995. Payment of income taxes related to the settlement with the Internal Revenue Service of the audits of the 1985 through 1987 federal income tax returns reduced 1995 cash flow provided by continuing operating activities by $45,000,000. The increases in cash flow provided by continuing operating activities in 1997 and in 1996 were primarily due to improvements in EBITDA.

Net debt (borrowings less cash equivalent and other short-term investments) increased $651,000,000 during 1997 to $770,000,000. The acquisition of the HHC Newspaper Operations and Food Network caused the increase. At December 31, 1997, net debt was 42% of total capitalization. Management believes the Company's cash and cash equivalents, short-term investments and substantial borrowing capacity, taken together, provide adequate resources to fund the capital expenditures and expansion of existing businesses and the development or acquisition of new businesses.

YEAR 2000 ISSUES

The Company has initiated a review of its computer systems and applications to determine which are affected by the Year 2000 issue and the corrective actions to remedy the problem. Most of the Company's systems and applications have been determined to be Year 2000 compliant. The costs to remedy other systems is not expected to have a material effect on the Company's business, its results of operations or its financial position.

MARKET RISK

The Company's earnings and cash flow can be affected by, among other things, interest rate changes, foreign currency fluctuations (primarily in the exchange rate for the Japanese yen) and changes in the price of newsprint. See "NEWSPAPERS". The Company is also exposed to changes in the market value of its investments.

In the normal course of business, the Company employs foreign currency forward and option contracts to hedge its cash flow exposures denominated in Japanese yen. The contracts reduce the risk of changes in the exchange rate for Japanese yen on the Company's anticipated net licensing receipts (licensing royalties less amounts due creators of the properties and certain direct expenses) for the following year. The Company employs off-balance-sheet financial instruments, such as forward contracts, to reduce the risk of changes in the price of newsprint on anticipated newsprint purchases. As market conditions warrant, the Company enters into foreign currency and newsprint forward contracts only to hedge its anticipated transactions for, at most, the ensuing year. The impact of any reasonably possible change in the values of these derivative financial instruments on the Company's financial position, its results of operations, and its cash flows is immaterial.

The Company manages interest-rate risk primarily by maintaining a mix of fixed-rate and variable-rate debt. The Company currently does not utilize interest rate swaps, forwards or other derivative financial instruments. The following table presents additional information about the Company's market-risk-sensitive financial instruments:

(in thousands)	Cost or Carrying Value	Fair Value

Financial instruments subject to interest rate risk:		
Variable rate credit facilities	$ 541,459	$ 541,459
6.625% note, due in 2007	99,858	101,297
6.375% note, due in 2002	99,906	100,440
7.375% notes, due in 1998	29,754	30,289
Other notes	2,129	1,615
Total long-term debt	773,106	775,100
Program rights payable	45,856	42,800
Short-term investments	3,105	3,105
Financial instruments subject to market value risk:		
Time Warner common stock (672,000 shares)	$ 27,815	$ 41,681
Other	1,739	5,420

The Variable Rate Credit Facilities are comprised of two unsecured lines, one limited to $400,000,000 principal amount maturing in one year, and the other limited to $400,000,000 principal amount maturing in five years. The Variable Rate Credit Facilities are used by the Company in whole or in part, in lieu of direct borrowings, as credit support for its commercial paper. At December 31, 1997, the weighted-average interest rate on borrowings under the Variable Rate Credit Facilities was 5.85%.

The Company does not hold financial instruments for trading or speculative purposes, and does not hold leveraged contracts.

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated balance sheets of The E. W. Scripps Company and subsidiary companies ("Company") as of December 31, 1997 and 1996, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1997. Our audits also included the financial statement schedule listed in the Index at Item S-1. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 1997 and 1996, and the results of its operations and cash flows for each of the three years in the period ended December 31, 1997 in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP
Cincinnati, Ohio
January 22, 1998

CONSOLIDATED BALANCE SHEETS

(in thousands)

	As of December 31, 1997	1996
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 14,321	$ 10,145
Short-term investments	3,105	2,700
Accounts and notes receivable (less allowances - 1997, $6,305; 1996, $3,974)	218,310	182,687
Program rights and production costs	61,698	44,639
Inventories	13,685	11,753
Deferred income taxes	21,630	24,897
Miscellaneous	46,365	37,259
Total current assets	379,114	314,080
Investments	84,645	40,205
Property, Plant and Equipment	480,037	430,703
Goodwill and Other Intangible Assets	1,237,482	590,452
Other Assets:		
Program rights and production costs (less current portion)	32,546	35,281
Prepaid distribution fees (less current portion)	48,287	38,337
Miscellaneous	18,722	19,611
Total other assets	99,555	93,229
TOTAL ASSETS	$ 2,280,833	$ 1,468,669

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	As of December 31, 1997	1996
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 171,254	$ 90,040
Accounts payable	90,408	88,574
Customer deposits and unearned revenue	39,395	30,208
Accrued liabilities:		
Employee compensation and benefits	41,645	33,622
Distribution fees	33,388	33,895
Miscellaneous	53,870	47,063
Total current liabilities	429,960	323,402
Deferred Income Taxes	88,051	63,953
Long-Term Debt (less current portion)	601,852	31,793
Other Long-Term Obligations and Minority Interests (less current portion)	112,008	104,930
Commitments and Contingencies (Note 13)		
Stockholders' Equity:		
Preferred stock, $.01 par - authorized: 25,000,000 shares; none outstanding		
Common stock, $.01 par:		
Class A - authorized: 120,000,000 shares; issued and outstanding: 1997 - 61,296,157 shares; 1996 - 61,293,240 shares	613	613
Voting - authorized: 30,000,000 shares; issued and outstanding: 1997 - 19,333,711 shares; 1996 - 19,470,382 shares	193	195
Total	806	808
Additional paid-in capital	259,739	272,703
Retained earnings	782,329	676,471
Unrealized gains (losses) on securities available for sale	11,397	(713)
Unvested restricted stock awards	(5,602)	(5,241)
Foreign currency translation adjustment	293	563
Total stockholders' equity	1,048,962	944,591
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,280,833	$ 1,468,669

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)

	For the years ended December 31, 1997	1996	1995
Operating Revenues:			
Advertising	$ 916,661	$ 822,758	$ 763,705
Circulation	135,582	130,092	125,354
Licensing	56,813	53,672	49,366
Joint operating agency distributions	48,977	43,279	43,863
Affiliate fees	19,711	6,943	3,021
Program production	18,950	29,080	13,618
Other	45,263	36,034	31,451
Total operating revenues	1,241,957	1,121,858	1,030,378
Operating Expenses:			
Employee compensation and benefits	400,014	360,697	338,521
Newsprint and ink	123,508	123,390	123,579
Program, production and copyright costs	85,227	88,990	65,996
Other operating expenses	304,778	273,553	254,536
Depreciation	54,085	49,528	46,496
Amortization of intangible assets	23,521	19,849	20,094
Total operating expenses	991,133	916,007	849,222
Operating Income	250,824	205,851	181,156
Other Credits (Charges):			
Interest expense	(18,543)	(9,629)	(11,223)
Net gains and unusual items	44,894	21,531	
Miscellaneous, net	3,126	1,834	1,535
Net other credits (charges)	29,477	13,736	(9,688)
Income from Continuing Operations Before Taxes and Minority Interests	280,301	219,587	171,468
Provision for Income Taxes	117,510	86,011	74,532
Income from Continuing Operations Before Minority Interests	162,791	133,576	96,936
Minority Interests	5,089	3,436	3,347
Income From Continuing Operations	157,702	130,140	93,589
Discontinued Operation - Scripps Cable:			
Income from operations		39,514	39,789
Costs of Cable Transaction		(12,251)	
Net Income	$ 157,702	$ 157,403	$ 133,378
Per Share of Common Stock - Basic:			
Income from continuing operations	$1.96	$1.62	$1.17
Net income	$1.96	$1.96	$1.67
Per Share of Common Stock - Diluted:			
Income from continuing operations	$1.93	$1.61	$1.17
Net income	$1.93	$1.95	$1.66

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands, except share data)

	For the years ended December 31, 1997	1996	1995
Cash Flows from Operating Activities:			
Income from continuing operations	$ 157,702	$ 130,140	$ 93,589
Adjustments to reconcile income from continuing operations to net cash flows from continuing operating activities:			
Depreciation and amortization	77,606	69,377	66,590
Deferred income taxes	28,865	13,650	3,814
Minority interests in income of subsidiary companies	5,089	3,436	3,347
Net gains and unusual items	(44,894)	(21,367)	
Prepaid distribution fee amortization greater (less) than payments	(12,490)	(6,861)	(369)
Settlement of federal income tax audits	4,824		(45,000)
Other changes in certain working capital accounts, net	(24,094)	(8,546)	(13,979)
Miscellaneous, net	4,300	(3,605)	5,779
Net cash provided by continuing operating activities	196,908	176,224	113,771
Discontinued Operation - Scripps Cable:			
Income		27,263	39,789
Adjustment to derive cash flows from operating activities		37,830	62,290
Net cash provided by Scripps Cable operating activities		65,093	102,079
Net operating activities	196,908	241,317	215,850
Cash Flows from Investing Activities:			
Additions to property, plant and equipment	(56,620)	(53,300)	(57,300)
Purchase of subsidiary companies and long-term investments	(749,161)	(127,749)	(12,167)
Change in short-term investments, net	2,700	22,313	(25,013)
Sale of subsidiary companies and long-term investments	29,339	11,650	2,729
Miscellaneous, net	(1,490)	1,057	3,598
Net cash used in continuing operations investing activities	(775,232)	(146,029)	(88,153)
Net cash used in Scripps Cable investing activities		(119,575)	(44,938)
Net investing activities	(775,232)	(265,604)	(133,091)
Cash Flows from Financing Activities:			
New debt	741,216	100,000	
Payments on long-term debt	(90,046)	(59,042)	(29,703)
Dividends paid	(42,064)	(41,840)	(39,980)
Dividends paid to minority interests	(3,950)	(2,697)	(2,601)
Repurchase and retirement of 621,000 Class A Common Shares	(25,694)		
Miscellaneous, net (primarily exercise of stock options)	3,038	8,615	5,437
Net cash provided by (used in) continuing operations financing activities	582,500	5,036	(66,847)
Net cash used in Scripps Cable financing activities		(625)	(2,500)

Net financing activities	582,500	4,411	(69,347)
Increase (Decrease) in Cash and Cash Equivalents	4,176	(19,876)	13,412
Cash and Cash Equivalents:			
Beginning of year	10,145	30,021	16,609
End of year	$ 14,321	$ 10,145	$ 30,021
Supplemental Cash Flow Disclosures:			
Interest paid, excluding amounts capitalized	$ 19,343	$ 10,006	$ 11,053
Income taxes paid	86,599	66,320	55,176
Monterey and San Luis Obispo newspapers traded for Boulder newspaper	50,000		
Cable Transaction (at book value; fair market value was $1,590,000)		355,694	

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands, except share data)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Unrealized Gains (Losses) on Securities Available for Sale	Unvested Restricted Stock Awards	Foreign Currency Translation Adjustment
As of December 31, 1994	$ 799	$ 248,098	$ 823,204	$ 12,518	$ (2,036)	$ 885
Net income			133,378			
Dividends: declared and paid - $.50 per share			(39,980)			
Conversion of 196,460 Common Voting Shares to 196,460 Class A Common Shares						
Class A Common Shares issued pursuant to compensation plans, net: 238,850 shares issued, 1,250 shares forfeited and 19,894 shares repurchased	2	5,099			(538)	
Tax benefits of compensation plans		866				
Amortization of restricted stock awards					1,001	
Foreign currency translation adjustment						(72)
Increase in unrealized gains (losses) on securities available for sale, net of deferred income tax of $4,417				8,202		
As of December 31, 1995	801	254,063	916,602	20,720	(1,573)	813
Net income			157,403			
Dividends: declared and paid - $.52 per share			(41,840)			
Cable Transaction (at book value; fair market value was $1,590,000, $19.83 per share of the Company)			(355,694)			
Conversion of 507,991 Common Voting Shares to 507,991 Class A Common Shares						
Class A Common Shares issued pursuant to compensation plans, net: 707,200 shares issued and 7,359 shares repurchased	7	16,068			(7,450)	
Tax benefits of compensation plans		2,572				
Amortization of restricted stock awards					3,782	
Foreign currency translation adjustment						(250)
Increase (decrease) in unrealized gains (losses) on securities available for sale, net of deferred income tax of $11,540				(21,433)		
As of December 31, 1996	808	272,703	676,471	(713)	(5,241)	563
Net income			157,702			
Dividends: declared and paid - $.52 per share			(42,064)			
Adjustment to estimated net book value of cable television assets			(9,780)			
Conversion of 136,671 Common Voting Shares to 136,671 Class A Common Shares						
Purchase and retirement of 621,000 Class A Common Shares	(7)	(25,687)				
Class A Common Shares issued pursuant to compensation plans, net: 529,475 shares issued and 42,229 shares repurchased	5	8,038			(3,137)	
Tax benefits of compensation plans		4,685				
Amortization of restricted stock awards					2,776	
Foreign currency translation adjustment						(270)
Increase in unrealized gains (losses) on securities available for sale, net of deferred income tax of $6,521				12,110		
As of December 31, 1997	$ 806	$ 259,739	$ 782,329	$ 11,397	$ (5,602)	$ 293

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - The E. W. Scripps Company ("Company") operates in three reportable segments: newspapers, broadcast television and category television. The newspaper segment includes 20 daily newspapers in the U.S. The newspaper segment primarily derives revenue from the sale of advertising space to local and national advertisers and from the sale of the newspaper to readers. The broadcast television segment includes nine network-affiliated

stations. Television stations derive revenue from the sale of advertising time to local and national advertisers and receive compensation for broadcasting network programming. Category television includes Home & Garden Television ("HGTV"), The Television Food Network ("Food Network"), and the Company's 12% equity interest in SportSouth, a regional cable television network. Revenues are derived from the sale of advertising time and from affiliate fees paid by cable television and direct broadcast satellite systems which distribute the networks. Licensing and other media aggregates the Company's operating segments that are too small to report separately, including syndication and licensing of news features and comics, television program production, and publication of independent telephone directories. The relative importance of each line of business to continuing operations is indicated in the segment information presented in Note 12.

The Company's operations are geographically dispersed and its customer base is diverse. However, more than 70% of the Company's operating revenues are derived from advertising. Operating results can be affected by changes in the demand for advertising both nationally and in individual markets.

The Company grants credit to substantially all of its customers. Management believes 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 the Company's financial position.

Cable Transaction - The Company's cable television systems ("Scripps Cable") were acquired by Comcast Corporation ("Comcast") on November 13, 1996 ("Cable Transaction") through a merger whereby the Company's shareholders received, tax-free, a total of 93 million shares of Comcast's Class A Special Common Stock. The aggregate market value of the Comcast shares was $1,593,000,000 ($19.83 per share of the Company) and the net book value of Scripps Cable was $356,000,000, yielding an economic gain of $1,237,000,000 to the Company's shareholders. Despite the economic gain, accounting rules required the Company to record the Cable Transaction as a spin-off, at net book value, of Scripps Cable to the Company's shareholders. Therefore no gain was reflected in the Company's financial statements. Pursuant to the terms of its agreement with Comcast, the Company remained liable for any losses resulting from certain lawsuits, certain other expenses, and tax liabilities of Scripps Cable attributable to periods prior to the Cable Transaction (see Notes 4 and 13). In 1997 the Company adjusted its estimate of these liabilities, reducing stockholders' equity by $9,780,000.

Scripps Cable represented an entire business segment, therefore its results are reported as a "discontinued operation" for all periods presented (see Note 15). Results of the remaining business segments, including results for divested operating units within these segments through their dates of sale, are reported as "continuing operations."

Use of Estimates - Preparation of the financial statements requires the use of estimates. The Company's financial statements include estimates for such items as income taxes payable and self-insured risks. The Company self insures for employees' medical and disability income benefits, workers' compensation and general liability. The recorded liability for self-insured risks is calculated using actuarial methods and is not discounted. The recorded liability for self-insured risks totaled $17,300,000 at December 31, 1997. Management does not believe it is likely that its estimates for such items will change materially in the near term.

Consolidation - The consolidated financial statements include the accounts of the Company and its majority-owned subsidiary companies.

Revenue Recognition - Significant revenue recognition policies are as follows:

Advertising revenues are recognized based on dates of publication or broadcast.

Circulation revenue is recognized based on date of publication.

Affiliate fees are recognized as programming is provided to cable television and direct broadcast satellite services.

Royalties from merchandise licensing are recognized as products are sold by the licensee. Royalties from promotional licensing are recognized over the lives of the licensing agreements.

Program production revenues are recognized when the program material is available for broadcast and certain other conditions are met.

Prepaid Distribution Fees - Prepaid distribution fees are incentives paid to cable television and direct broadcast satellite system operators in exchange for long-term contracts to carry HGTV and Food Network. These fees are amortized based upon the percentage of the current period's affiliate fee revenues to the estimated total of such revenue over the lives of the contracts, or, for contracts that do not provide for the Company to receive affiliate fees, on a straight-line basis. The portion of the unamortized balance expected to be amortized within one year is classified as a current asset.

Program Rights and Production Costs - Program rights are recorded when programs become available for broadcast. Amortization is computed using the straight-line method based on the license period or based on usage, whichever yields the greater accumulated amortization for each program. The liability for program rights is not discounted for imputed interest.

Production costs represent costs incurred in the production of programming for distribution. Amortization is based on the percentage of current period revenues to the estimated total revenue for each program. The portion of the unamortized balance expected to be amortized within one year is classified as a current asset. Program and production costs are stated at the lower of unamortized cost or fair value.

Program rights liabilities payable within the next twelve months are included in accounts payable. Noncurrent program rights liabilities are included in other long-term obligations. The following table presents additional information about these liabilities:

(in thousands)

	As of December 31, 1997	1996
Liabilities for programs available for broadcast:		
Carrying amount	$ 45,856	$ 44,392
Fair value	42,800	41,400

Long-Lived Assets - Long-lived assets to be held and used are recorded at unamortized cost. Management reviews long-lived assets, including related goodwill and other intangible assets, for impairment whenever events or changes in circumstances indicate the carrying amounts of the assets

may not be recoverable. Recoverability is determined by comparing the forecasted undiscounted cash flows of the operation to which the assets relate to the carrying amount of the assets. If the operation is determined to be unable to recover the carrying amount of its assets, then goodwill and other intangible assets are written down first, followed by other long-lived assets of the operation, to fair value. Fair value is determined based on discounted cash flows. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Goodwill and Other Intangible Assets - Goodwill represents the cost of acquisitions in excess of tangible assets and identifiable intangible assets received. Noncompetition agreements and cable and direct broadcast satellite network affiliation contracts are amortized on a straight-line basis over the terms of the agreements. Goodwill, customer lists and other intangible assets are amortized on a straight-line basis over periods of up to 40 years.

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

Buildings and improvements	35 years
Printing presses	20 years
Other newspaper production equipment	5 to 10 years
Television transmission towers and related equipment	15 years
Other television and program production equipment	5 to 15 years
Office and other equipment	3 to 10 years

Interest costs related to major capital projects are capitalized and classified as property, plant and equipment.

Income Taxes - Deferred income taxes are provided for temporary differences between the tax basis and reported amounts of assets and liabilities that will result in taxable or deductible amounts in future years. The Company's temporary differences primarily result from accelerated depreciation and amortization for tax purposes and accrued expenses not deductible for tax purposes until paid.

Investments - Investments in 20%- to 50%-controlled companies and in all joint ventures are accounted for using the equity method. Venture capital investments that do not have a determinable fair value are carried at cost. Investments in other debt and equity securities are classified as available for sale and are carried at fair value. Fair value is determined by reference to quoted market prices. Unrealized gains or losses on those securities are recognized as a separate component of stockholders' equity. The cost of securities sold is determined by specific identification.

Newspaper Joint Operating Agencies - The Company is currently a party to newspaper joint operating agencies ("JOAs") in four markets. A JOA combines all but the editorial operations of two competing newspapers in a market. In each JOA the managing party distributes a portion of JOA profits to the other party. The Company manages the JOA in Evansville. The JOAs in Albuquerque, Birmingham and Cincinnati are managed by the other parties to the JOAs. The JOA in El Paso was terminated in 1997 (see Note 2).

The Company includes the full amount of company-managed JOA assets and liabilities, and revenues earned and expenses incurred in the operation of the JOA, in the consolidated financial statements. Distributions of JOA operating profits to the other party are included in other operating expenses.

For JOAs managed by the other party, the Company includes distributions of JOA operating profits in operating revenues in the Consolidated Statements of Income. The Company does not include any assets or liabilities of JOAs managed by other parties in its Consolidated Balance Sheets as the Company has no residual interest in the net assets of these JOAs.

Inventories - Inventories are stated at the lower of cost or market. The cost of newsprint included in inventory is computed using the last in, first out ("LIFO") method. At December 31 newsprint inventories were approximately 64% of total inventories in 1997 and 68% in 1996. The cost of other inventories is computed using the first in, first out ("FIFO") method. Inventories would have been $1,400,000 and $200,000 higher at December 31, 1997 and 1996 if FIFO (which approximates current cost) had been used to compute the cost of newsprint.

Postemployment Benefits - Retiree health benefits are recognized during the years that employees render service. Other postemployment benefits, such as disability-related benefits and severance, are recognized when the costs of such benefits are incurred.

Stock-Based Compensation - The Company's incentive plans provide for the awarding of options to purchase Class A Common Shares and awards of Class A Common Shares to certain employees of the Company. Stock options are awarded to purchase Class A Common Shares at not less than 100% of the fair market value on the date of the award. Stock options and awards of Class A Common Shares vest over an incentive period, conditioned upon the individual's employment through that period. The Company measures compensation expense using the intrinsic-value-based method (see Note 14).

Cash and Cash Equivalents - Cash and cash equivalents represent cash on hand, bank deposits and debt instruments with an original maturity of less than three months. Cash equivalents are stated at cost plus accrued interest, which approximates fair value.

Short-term Investments - Short-term investments represent excess cash invested in securities not meeting the criteria to be classified as cash equivalents. Short-term investments are carried at cost plus accrued income, which approximates fair value.

Risk Management Contracts - In the normal course of business, the Company employs foreign currency forward and option contracts to hedge cash flow exposures denominated in Japanese yen. The contracts reduce the risk of changes in the exchange rate for Japanese yen on the Company's anticipated net licensing receipts (licensing royalties less amounts due creators of the properties and certain direct expenses) for the following year. Such contracts are recorded at fair value in the Consolidated Balance Sheets and gains or losses are recognized in income as changes occur in the exchange rate for the Japanese yen.

The Company also employs off-balance-sheet financial instruments, such as forward contracts, to reduce the risk of changes in the price of newsprint on anticipated newsprint purchases. Gains or losses on the contracts are deferred and charged to newsprint and ink expense as the newsprint is consumed.

As market conditions warrant, the Company enters into foreign currency and newsprint forward contracts only to hedge its anticipated transactions for, at most, the ensuing year. The Company does not hold derivative financial instruments for trading or speculative purposes, and does not hold leveraged contracts.

The impact of risk management activities on the Company's financial position, its results of operations, and its cash flows is immaterial.

Net Income Per Share - The Financial Accounting Standards Board ("FASB") issued Financial Accounting Standard ("FAS") No. 128 - Earnings per Share in February 1997. It replaced the presentation of primary and fully-diluted earnings per share ("EPS") with basic and diluted EPS. Basic EPS excludes all dilution. It is based upon the weighted-average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that would occur if convertible securities or other contracts to issue common stock were exercised. The Company adopted FAS No. 128 in the fourth quarter of 1997. All previously reported EPS amounts have been restated to conform to the new presentation.

The following table presents additional information about basic and diluted weighted-average shares outstanding:

(in thousands)

	For the years ended December 31,		
	1997	1996	1995
Basic weighted-average shares outstanding	80,500	80,230	79,852
Effect of dilutive securities:			
Unvested restricted stock held by employees	214	99	41
Stock options held by employees	931	512	277
Diluted weighted-average shares outstanding	81,645	80,841	80,170

Recently Issued Accounting Standards - The FASB issued FAS No. 130 - Reporting Comprehensive Income in June 1997. The statement, which must be adopted in the first quarter of 1998 will require the Company to report comprehensive income, a measure of performance that includes all non-owner sources of changes in equity. In addition to net income reported in these financial statements, comprehensive income includes unrealized gains and losses on securities available for sale and foreign currency translation adjustments.

2. ACQUISITIONS AND DIVESTITURES

Acquisitions

1997 - In October the Company acquired the newspaper and broadcast operations of Harte-Hanks Communications ("Harte-Hanks") for $775,000,000, plus working capital, in cash. The Harte-Hanks newspaper operations include daily newspapers in Abilene, Corpus Christi, Plano, San Angelo and Wichita Falls, Texas, and a daily newspaper in Anderson, South Carolina. The Company immediately traded the Harte-Hanks broadcast operations for an approximate 56% controlling interest in Food Network and approximately $75,000,000 in cash. In August the Company traded its daily newspapers in Monterey and San Luis Obispo, California, for the daily newspaper in Boulder, Colorado.

1996 - In May the Company acquired the Vero Beach, Florida, daily newspaper.

The following table presents additional information about the acquisitions:

(in thousands)

	For the years ended December 31,	
	1997	1996

	1997	1996
Goodwill and other intangible assets acquired	$ 681,141	$ 110,967
Other assets acquired (primarily property, equipment and program costs)	108,221	10,900
Total	789,362	121,867
Fair value of Monterey and San Luis Obispo daily newspapers	(50,000)	
Liabilities assumed	(19,006)	(1,794)
Cash paid	$ 720,356	$ 120,073

The acquisitions have been accounted for as purchases. The acquired operations have been included in the Consolidated Statements of Income from the dates of acquisition. The following table summarizes, on an unaudited pro forma basis, the estimated combined results of operations of the Company and the acquired operations assuming the transactions had taken place at the beginning of the respective periods. The pro forma information includes adjustments for interest expense that would have been incurred to finance the acquisition, additional depreciation based on the fair market value of the property, plant and equipment, and amortization of the intangible assets acquired. The pro forma information excludes the results of operations of the Monterey and San Luis Obispo newspapers, and excludes the gain recognized on the transaction. The unaudited pro forma results of operations are not necessarily indicative of the results that actually would have occurred had the acquisition been completed at the beginning of the respective periods.

(in thousands, except per share data)

	For the years ended December 31,		
	1997	1996	1995
Operating revenues	$ 1,350,096	$ 1,253,798	$ 1,160,695
Income from continuing operations	124,965	100,704	62,836
Net income	124,965	127,967	102,625
Per share of common stock - basic:			
Income from continuing operations	$1.55	$1.26	$.79
Net income	1.55	1.60	1.29
Per share of common stock - diluted:			
Income from continuing operations	$1.53	$1.25	$.78
Net income	1.53	1.58	1.28

Divestitures

1997 - The Company traded its Monterey and San Luis Obispo, California, daily newspapers for the daily newspaper in Boulder, Colorado, and terminated the JOA and ceased operations of its newspaper in El Paso, Texas. The JOA termination and the trade resulted in gains totaling $47,600,000, $26,200,000 after-tax ($.32 per share on a diluted basis).

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

Included in the consolidated financial statements are the following results of divested operating units (excluding gains on sales):

(in thousands)

	For the years ended December 31,		
	1997	1996	1995
Operating revenues	$ 27,200	$ 40,400	$ 38,300
Operating income	1,800	5,400	4,700

3. UNUSUAL CREDITS AND CHARGES

1997 - The Company adjusted certain investments to estimated realizable value, resulting in a loss of $2,700,000, $1,700,000 after tax, $.02 per share on a diluted basis.

1996 - The Company incurred an unusual operating charge of approximately $4,000,000, $2,600,000 after tax, $.03 per share on a diluted basis, the Company's share of certain costs associated with restructuring portions of the distribution system of the Cincinnati JOA.

The Company recognized net gains that increased income from continuing operations by $24,300,000, $.30 per share on a diluted basis. A pre-tax gain of $40,000,000 was recognized on the Company's investment in Turner Broadcasting Systems when Turner was merged into Time Warner, and a $3,000,000 investment in Patient Education Media, Inc., was written off.

The Company contributed 375,000 shares of Time Warner stock to Scripps Howard Foundation, a private charitable foundation. The contribution reduced pre-tax income by $15,500,000 and income from continuing operations by $5,200,000, $.07 per share on a diluted basis.

4. INCOME TAXES

The Company has reached an agreement with the Internal Revenue Service to settle the audit of its 1988 through 1991 consolidated federal income tax returns. The settlement will not result in an adjustment to the Company's tax liability for prior years. Pursuant to the terms of its agreement with Comcast, the Company remains liable for all tax liabilities of Scripps Cable attributable to periods prior to completion of the Cable Transaction. Management believes that adequate provision for income taxes has been made for all open years.

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

(in thousands)

	As of December 31, 1997	1996
Accelerated depreciation and amortization	$ 91,573	$ 74,405
Investments	13,258	6,584
Accrued expenses not deductible until paid	(13,323)	(13,345)
Deferred compensation and retiree benefits	(17,028)	(14,952)
Other temporary differences, net	(4,997)	(10,632)
Total	69,483	42,060
State net operating loss carryforwards	(9,576)	(9,863)
Valuation allowance for state deferred tax assets	6,514	6,859
Net deferred tax liability	$ 66,421	$ 39,056

The Company's state net operating loss carryforwards expire from 2003 through 2013. At each balance sheet date management estimates the amount of state net operating loss carryforwards that are not expected to be used prior to expiration of the carryforward period. The tax effect of these unused state net operating loss carryforwards is included in the valuation allowance.

The provision for income taxes consists of the following:

(in thousands)

	For the years ended December 31, 1997	1996	1995
Current:			
Federal	$ 68,600	$ 55,897	$ 60,044
State and local	14,275	9,814	5,027
Foreign	4,314	4,078	4,781
Total current	87,189	69,789	69,852
Deferred:			
Federal	31,100	1,937	6,911
Other	3,432	173	1,320
Total deferred	34,532	2,110	8,231
Total income taxes	121,721	71,899	78,083
Income taxes allocated to stockholders' equity	(4,211)	14,112	(3,551)
Provision for income taxes	$ 117,510	$ 86,011	$ 74,532

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

	For the years ended December 31, 1997	1996	1995
Statutory rate	35.0 %	35.0 %	35.0 %
Effect of:			
State and local income taxes	4.1	2.9	2.5
Amortization of goodwill	1.8	1.8	2.9
Charitable contributions of appreciated investments		(2.2)	
Miscellaneous	1.0	1.7	3.1
Effective income tax rate	41.9 %	39.2 %	43.5 %

5. LONG-TERM DEBT

Long-term debt consisted of the following:

(in thousands)

	As of December 31, 1997	1996
Variable rate credit facilities	$ 541,459	
6.625% note, due in 2007	99,858	
6.375% note, due in 2002	99,906	
7.375% notes, due in 1998	29,754	$ 29,658
6.17% note, due in 1997		90,000
Other notes	2,129	2,175
Total long-term debt	773,106	121,833
Current portion of long-term debt	171,254	90,040
Long-term debt (less current portion)	$ 601,852	$ 31,793
Fair value of long-term debt *	$ 775,100	$ 120,700

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

The Company has a Competitive Advance and Revolving Credit Facility Agreement which permits aggregate borrowings up to $800,000,000 (the "Variable Rate Credit Facilities"). The Variable Rate Credit Facilities are comprised of two unsecured lines, one limited to $400,000,000 principal amount maturing in one year, and the other limited to $400,000,000 principal amount maturing in five years. Borrowings under the Variable Rate Credit Facilities are available on a committed revolving credit basis at the Company's choice of three short-term rates or through an auction procedure at the time of each borrowing. The

Variable Rate Credit Facilities are also used by the Company in whole or in part, in lieu of direct borrowings, as credit support for its commercial paper. The weighted-average interest rate on the Variable Rate Credit Facilities at December 31, 1997, was 5.85%.

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

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

Interest costs capitalized were as follows:

(in thousands)	For the years ended December 31,		
	1997	1996	1995
Capitalized interest costs	$ 1,200	$ 700	$ 400

6. INVESTMENTS

Investments consisted of the following:

(in thousands, except share data)	As of December 31,	
	1997	1996
Securities available for sale:		
Short-term investments	$ 3,105	$ 2,700
Time Warner common stock (672,000 shares)	41,681	25,210
Other	5,420	3,364
Total securities available for sale	50,206	31,274
Investments accounted for using the equity method	7,484	5,084
Other (primarily venture capital)	30,060	6,547
Total investments	$ 87,750	$ 42,905
Unrealized gain (loss) on securities available for sale	$ 17,547	$ (1,084)

In 1996 the Company's investment in Turner Broadcasting Systems was exchanged for 1,047,000 shares of Time Warner common stock when Turner was merged into Time Warner, and the Company contributed 375,000 shares of Time Warner stock to Scripps Howard Foundation (see Note 3).

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

(in thousands)	As of December 31,	
	1997	1996
Land and improvements	$ 48,235	$ 40,871
Buildings and improvements	214,337	200,578
Equipment	598,243	540,454
Total	860,815	781,903
Accumulated depreciation	380,778	351,200
Net property, plant and equipment	$ 480,037	$ 430,703

8. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets consisted of the following:

(in thousands)

	As of December 31, 1997	1996
Goodwill	$ 1,187,979	$ 550,978
Customer lists	145,454	142,025
Cable and direct broadcast satellite network affiliation contracts	18,061	
Licenses and copyrights	28,221	28,221
Noncompetition agreements	2,149	18,049
Other	27,577	27,409
Total	1,409,441	766,682
Accumulated amortization	171,959	176,230
Net goodwill and other intangible assets	$ 1,237,482	$ 590,452

9. OTHER LONG-TERM OBLIGATIONS AND MINORITY INTERESTS

Other long-term obligations and minority interests consisted of the following:

(in thousands)

	As of December 31, 1997	1996
Program rights payable	$ 45,856	$ 44,392
Employee compensation and benefits	59,402	52,984
Distribution fees	46,716	39,096
Minority interests	10,537	9,400
Other	26,854	34,809
Total other long-term obligations and minority interests	189,365	180,681
Current portion of other long-term obligations	77,357	75,751
Other long-term obligations and minority interests (less current portion)	$ 112,008	$ 104,930

10. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information is as follows:

(in thousands)

	For the years ended December 31, 1997	1996	1995
Other changes in certain working capital accounts, net:			
Accounts receivable	$ (22,202)	$ (10,630)	$ (20,864)
Inventories	1,464	55	270
Accounts payable	(4,288)	7,467	(3,888)
Accrued income taxes	(7,114)	669	15,076
Accrued interest	1,541	(377)	170
Other accrued liabilities	7,707	(2,611)	(744)
Other, net	(1,202)	(3,119)	(3,999)
Total	$ (24,094)	$ (8,546)	$ (13,979)

11. EMPLOYEE BENEFIT PLANS

The Company sponsors defined benefit plans covering substantially all nonunion employees. Benefits are generally based on the employees' compensation and years of service. Funding is based on the requirements of the plans

and applicable federal laws.

The Company also sponsors defined contribution plans covering substantially all nonunion employees. The Company matches a portion of employees' voluntary contributions to these plans.

Union-represented employees are covered by retirement plans jointly administered by subsidiaries of the Company and the unions or by union-administered, multi-employer plans. Funding is based upon negotiated agreements.

Retirement plans expense consisted of the following:

(in thousands)

	For the years ended December 31,		
	1997	1996	1995
Service cost	$ 9,047	$ 8,921	$ 7,929
Interest cost	14,729	13,605	12,907
Actual (return) loss on plan assets, net of expenses	(41,665)	(29,737)	(41,698)
Net amortization and deferral	22,866	14,921	27,203
Total for defined benefit plans	4,977	7,710	6,341
Multi-employer plans	923	1,054	1,020
Defined contribution plans	4,585	4,124	3,612
Total	$ 10,485	$ 12,888	$ 10,973

Assumptions used in the accounting for the defined benefit plans were as follows:

	1997	1996	1995
Discount rate as of December 31	6.5%	7.5%	7.0%
Expected long-term rate of return on plan assets	7.5%	8.5%	8.0%
Rate of increase in compensation levels	3.0%	4.0%	3.5%

The plans' long-term rates of return on assets, net of expenses, has been approximately one percentage point greater than the discount rate. Management believes the discount rate plus one percentage point is the best estimate of the long-term return on plan assets at any point in time. Therefore, when the discount rate changes, management's expectation for the future long-term rate of return on plan assets changes in tandem.

The funded status of the defined benefit plans was as follows:

(in thousands)

	As of December 31,		
	1997	1996	1995
Actuarial present value of vested benefits	$ (180,252)	$ (157,600)	$ (158,953)
Actuarial present value of accumulated benefits	$ (194,636)	$ (169,856)	$ (170,875)
Actuarial present value of projected benefits	$ (236,260)	$ (203,919)	$ (206,324)
Plan assets at fair value	246,811	220,603	195,667
Plan assets greater than (less than) projected benefits	10,551	16,684	(10,657)
Unrecognized net loss (gain)	(18,979)	(21,338)	7,089
Unrecognized prior service cost	5,704	6,486	8,337
Unrecognized net asset at the date FAS No. 87 was adopted, net of amortization	(6,328)	(7,775)	(9,222)
Net pension asset (liability) recognized in the balance sheet	$ (9,052)	$ (5,943)	$ (4,453)

Plan assets consist of marketable equity and fixed-income securities.

The Company has unfunded health and life insurance benefit plans that are provided to certain retired employees. The combined number of 1) active employees eligible for such benefits and 2) retired employees receiving such benefits is approximately 5% of the Company's current workforce. The actuarial present value of the projected benefit obligation at December 31 was $8,200,000 in 1997 and $7,400,000 in 1996. The cost of the plan was less than $1,000,000 in each year.

12. SEGMENT INFORMATION

The Company's reportable segments are strategic businesses that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. See Note 1 for descriptive information about the Company's business segments. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company evaluates performance based on results of operations before income taxes, interest, unusual items, and foreign exchange gains and losses. Intersegment sales, which primarily consist of programming produced for HGTV and Food Network, are generally recorded at cost.

No single customer provides more than 10% of the Company's revenue. The Company derives less than 10% of its revenues from markets outside of the U.S.

Financial information for the Company's business segments is as follows:

(in thousands)

	For the years ended December 31, 1997	1996	1995
OPERATING REVENUES			
Newspapers	$ 751,014	$ 670,861	$ 640,398
Broadcast television	331,216	323,467	295,228
Category television	58,396	22,111	11,336
Licensing and other media	105,723	108,490	84,471
Total	1,246,349	1,124,929	1,031,433
Eliminate intersegment revenue	(4,392)	(3,071)	(1,055)
Total continuing operations	$ 1,241,957	$ 1,121,858	$ 1,030,378
OPERATING INCOME			
Newspapers	$ 174,480	$ 139,303	$ 125,484
Broadcast television	103,690	100,437	86,927
Category television	(13,079)	(17,949)	(18,634)
Licensing and other media	2,940	6,531	4,151
Corporate	(17,207)	(18,471)	(16,772)
Total	250,824	209,851	181,156
Unusual credits (charges) - see Note 3		(4,000)	
Total continuing operations	$ 250,824	$ 205,851	$ 181,156
DEPRECIATION			
Newspapers	$ 33,840	$ 30,452	$ 30,206
Broadcast television	14,738	14,547	12,578
Category television	2,380	1,587	1,084
Licensing and other media	1,931	1,843	1,744
Corporate	1,196	1,099	884
Total continuing operations	$ 54,085	$ 49,528	$ 46,496
AMORTIZATION OF INTANGIBLE ASSETS			
Newspapers	$ 12,105	$ 8,207	$ 6,267
Broadcast television	9,620	11,241	13,451
Category television	1,393		
Licensing and other media	403	401	376
Total continuing operations	$ 23,521	$ 19,849	$ 20,094
OTHER NONCASH ITEMS			
Broadcast television	$ (3,790)	$ (1,448)	$ (522)
Category television	(16,913)	(12,224)	(9,148)
Licensing and other media	(2,400)	(2,856)	2,414
Total continuing operations	$ (23,103)	$ (16,528)	$ (7,256)

Other noncash items include programming and program production expenses in excess of (less than) the amounts paid, and, for category television, amortization of prepaid

distribution fees in excess of (less than) distribution fee payments.

(in thousands)

	For the years ended December 31, 1997	1996	1995
ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT			
Newspapers	$ 33,762	$ 25,653	$ 22,184
Broadcast television	15,632	23,491	23,630
Category television	5,742	2,800	5,716
Licensing and other media	670	630	3,858
Corporate	814	726	1,912
Total continuing operations	$ 56,620	$ 53,300	$ 57,300
BUSINESS ACQUISITIONS AND OTHER ADDITIONS TO LONG-LIVED ASSETS			
Newspapers	$ 644,527	$ 122,230	$ 745
Broadcast television	3,000	1,700	
Category television	173,569	44,000	7,269
Licensing and other media	21,808	3,330	419
Corporate	2,083	2,283	4,104
Total continuing operations	$ 844,987	$ 173,543	$ 12,537
ASSETS			
Newspapers	$ 1,330,487	$ 700,625	$ 606,989
Broadcast television	495,049	515,866	520,308
Category television	283,588	101,107	51,722
Licensing and other media	113,822	79,122	72,456
Corporate	57,887	71,949	98,239
Total continuing operations	$ 2,280,833	$ 1,468,669	$ 1,349,714

Other additions to long-lived assets include investments and prepaid distribution fees. Corporate assets are primarily cash, investments, and refundable and deferred income taxes.

13. COMMITMENTS AND CONTINGENCIES

In 1995 Scripps Cable adjusted an accrual for the estimated costs of certain lawsuits against the Sacramento cable television system related primarily to employment issues and to the timing and amount of late-payment fees assessed to subscribers based upon a reassessment of the probable costs of these and additional employment-related lawsuits. The additional accrual reduced income from discontinued operations by $900,000. In 1996 the Company agreed to settle the late-payment fees and certain of the employment issue lawsuits. The settlements did not result in an additional charge. Management believes the possibility of incurring a loss greater than the amount accrued for the remaining lawsuits is remote. Pursuant to the terms of its agreement with Comcast, the Company remains liable for any losses related to these lawsuits.

The Company is also involved in other litigation arising in the ordinary course of business, none of which is expected to result in material loss.

The Company purchased program rights totaling $70,100,000 in 1997, $53,700,000 in 1996, and $61,900,000 in 1995, the payments for which are generally made over the lives of the contracts. At December 31, 1997, the Company was committed to purchase approximately $110,000,000 of program rights that are not currently available for broadcast, including $100,000,000 for programs not yet produced. If such programs are not produced, the Company's commitments would expire without obligation.

Minimum payments on noncancelable leases at December 31, 1997, were as follows:

(in thousands)

1998	$ 10,400
1999	7,700
2000	5,300
2001	4,400
2002	4,100
Later years	14,900
Total	$ 46,800

Rental expense for cancelable and noncancelable leases was as follows:

(in thousands)

	For the years ended December 31, 1997	1996	1995
Rental expense	$ 12,200	$ 10,300	$ 10,300

14. CAPITAL STOCK AND INCENTIVE PLANS

The capital structure of the Company includes Common Voting Shares and Class A Common Shares. The articles 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.

In 1997 the Board of Directors authorized, subject to business and market conditions, the purchase of up to 4,000,000 of the Company's Class A Common Shares. The Company repurchased 621,000 shares in 1997.

The 1987 Long-Term Incentive Plan (the "1987 Plan"), which expired on December 9, 1997, provided for the awarding of stock options with 10-year terms, stock appreciation rights, performance units and Class A Common Shares to key employees and the 1994 Non-Employee Directors' Stock Option Plan provides for the awarding of stock options to certain nonemployee directors. The 1987 Plan was replaced by the 1997 Long-Term Incentive Plan (the "1997 Plan"). The terms of the 1997 Plan are substantially the same as the 1987 Plan. The 1997 Plan expires in 2007, except for options then outstanding. The number of shares authorized for issuance under the plans is 7,913,000, of which 3,034,000 remain available.

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

Information related to stock options is as follows:

	Number of Shares	Weighted-Average Exercise Price	Range of Exercise Prices
Outstanding at December 31, 1994	2,125,975	$25.25	$16 - 34
Granted in 1995	25,000	31.00	29 - 34
Exercised in 1995	(221,350)	23.07	18 - 30
Forfeited in 1995	(10,000)	25.51	18 - 30
Outstanding at December 31, 1995	1,919,625	25.52	16 - 34
Granted in 1996 prior to the Cable Transaction	96,500	43.51	39 - 48
Exercised in 1996 prior to the Cable Transaction	(353,350)	23.51	16 - 34
Adjustment of options upon completion of the Cable Transaction	1,036,225		
Granted in 1996 subsequent to the Cable Transaction	25,000	34.25	34
Exercised in 1996 subsequent to the Cable Transaction	(43,200)	14.39	10 - 19
Outstanding at December 31, 1996	2,680,800	16.74	10 - 34
Granted in 1997	605,500	35.33	35 - 43

Exercised in 1997	(448,975)	17.27	10 - 26
Forfeited in 1997	(11,800)	34.50	35
Outstanding at December 31, 1997 (by year granted):			
1990	98,750	14.38	11 - 15
1991	463,350	12.00	11 - 13
1992	187,700	15.17	15 - 17
1993	729,800	17.54	15 - 21
1994	576,025	18.83	17 - 21
1995	12,000	19.63	18 - 20
1996	164,200	28.22	24 - 34
1997	593,700	35.35	35 - 43
Total options outstanding	2,825,525	$21.00	$11 - 43
Exercisable at December 31:			
1995	1,739,125	$25.88	$16 - 34
1996	2,417,900	16.02	10 - 27
1997	2,190,625	16.90	11 - 27

The number of options and the option price were adjusted based on the market price of Class A Common Shares before and after completion of the Cable Transaction, in order to preserve the economic value of the options. Substantially all options granted prior to 1997 are exercisable.

The Company has adopted the "disclosure-only" provisions of FAS No. 123; therefore no compensation expense has been recognized for stock option grants. Had compensation expense been determined based upon the fair value (determined using the Black-Scholes option pricing model) at the grant date consistent with the provisions of FAS No. 123, the Company's income from continuing operations would have been reduced to the pro forma amounts as follows:

(in thousands, except per share data)

	For the years ended December 31,		
	1997	1996	1995
Pro forma income from continuing operations	$ 155,800	$ 126,500	$ 93,500
Pro forma income from continuing operations per share of common stock:			
Basic	$1.94	$1.58	$1.17
Diluted	1.91	1.56	1.17

The 1996 amounts above include the $2,900,000, $.04 per share on a diluted basis, effect of the option adjustment related to the Cable Transaction. That amount is the after-tax difference between the fair value of the adjusted options and the intrinsic value of the original options outstanding on the date of the Cable Transaction. FAS No. 123 requires that, for options issued prior to the adoption of FAS No. 123, such difference must be included in the pro forma disclosures. There was no difference between the fair values of the original and the adjusted options on the date of the Cable Transaction. Information related to the fair value of stock option grants is as follows:

	For the years ended December 31,		
	1997	1996	1995
Weighted-average fair value of options granted	$12.03	$14.84	$11.08
Assumptions used to determine fair value:			
Dividend yield	1.5%	1.5%	1.5%
Expected volatility	28%	27%	28%
Risk-free rate of return	6.0%	6.4%	6.0%
Expected life of options	7 years	7 years	7 years

Awards of Class A Common Shares vest over an incentive period, conditioned upon the individual's employment throughout that period. During the vesting period shares issued are nontransferable, but the shares are entitled to all the rights of an outstanding share. Compensation

expense is determined based upon the fair value of the shares at the grant date. Information related to awards of Class A Common Shares is as follows:

(in thousands, except share data)

	For the years ended December 31, 1997	1996	1995
Class A Common Shares:			
Shares awarded prior to completion of the Cable Transaction		130,500	17,500
Weighted-average price of shares awarded		$43.45	$31.06
Adjustment of unvested shares upon completion of the Cable Transaction		127,650	
Awarded subsequent to completion of the Cable Transaction	80,500	52,500	
Weighted-average price of shares awarded	$38.97	$34.25	
Shares forfeited			1,250
Compensation expense recognized:			
Continuing operations	$ 2,776	$ 1,482	$ 916
Scripps Cable		2,300	85

The number of unvested shares was adjusted based on the market price of Class A Common Shares before and after completion of the Cable Transaction, in order to preserve the economic value of the awards.

15. DISCONTINUED OPERATION - SCRIPPS CABLE

Summarized financial information is as follows:

Operating Results

(in thousands, except share data)

	For the years ended December 31, 1996	1995
Operating revenues	$ 270,172	$ 279,482
Income before income taxes	60,541	65,247
Income taxes	(21,027)	(25,458)
Income from operations	39,514	39,789
Costs of Cable Transaction	(12,251)	
Net income	$ 27,263	$ 39,789
Net income per share of common stock:		
Basic	$.34	$.50
Diluted	.34	.50

In 1995 Scripps Cable adjusted an accrual for the ultimate costs of certain lawsuits (see Note 13). The adjustment reduced net income by $900,000.

Cash Flows

(in thousands)

	For the years ended December 31, 1996	1995
Net income	$ 27,263	$ 39,789
Depreciation and amortization	48,008	53,999
Other, net	(10,178)	8,291
Net cash provided by operating activities	$ 65,093	$ 102,079
Capital expenditures	$ (57,898)	$ (47,484)
Acquisition of cable television systems (primarily equipment and intangible assets)	(62,099)	(384)
Other, net	422	2,930
Net cash used in investing activities	$ (119,575)	$ (44,938)

16. SUMMARIZED QUARTERLY FINANCIAL INFORMATION (Unaudited)

Summarized financial information is as follows:

(in thousands, except per share data)

1997	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Operating revenues	$ 290,710	$ 305,512	$ 286,181	$ 359,554	$ 1,241,957
Operating expenses:					
Employee compensation and benefits	94,805	96,381	97,491	111,337	400,014
Newsprint and ink	27,351	30,416	30,204	35,537	123,508
Program, production and copyright costs	25,827	16,988	18,356	24,056	85,227
Other operating expenses	68,608	74,072	72,532	89,566	304,778
Depreciation and amortization	18,268	17,294	18,023	24,021	77,606
Total operating expenses	234,859	235,151	236,606	284,517	991,133
Operating income	55,851	70,361	49,575	75,037	250,824
Interest expense	(2,566)	(2,484)	(2,300)	(11,193)	(18,543)
Net gains and unusual items			20,981	23,913	44,894
Miscellaneous, net	113	368	914	1,731	3,126
Income taxes	(22,477)	(28,728)	(29,668)	(36,637)	(117,510)
Minority interests	(898)	(938)	(924)	(2,329)	(5,089)
Income from continuing operations	$ 30,023	$ 38,579	$ 38,578	$ 50,522	$ 157,702
Income from continuing operations per share of common stock:					
Basic	$ .37	$ .48	$ .48	$ .63	$ 1.96
Diluted	$ .37	$ .47	$ .47	$ .62	$ 1.93
Basic weighted-average shares outstanding	80,496	80,562	80,644	80,297	80,500
Diluted weighted-average shares outstanding	81,588	81,701	81,814	81,476	81,645
Cash dividends per share of common stock	$ .13	$ .13	$ .13	$ .13	$ .52

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

(in thousands, except per share data)

1996	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Operating revenues	$ 254,245	$ 277,324	$ 265,483	$ 324,806	$ 1,121,858
Operating expenses:					
Employee compensation and benefits	86,883	89,333	90,078	94,403	360,697
Newsprint and ink	34,169	33,161	29,402	26,658	123,390
Program, production and copyright costs	16,550	16,460	17,814	38,166	88,990
Other operating expenses	61,648	66,996	65,688	79,221	273,553
Depreciation and amortization	17,519	16,951	17,256	17,651	69,377
Total operating expenses	216,769	222,901	220,238	256,099	916,007
Operating income	37,476	54,423	45,245	68,707	205,851
Interest expense	(1,413)	(2,224)	(2,713)	(3,279)	(9,629)
Net gains and unusual items				21,531	21,531
Miscellaneous, net	(382)	705	291	1,220	1,834
Income taxes	(15,274)	(22,998)	(18,331)	(29,408)	(86,011)
Minority interests	(687)	(798)	(841)	(1,110)	(3,436)
Income from continuing operations	19,720	29,108	23,651	57,661	130,140
Income from discontinued operation	9,595	12,782	12,268	(7,382)	27,263
Net income	$ 29,315	$ 41,890	$ 35,919	$ 50,279	$ 157,403
Per share of common stock - basic:					
Income from continuing operations	$ .25	$ .36	$ .29	$ .72	$ 1.62
Net income	$ .37	$ .52	$ .45	$ .63	$ 1.96
Basic weighted-average shares outstanding	80,109	80,220	80,258	80,333	80,230
Per share of common stock - diluted:					
Income from continuing operations	$ .24	$ .36	$ .29	$ .71	$ 1.61
Net income	$ .36	$ .52	$ .44	$ .62	$ 1.95
Diluted weighted-average shares outstanding	80,597	80,750	80,820	81,198	80,841
Cash dividends per share of common stock	$ .13	$ .13	$ .13	$ .13	$ .52

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

THE E. W. SCRIPPS COMPANY

Index to Consolidated Financial Statement Schedules

Valuation and Qualifying Accounts S-2

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1997, 1996 AND 1995 SCHEDULE II

(in thousands)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
CLASSIFICATION	BALANCE BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	DEDUCTIONS AMOUNTS CHARGED OFF-NET	INCREASE (DECREASE) RECORDED ACQUISITIONS (DIVESTITURES)	BALANCE END OF PERIOD
YEAR ENDED DECEMBER 31, 1997:					
Allowance for doubtful accounts receivable	$ 3,974	$ 7,387	$ 6,152	$ 1,096	$ 6,305
YEAR ENDED DECEMBER 31, 1996:					
Allowance for doubtful accounts receivable	$ 3,447	$ 5,422	$ 4,895		$ 3,974
YEAR ENDED DECEMBER 31, 1995:					
Allowance for doubtful accounts receivable	$ 3,937	$ 5,385	$ 5,875		$ 3,447
Allowance for sales returns	601		601		0
Total receivable allowances	$ 4,538	$ 5,385	$ 6,476		$ 3,447

THE E. W. SCRIPPS COMPANY

Index to Exhibits

Exhibit Number	Description of Item	Page	Exhibit No. Incorporated
3.01	Articles of Incorporation	(7)	3.01
3.02	Code of Regulations	(7)	3.02
4.01	Class A Common Share Certificate	(4)	4
4.02	Form of Indenture: 7.375% notes due in 1998	(2)	4.1
4.02A	Form of Indenture: 6.375% notes due in 2002	(5)	4.1
4.02B	Form of Indenture: 6.625% notes due in 2007	(5)	4.1
4.03	Form of Debt Securities: 7.375% notes due in 1998	(2)	4.2
4.03A	Form of Debt Securities: 6.375% notes due in 2002	(5)	4.2
4.03B	Form of Debt Securities: 6.625% notes due in 2007	(5)	4.2
10.02	Amended and Restated Joint Operating Agreement, dated February 29, 1988, among Birmingham News Company and Birmingham Post Company	(1)	10.02
10.03	Joint Operating Agreement, dated September 23, 1977, between the Cincinnati Enquirer, Inc. and the Company, as amended	(1)	10.03
10.05	Amended and Restated Joint Operating Agreement, dated October 23, 1986, among Evansville Press Company, Inc., Hartmann Publications, Inc. and Evansville Printing Corporation	(1)	10.05
10.06	Building Lease, dated April 25, 1984, among Albuquerque Publishing Company, Number Seven and Jefferson Building Partnership	(1)	10.08A
10.06A	Ground Lease, dated April 25, 1984, among Albuquerque Publishing Company, New Mexico State Tribune Company, Number Seven and Jefferson Building Partnership	(1)	10.08B
10.07	Agreement, dated August 17, 1989, between United Feature Syndicate, Inc. and Charles M. Schulz and the Trustees of the Schulz Family Renewal Copyright Trust, as amended	(1)	10.11
10.20	Acquisition Agreement, Dated as of May 16, 1997 by and between the E. W. Scripps Company and Harte-Hanks Communications, Inc.	(3)	10.01
10.21	Exchange Agreement, Dated as of September 4, 1997 By and Among Belo Holdings Inc., Colony Cable Networks, Inc., PJ Programming, Inc., BHI Sub, Inc. and The E. W. Scripps Company	(3)	10.02
10.40	5-Year Competitive Advance and Revolving Credit Agreement, dated as of September 26, 1997, among The E. W. Scripps Company, the Banks named therein, The Chase Manhattan Bank, as Agent, and J. P. Morgan & Co., as Documentation Agent	(5)	10.1
10.41	364-Day Competitive Advance and Revolving Credit Agreement, dated as of		

	September 26, 1997, among The E. W. Scripps Company, the Banks named therein, The Chase Manhattan Bank, as Agent, and J. P. Morgan & Co., as Documentation Agent	(5)	10.2
10.53	1987 Long-Term Incentive Plan	(1)	10.36
10.53A	Form of Nonqualified Stock Option Agreement	(1)	10.36A
10.53B	Form of Restricted Share Award Agreement	(1)	10.36B
10.54	Agreement, dated December 24, 1959, between the Company and Charles E. Scripps, as amended	(1)	10.39A
10.54A	Assignment, Assumption, and Release Agreement, dated December 31, 1987, between the Company, Scripps Howard, Inc. and Charles E. Scripps	(1)	10.39B
10.54B	Amendment, dated June 21, 1988 to December 24, 1959 Agreement between the Company and Charles E. Scripps	(1)	10.39C
10.55	Board Representation Agreement, dated March 14, 1986, between The Edward W. Scripps Trust and John P. Scripps	(1)	10.44
10.56	Shareholder Agreement, dated March 14, 1986, between the Company and the Shareholders of John P. Scripps Newspapers	(1)	10.45
10.57	Scripps Family Agreement dated October 15, 1992	(6)	1

THE E. W. SCRIPPS COMPANY

Index to Exhibits

Exhibit Number	Description of Item	Page	Exhibit No. Incorporated
12	Computation of Ratio of Earnings to Fixed Charges for the Three Years Ended December 31, 1997	E-3	
22	Subsidiaries of the Company	E-4	
24	Independent Auditors' Consent	E-5	
27	Financial Data Schedule	E-6	

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

(2) Incorporated by reference to Registration Statement of The E. W. Scripps Company on Form S-3 (File No. 33-43989).

(3) Incorporated by reference to The E. W. Scripps Company Current Report on Form 8-K dated September 4, 1997.

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

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

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

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

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

EXHIBIT 12

(in thousands)

	Years ended December 31, 1997	1996	1995
EARNINGS AS DEFINED:			
Earnings from operations before income taxes after eliminating undistributed earnings of 20%- to 50%-owned affiliates	$ 286,135	$ 221,565	$ 179,127
Fixed charges excluding capitalized interest and preferred stock dividends of majority-owned subsidiary companies	22,618	13,050	15,652
Earnings as defined	$ 308,753	$ 234,615	$ 194,779
FIXED CHARGES AS DEFINED:			
Interest expense, including amortization of debt issue costs	$ 18,543	$ 9,629	$ 11,223
Interest capitalized	1,193	749	447
Portion of rental expense representative of the interest factor	4,075	3,421	4,429
Preferred stock dividends of majority-owned subsidiary companies	80	80	80
Fixed charges as defined	$ 23,891	$ 13,879	$ 16,179
RATIO OF EARNINGS TO FIXED CHARGES	12.92	16.90	12.04

SUBSIDIARIES OF THE COMPANY

EXHIBIT 22

Name of Subsidiary	Jurisidiction of Incorporation
BRV, Inc. (Boulder Daily Camera, Bremerton Sun, Redding Record Searchlight, Ventura County Newspapers)	California
Birmingham Post Company (Birmingham Post Herald)	Alabama
Channel 7 of Detroit, Inc., (WXYZ)	Michigan
Collier County Publishing Company (The Naples Daily News)	Florida
Denver Publishing Company (Rocky Mountain News)	Colorado
Evansville Courier Company, Inc., 91.5%-owned	Indiana
Force V Corporation (Destin Log)	Florida
Independent Publishing Company (Anderson Independent Mail)	South Carolina
Knoxville News-Sentinel Company	Tennessee
Memphis Publishing Company, 91.3%-owned (The Commercial Appeal)	Delaware
New Mexico State Tribune Company (The Albuquerque Tribune)	New Mexico
Scripps Acquisition L.P. (Corpus Christi Caller-Times, Abilene Reporter-News, Wichita Falls Times Record News, San Angelo Standard-Times)	Delaware
Scripps Community Newspapers, Inc. (Plano Star Courier)	Texas
Scripps Howard Broadcasting Company, (WMAR, Baltimore; WCPO, Cincinnati; WEWS, Cleveland; KSHB, Kansas City; KNXV, Phoenix; KJRH, Tulsa; WPTV, West Palm Beach, Home & Garden Television, Cinetel Productions)	Ohio
Scripps Howard Productions, Inc.	California
Stuart News Company (Stuart News, Jupiter Courier, Vero Beach Press Journal)	Florida
Tampa Bay Television, (WFTS)	Delaware
The Television Food Network, G.P., 56%-owned	Delaware
United Feature Syndicate, Inc. (United Media, Newspaper Enterprise Association)	New York

INDEPENDENT AUDITORS' CONSENT EXHIBIT 24

We consent to the incorporation by reference in Registration Statements Nos. 33-53953, 33-32740, 33-35525, 33-47828, 33-63398, 33-59701, 333-27621, 333-27623 and 333-40767 of The E. W. Scripps Company and subsidiary companies on Form S-8 and Registration Statement Nos. 33-43989 and 33-36641 of The E. W. Scripps Company and subsidiary companies on Form S-3 of our report dated January 22, 1998, appearing in this Annual Report on Form 10-K of The E. W. Scripps Company and subsidiary companies for the year ended December 31, 1997.

DELOITTE & TOUCHE LLP
Cincinnati, Ohio
March 27, 1998

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