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

FORM 10-K

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

For the fiscal year ended December 31, 2005

Commission File Number 0-16914

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

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

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

Title of each class	Name of each exchange on which registered
Securities registered pursuant to Section 12(b) of the Act: **Class A Common Shares, $.01 par value**	**New York Stock Exchange**
Securities registered pursuant to Section 12(g) of the Act: **Not applicable**	

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 of Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

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

The aggregate market value of Class A Common Shares of the registrant held by non-affiliates of the registrant, based on the $48.80 per share closing price for such stock on June 30, 2005, was approximately $4,258,000,000. All Class A Common Shares beneficially held by executives and directors of the registrant and The Edward W. Scripps Trust have been deemed, solely for the purpose of the foregoing calculation, to be held by affiliates of the registrant. There is no active market for our common voting shares.

As of February 28, 2006, there were 127,026,354 of the registrant's Class A Common Shares, $.01 par value per share, outstanding and 36,668,226 of the registrant's Common Voting Shares, $.01 par value per share, outstanding.

Certain information required for Part III of this report is incorporated herein by reference to the proxy statement for the 2006 annual meeting of shareholders.

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

Additional Information

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

Our Company Web site is www.scripps.com. Copies of all of our SEC filings filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge on this Web site as soon as reasonably practicable after we electronically file the material with, or furnish it to, the SEC. Our Web site also includes copies of the charters for our Compensation, Nominating & Governance and Audit Committees, our Corporate Governance Principles, our Insider Trading Policy, our Ethics Policy and our Code of Ethics for CEO and Senior Financial Officers. All of these documents are also available to shareholders in print upon request.

Forward-Looking Statements

Our Annual Report on Form 10-K contains certain forward-looking statements that are based on our current expectations. Forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from the expectations expressed in the forward-looking statements. Such risks, trends and uncertainties, which in most instances are beyond our control, include changes in advertising demand and other economic conditions; consumers’ taste; newsprint prices; program costs; labor relations; technological developments; competitive pressures; interest rates; regulatory rulings; and reliance on third-party vendors for various products and services. The words “believe”, “expect”, “anticipate”, “estimate”, “intend” and similar expressions identify forward-looking statements. All forward-looking statements, which are as of the date of this filing, should be evaluated with the understanding of their inherent uncertainty. We undertake no obligation to publicly update any forward-looking statements to reflect events or circumstances after the date the statement is made.

PART I

Item 1. Business

We are a diverse media concern with interests in national television networks (“Scripps Networks”), newspaper publishing, broadcast television, television retailing (“Shop At Home”), online comparison shopping (“Shopzilla”), interactive media and licensing and syndication. All of our media businesses provide content and advertising services via the Internet.

Financial information for each of our business segments can be found under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page F-11 of this Form 10-K and in Note 1 on page F-37 and Note 17 on page F-48 of this Form 10-K.

Scripps Networks

Scripps Networks includes five national lifestyle television networks: Home & Garden Television (“HGTV”), Food Network, DIY Network (“DIY”), Fine Living and Great American Country (“GAC”). We conceived of and launched HGTV, DIY and Fine Living. We acquired controlling interest in Food Network in 1997. We acquired GAC in the fourth quarter of 2004. Scripps Networks produced approximately 36% of our total operating revenues in 2005, up from 29% in 2003.

Scripps Networks also includes our online channels, HGTVPro.com and HGTVKitchenDesign.com, and our 12% interest in FOX Sports Net South, a regional television network. In addition, our networks operate internationally through licensing agreements and joint ventures with foreign entities. All of our national television networks are targeted, lifestyle-oriented networks. HGTV began telecasting in 1994 and is successfully attracting viewers and serving advertisers by airing a full schedule of quality, original programming related to home repair, decorating, design, remodeling, and crafts. Food Network began telecasting in 1993. Programming hits such as “Iron Chef”, “Emeril Live!” and “30-Minute Meals” have raised the network’s public profile and increased viewer interest and advertiser demand. DIY began telecasting in 1999 and features detailed how-to, step-by-step programming and information on a variety of topics including autos and boats, crafts, gardening, hobbies, home building, home improvement and woodworking. Fine Living, which began telecasting in March 2002, features television programming and Web site content designed to appeal to viewers and Internet users looking for information on quality life experiences, consumer products and consumer services. Programming concentrates on a variety of related lifestyle categories including adventure, personal space, transportation, everyday living and favorite things. We acquired GAC in the fourth quarter of 2004. GAC is a 24-hour country music video network that began telecasting in 1996. GAC’s programming primarily features country music videos complemented by talk shows, celebrity interviews, exclusive performances and general lifestyle information.

Our initial focus in launching a network is to gain distribution on cable and satellite television systems. To obtain long-term distribution contracts, we may make cash payments to cable and satellite television systems, provide an initial period in which a system's affiliate fee payments are waived, or do both. We also create new and original programming and undertake promotion and marketing campaigns designed to increase viewer awareness.

We expect to incur operating losses until our network distribution and audience size are sufficient to attract national advertisers. As the distribution of our networks increase, we make additional investments in the quality and variety of programming and increase the number of original programming hours offered on the network. Such investments are expected to result in increases in viewership, yielding higher advertising revenues.

Once a network is fully distributed, our strategy primarily focuses on optimizing the network's ratings, revenue and profitability. We believe continuing investments in the high quality original programming and promotion of that programming are the primary drivers of ratings, revenue and profitability of a fully-distributed network.

HGTV and Food are generally distributed on the most widely available programming tiers offered by cable and satellite television systems. Each network reaches substantially all cable and satellite television households.

We continue to build the distribution of DIY, Fine Living and GAC. DIY, Fine Living and GAC are each among the top twelve cable television networks in terms of subscriber growth. Distribution on the most widely available basic cable tier is limited and, accordingly, growth in the number of households reached by DIY, Fine Living and GAC is largely dependent on increases in the number of subscribers to the expanded digital programming tiers offered by cable and satellite television systems. We also continue to make investments in programming and promotion campaigns to increase viewer awareness of our developing networks. We expect to make additional investments in programming and marketing of DIY in preparation for its initial Nielsen ratings in the fourth quarter of 2006.

Our relationships and agreements with cable and satellite television system operators are critical to our business as they provide us both with subscription revenue and access to an audience from which to earn advertising revenues. We believe we have good relationships with the cable and satellite television system operators that distribute our networks. We have been a leader in providing video on demand and similar programming services those systems use to enhance their digital programming tier offerings to subscribers.

We have also emerged as a leader in providing content specifically formatted for the growing number of video-on-demand and broadband services. We own approximately 95% of our original television programming, which gives us the capability to reformat archived video content for other uses, including the Internet. HGTVPro.com, our online channel for the building industry was launched in 2005 with more than 100 videos and articles available on the site. The channel's content is designed to appeal to professional builders, remodelers and contractors and includes professional-level best practices, tips and techniques of the industry, new product information, and trends in the industry. We have recently launched HGTVKitchenDesign.com, an online broadband programming service. We expect to continue to develop and launch additional broadband vertical networks within the shelter and food categories.

Advertising provided approximately 80% of Scripps Networks segment operating revenues in 2005. Advertising purchased on our networks usually seeks to promote nationally recognized consumer products and brands. We sell advertising time in both the up-front and scatter markets. The mix between the up-front and scatter markets is based upon a number of factors, including the demand for advertising time, economic conditions and pricing. Due to increased demand in the spring and holiday seasons, the second and fourth quarters normally have higher advertising revenues than our first and third quarters.

Advertising is sold on the basis of audience size and demographics, price and effectiveness. We compete for advertising revenues with other local and national media, including other television networks, television stations, radio stations, newspapers, Internet sites and direct mail. Audience size and demographics are directly related to the number of homes in which our networks can be viewed and our success in producing and promoting programming that is popular with our target audience. In reaching our target audience, we compete for consumers' discretionary time with all other information and entertainment media. We believe we are a leader in providing advertisers with solutions to reach a range of audience demographics. Our lifestyle networks reach an audience that is highly interested in the products likely to be advertised on our networks. We also provide advertisers sponsorship opportunities and the availability to reach audiences through our broadband programming networks.

Cable and satellite television systems generally pay a per-subscriber fee in exchange for the right to distribute our programming. Revenue from affiliate fees has been increasing at a double digit rate as our networks have gained popularity and as introductory carriage agreements with cable system operators expire and are renegotiated at higher rates. Network affiliate fees provided 18% of Scripps Networks segment operating revenues in 2005.

We compete with other national television networks for distribution on cable and satellite television systems. While no assurance can be given regarding renewal of our distribution contracts or our ability to negotiate renewals with similar terms, we have not lost carriage upon expiration and have generally negotiated new agreements that provided an increase in the per-subscriber fee.

Programming accounted for approximately 35% of our networks' segment costs and expenses in 2005. We produce original programming and acquire programming from a variety of independent production companies. We also license certain programming that airs on our networks. We believe there are adequate sources of creative and original programming to meet the needs of our networks.

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

Labor costs accounted for approximately 23% of segment costs and expenses in 2005.

Our networks are also subject to varying degrees of regulation by the Federal Communications Commission ("FCC"). The FCC regulates the providers of cable and satellite television programming, and the programmers themselves through regulation of program licensing and regulations with respect to matters such as indecency. Recently, the FCC's Media Bureau has conducted a notice of inquiry regarding the feasibility of offering cable and satellite television programming on an "a la carte" basis or in smaller bundles as a means of giving subscribers more choice and reducing the cost of such services to subscribers. While the FCC's Media Bureau concluded a la carte sales would not reduce costs to most consumers and would harm programmers, it is possible the United States Congress may consider such proposals in the future. The regulation of programming is subject to the political process and has been in flux over the past decade. Further changes in law and the regulatory process should be anticipated and there can be no assurance that our business would not be adversely affected by any change in future legislation, new regulation or deregulation.

Newspapers

We operate daily and community newspapers in 18 markets in the United States. Three of our newspapers are operated pursuant to the terms of joint operating agreements ("JOAs"). We also own and operate the Washington-based Scripps Media Center, home to the Scripps Howard News Service, a supplemental wire service covering stories in the capital, other parts of the United States and abroad. All of our newspapers subscribe to the wire service.

Newspaper operations are expanded into new markets primarily through the acquisition of daily newspapers. We grow in our existing markets through start-ups and acquisitions of niche weekly and specialty publications. In 2005, we acquired several newspapers and other publications in areas contiguous to our existing newspaper markets for approximately $8.5 million.

Our newspapers contributed approximately 29% of our company's total operating revenues in 2005, down from 37% in 2003.

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

(in thousands) (1) Newspaper	2005	2004	2003	2002	2001
Abilene (TX) Reporter-News	30	33	33	34	35
Anderson (SC) Independent-Mail	36	37	38	39	39
Boulder (CO) Daily Camera	32	33	33	33	34
Corpus Christi (TX) Caller-Times	50	58	61	63	63
Evansville (IN) Courier & Press	66	66	69	69	70
Henderson (KY) Gleaner	10	10	10	11	10
Kitsap (WA) Sun	30	30	30	31	33
Knoxville (TN) News-Sentinel	117	120	121	118	121
Memphis (TN) Commercial Appeal	165	172	173	172	170
Naples (FL) Daily News	58	57	57	56	55
Redding (CA) Record-Searchlight	35	35	35	35	34
San Angelo (TX) Standard-Times	25	26	27	28	28
Treasure Coast (FL) News/Press/Tribune	100	102	100	98	98
Ventura County (CA) Star	89	92	93	94	92
Wichita Falls (TX) Times Record News	30	32	32	32	34
Total Daily Circulation	873	902	911	912	914

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

(in thousands) (1) Newspaper	2005	2004	2003	2002	2001
Abilene (TX) Reporter-News	40	42	42	44	44
Anderson (SC) Independent-Mail	41	43	44	44	45
Boulder (CO) Daily Camera	39	40	40	41	41
Corpus Christi (TX) Caller-Times	71	76	78	80	81
Evansville (IN) Courier & Press	89	92	97	97	98
Henderson (KY) Gleaner	11	12	12	12	12
Kitsap (WA) Sun	33	33	34	36	37
Knoxville (TN) News-Sentinel	150	153	155	154	156
Memphis (TN) Commercial Appeal	216	236	235	234	232
Naples (FL) Daily News	70	69	69	68	67
Redding (CA) Record-Searchlight	39	39	40	40	39
San Angelo (TX) Standard-Times	30	31	32	33	34
Treasure Coast (FL) News/Press/Tribune (2)	112	115	113	111	110
Ventura County (CA) Star	100	106	107	107	105
Wichita Falls (TX) Times Record News	35	36	36	37	39
Total Sunday Circulation	1,075	1,123	1,133	1,137	1,142

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

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

Our newspaper publishing strategy seeks to create local media franchises anchored by the market's principal daily newspaper. Each newspaper manages its own news coverage, sets its own editorial policies and establishes local business practices. Our corporate staff sets the basic business, accounting and reporting policies, and provides other services and quality control.

We believe each of our newspapers has an excellent reputation for journalistic quality and content and that our newspapers are the leading source of local news and information in their markets. This strong brand recognition attracts readers and provides access to an audience from which to earn advertising revenues.

Over the years we have supplemented our daily newspapers with an array of niche products, including direct-mail advertising, total market coverage publications, zoned editions, youth-oriented and Spanish language specialty publications, and event-based publications. These product offerings allow existing advertisers to reach their target audience in multiple ways, while also giving us an attractive portfolio of products with which to acquire new clients, particularly small and mid-sized advertisers. While we strive to make such publications profitable in their own right, they also help retain advertising in the daily newspaper.

Our newspapers also operate leading local Internet sites, offering users information, comprehensive news, advertising, e-commerce and other services. Online advertising, particularly classified advertising has become one of the fastest growing revenue sources at our newspapers. Together with the mass reach of the daily newspaper, the Internet sites and niche publications enable us to maintain our position as a leading media outlet in each of our newspaper markets.

To protect and enhance our market position we must continually launch new products, offer good, relevant local content, ensure quality service, invest in new technology and cross-brand our newspapers, Internet sites and niche publications. We expect to continue to expand and enhance our online services and to use our local news platform to launch new products, such as streaming video or audio.

Advertising provided 80% of newspaper segment operating revenues in 2005. Newspaper advertising includes Run-of-Press ("ROP") advertising, preprinted inserts, advertising on our Internet sites, advertising in niche publications, and direct mail. ROP advertisements, located throughout the newspaper, are classified into one of three categories: local, classified or national. Local ROP refers to any advertising purchased by in-market advertisers that is not included in the paper's classified section. Classified ROP includes all auto, real estate and help-wanted advertising and other ads listed together in sequence by the nature of the ads. Classified sections are typically found in the back of the paper. National ROP refers to any advertising purchased by businesses that operate beyond our local market and who typically procure advertising from numerous newspapers by using advertising agency services. Preprint advertisements are generally printed by advertisers and inserted into the newspaper. Internet advertising ranges from simple static banners and listings appearing on a Web page to more complex, interactive, animated and video advertisements.

Typically, because it generates the largest circulation and readership, advertising rates and volume are higher on Sundays. Due to increased demand in the spring and Christmas seasons, the first and third quarters have lower advertising revenues than the second and fourth quarters.

Advertising revenues on a given volume of local and national ROP advertisements are generally greater than the revenues earned on the same volume of preprinted and other advertisements. Most of our newspaper markets have experienced a consolidation of retail department stores and the growth of discount retailers. Discount retailers do not traditionally rely on newspaper ROP advertising to deliver their commercial messages. The combination of these trends has resulted in a shift in advertiser demand away from the purchase of local ROP advertising and to the purchase of pre-printed advertising supplements. In response to the changing advertising trends, we have launched new products in each of our markets and continually work to upgrade our advertising sales force by providing advanced training and innovative sales strategies. These techniques have been effective in generating significant advertising sales from new customers and replacing lost advertising revenue.

Advertising is generally sold based upon audience size, demographics, price and effectiveness. Advertising rates and revenues vary among our newspapers depending on circulation, type of advertising, local market conditions and competition. Each of our newspapers operate in highly competitive local media marketplaces, where advertisers and media consumers can choose from a wide range of alternatives, including other newspapers, radio, broadcast and cable television, magazines, Internet sites, outdoor advertising, directories and direct-mail products.

Circulation provided approximately 18% of newspaper segment operating revenues in 2005. Circulation revenues are produced from selling home-delivery subscriptions of our newspapers and single-copy sales sold at retail outlets and vending machines. Our newspapers seek to provide quality, relevant local news and information to their readers. We compete with other news and information sources, such as television stations, radio stations and other print and Internet publications as a provider of local news and information.

Labor costs accounted for approximately 52% of segment costs and expenses in 2005. Our workforce is comprised of a combination of non-union and union employees. See "Employees."

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

Most of our newspapers are printed in 50-inch web format using offset and flexographic presses. We consumed approximately 136,000 metric tons of newsprint in 2005. Newsprint is a basic commodity and its price is subject to changes in the balance of worldwide supply and demand. Mill closures have decreased overall newsprint capacity and increased the likelihood of future price increases.

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

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

Each newspaper maintains a separate and independent editorial operation.

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

(in thousands) (1) Newspaper	2005	2004	2003	2002	2001
Albuquerque (NM) Tribune	12	13	15	16	17
Cincinnati (OH) Post	34	39	45	49	53
Denver (CO) Rocky Mountain News (2)	263	275	289	305	323
Total Daily Circulation	310	328	348	370	393

Sunday circulation information is as follows:

(in thousands) (1) Newspaper	2005	2004	2003	2002	2001
Denver (CO) Rocky Mountain News (2)	725	751	786	789	801

(1) Based on Audit Bureau of Circulation Publisher's Statements for the six-month periods ended September 30.
(2) The Denver JOA publishes the Rocky Mountain News and the Denver Post Monday through Friday, and a joint newspaper on Saturday and Sunday. Reported daily circulation represents the Monday through Friday circulation of the Rocky Mountain News.

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

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

The operating profits earned from the combined operations of each newspaper in a JOA are distributed to the partners in accordance with the terms of the joint operating agreement. We receive a 50% share of the Denver JOA profits, a 40% share of the Albuquerque JOA profits, and about 20% to 25% share of the Cincinnati JOA profits.

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

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Broadcast Television

Broadcast television includes six ABC-affiliated stations, three NBC-affiliated stations and one independent. Each station is located in one of the 61 largest television markets in the U.S. Our television stations reach approximately 10% of the nation's television households.

Historically, we have expanded our broadcast television operations into new markets through the acquisition of television stations currently in operation.

Our broadcast television stations provided approximately 13% of our total operating revenues in 2005, down from 16% in 2003.

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

Station	Market	Network Affiliation/ DTV Channel	Affiliation Expires in/ DTV Service Commenced	FCC License Expires in	Rank of Mkt (1)	Stations in Mkt (3)	Percentage of U.S. Television Households in Mkt (5)	2005	2004	2003	2002	2001
WXYZ-TV	Detroit, Ch. 7	ABC	2010	2005(6)	11	9	1.8%					
	Digital Service Status	41	1998									
	Average Audience Share (2)							14	15	15	15	15
	Station Rank in Market (4)							1	1	1	1	1
WFTS-TV	Tampa, Ch. 28	ABC	2010	2013	12	12	1.6%					
	Digital Service Status	29	1999									
	Average Audience Share (2)							6	5	6	6	7
	Station Rank in Market (4)							4	4	4	4	4
KNXV-TV	Phoenix, Ch. 15	ABC	2010	2006	14	14	1.5%					
	Digital Service Status	56	2000									
	Average Audience Share (2)							7	5	6	6	6
	Station Rank in Market (4)							5	5	5	5	5
WEWS-TV	Cleveland, Ch. 5	ABC	2010	2005(6)	16	11	1.4%					
	Digital Service Status	15	1999									
	Average Audience Share (2)							11	10	12	12	13
	Station Rank in Market (4)							1	3	1	1	1
WMAR-TV	Baltimore, Ch. 2	ABC	2010	2012	24	6	1.0%					
	Digital Service Status	52	1999									
	Average Audience Share (2)							7	7	7	7	7
	Station Rank in Market (4)							3	3	3	3	3
KSHB-TV	Kansas City, Ch. 41	NBC	2010	2006	31	8	0.8%					
	Digital Service Status	42	2003									
	Average Audience Share (2)							7	8	8	7	7
	Station Rank in Market (4)							4	4	4	4	4
KMCI-TV	Lawrence, Ch. 38	Ind.	N/A	2006	31	8	0.8%					
	Digital Service Status	36	2003									
	Average Audience Share (2)							2	2	2	1	2
	Station Rank in Market (4)							8	7	7	7	7
WCPO-TV	Cincinnati, Ch. 9	ABC	2010	2005(6)	34	6	0.8%					
	Digital Service Status	10	1998									
	Average Audience Share (2)							13	13	13	12	12
	Station Rank in Market (4)							2	2	2	2	2
WPTV-TV	W. Palm Beach, Ch. 5	NBC	2010	2005(6)	39	9	0.7%					
	Digital Service Status	55	2003									
	Average Audience Share (2), (7)							*NA*	16	16	17	16
	Station Rank in Market (4), (7)							*NA*	1	1	1	1
KJRH-TV	Tulsa, Ch. 2	NBC	2010	2006	61	10	0.5%					
	Digital Service Status	56	2002									
	Average Audience Share (2)							8	8	10	11	11
	Station Rank in Market (4)							3	3	3	3	3

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

(1) Rank of Market represents the relative size of the television market in the United States.
(2) Represents the number of television households tuned to a specific station from 6 a.m. to 2 a.m. each day, as a percentage of total viewing households in the Designated Market Area.
(3) Stations in Market does not include public broadcasting stations, satellite stations, or translators which rebroadcast signals from distant stations.
(4) Station Rank in Market is based on Average Audience Share as described in (2).
(5) Represents the number of U.S. television households in Designated Market Area as a percentage of total U.S. television households.
(6) Renewal application pending. Under FCC rules, a license automatically is extended pending FCC processing and granting of the renewal application. Historically, we have been successful in renewing our expiring FCC licenses.
(7) November Nielsen survey for this market was not available due to the 2005 hurricanes.

Our broadcast television strategy is to optimize the ratings, revenue and profit potential of each of our stations. We believe that local news leadership and the effective promotion of network and syndicated programs are the primary drivers of the ratings, revenue and profitability of our stations. In addition, we operate Internet sites in each of our broadcast television markets. Our Internet sites provide supplemental news, weather, information and entertainment content. We also believe the opportunities afforded by digital media, such as digital multi-casting, streaming broadband, video-on-demand and podcasts of local news and information programs is important to our future success. We devote substantial energy and resources to integrating such media into our business.

National television networks offer a variety of programs to affiliated stations, which have a limited right of first refusal before such programming may be offered to other television stations in the same market. Networks sell most of the advertising within the programs and may compensate affiliated stations for carrying network programming. Affiliated television stations may share in the cost of certain network programming, which is deducted from such compensation. We have reached agreement in principle on new affiliation agreements for our six ABC affiliated stations. The agreement will extend the ABC affiliation relationship for each of our stations through January 2010.

In addition to network programming, our broadcast television stations produce their own programming and air programming licensed from a number of different independent program producers and syndicators. News is the focus of our locally produced programming. To differentiate our programming from that of national networks available on cable and satellite television and other entertainment media, our stations have emphasized and increased hours dedicated to local news and entertainment.

The sale of local, national and political commercial spots accounted for 96% of broadcast television segment operating revenues in 2005. Automotive advertising provides approximately one-fourth of our local and national advertising revenues. In addition to advertising time, we also offer additional marketing opportunities, including sponsorships, community events, and advertising on our Internet sites.

Advertising revenues are also influenced by various cyclical factors, particularly the political cycle. Advertising revenues dramatically increase during even-numbered years, when congressional and presidential elections occur. Advertising revenues also are affected by whether our stations are affiliated with the national networks broadcasting major events, such as the Olympics or the Super Bowl. Due to increased demand in the spring and holiday seasons, the second and fourth quarters normally have higher advertising revenues than our first and third quarters.

Our television stations compete for advertising revenues primarily with other local media, including other television stations, radio stations, cable television systems, newspapers, other Internet sites and direct mail. Competition for advertising revenue is based upon market share, audience size, demographics, price and effectiveness.

The price of syndicated programming is directly correlated to the programming demands of other television stations within our markets. Syndicated programming costs were 20% of total segment costs and expenses in 2005.

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

Labor costs accounted for approximately 53% of segment costs and expenses in 2005.

Federal Regulation of Broadcasting – Broadcast television 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 broadcast television stations except in accordance with a license issued by the FCC and empowers the FCC to revoke, modify and renew broadcast television licenses, approve the transfer of control of any entity holding such licenses, determine the location of stations, regulate the equipment used by stations and adopt and enforce necessary regulations. The FCC also exercises limited authority over broadcast programming by, among other things, requiring certain children’s programming and limiting commercial content therein, regulating the sale of political advertising, and restricting indecent programming.

Broadcast television licenses are granted for a term of up to eight years and are renewable upon request, subject to FCC review of the licensee’s performance. While there can be no assurance regarding the renewal of our broadcast television licenses, we have never had a license revoked, have never been denied a renewal, and all previous renewals have been for the maximum term.

FCC regulations govern the multiple ownership of television stations and other media. Under the FCC’s current rules (as modified by Congress with respect to national audience reach), a license for a television station will generally not be granted or renewed if the grant of the license would result in (i) the applicant owning more than one television station, or in some markets under certain conditions, more than two television stations in the same market, or (ii) the grant of the license would result in the applicant’s owning, operating, controlling, or having an interest in television stations whose total national audience reach exceeds 39% of all television households. The current FCC rules also generally prohibit “cross ownership” of a television station and a daily newspaper in the same community. Our television station and daily newspaper in Cincinnati were owned by us at the time the cross-ownership rule was enacted and enjoy “grandfathered” status. These properties would become subject to the cross-ownership rule upon their sale.

In 1996, Congress directed the FCC to review all its media ownership rules biennially. The FCC concluded the 2002 biennial review of its media ownership rules by amending the rules so as to generally permit entities to own more television stations as well as a newspaper in some markets. However, after several parties appealed the rule changes, a federal court stayed the new rules from taking effect and directed the FCC to reconsider its actions. It is not possible to predict the timing or outcome of this ongoing review of the FCC’s ownership rules.

The FCC has adopted a series of orders to implement a transition from the current analog system of broadcast television to a digital transmission system. It granted most television stations a second channel on which to begin offering digital service, and each of our broadcast stations now offers digital as well as analog broadcast service. Congress recently set February 17, 2009, as the firm deadline for completing the digital transition and the return of broadcasters' analog spectrum.

A substantial number of technical, regulatory and market-related issues remain unresolved regarding the transition to digital television. These issues include the timeliness with which the FCC can allocate a final digital channel to each broadcast station and otherwise prepare for the return of spectrum now used for analog broadcasting; whether the FCC will adopt new rules affecting broadcasters' use of their digital spectrum; when and how Congress or the FCC will further address cable and satellite carriage of digital programming; concerns over protecting broadcasters' digital signal coverage and protecting digital broadcast signals from illegal copying and distribution; and uncertainty over the level of consumer demand for new digital services. We cannot predict the effect of these uncertainties on our offering of digital service or our business.

Broadcast television stations generally enjoy "must-carry" rights on any cable television system defined as "local" with respect to the station. Stations may waive their must-carry rights and instead negotiate retransmission consent agreements with local cable companies. Our network-affiliated stations have generally elected to negotiate retransmission consent agreements, while independent station KMCI relies on must-carry rights. Similarly, satellite carriers, upon request, are required to carry the signal of those television stations that request carriage and that are located in markets in which the satellite carrier chooses to retransmit at least one local station. While the FCC has announced that a television station's primary digital video transmission will enjoy cable must-carry rights, the FCC has declined to require carriage of a digital signal in addition to the station's analog signal or to require carriage of the multiple program streams that broadcasters can present with digital technology. The FCC has not yet addressed satellite carriers' obligation to carry local station's digital signals except per congressional direction in Hawaii and Alaska.

Shop At Home

In February 2006 we announced our intention to seek strategic alternatives for Shop At Home. Our intention is to maximize the value of the Shop At Home asset to our shareholders. Shop At Home produced approximately 14% of our company's total operating revenues in 2005.

We acquired our initial 70% controlling interest in Shop At Home from Summit America Television, Inc. ("Summit America," formerly Shop At Home, Inc.) in October 2002. In April 2004, we acquired Summit America, which included a 30% minority interest in Shop At Home and five Shop At Home-affiliated broadcast television stations. The Shop At Home acquisition provided us with an existing infrastructure and workforce with retailing expertise, enabling us to quickly gain scale in a growing television retailing industry. The 2004 acquisition of Summit America provided us with 100% ownership of Shop At Home and secured distribution of the network in Summit America's television markets.

Our strategy upon acquiring Shop At Home was to expand and improve the quality of the distribution of the network, improve the quality and mix of merchandise offered for sale and to leverage our cable network brands to build consumer awareness of Shop At Home.

Shop At Home is distributed by broadcast television and cable and satellite television affiliates that reach approximately 57 million full-time equivalent households, and can be viewed in more than 154 television markets, including 95 of the 100 largest television markets in the United States.

In television retailing the ability to secure a critical mass of high-quality, full-time basic cable households is critical to success. Channel positions in the "basic cable tier" tend to be lower on the channel guide and are generally adjacent to the most heavily watched channels. Consequently, this distribution tends to average greater revenue per household reached than the digital, satellite or higher channel positions that are generally available in the leased or spot markets. Average revenue per household reached is lower in digital tiers due, in part, to the expanded choice of viewing options and fragmentation of audience share. In addition, carriage outside the basic cable tier is often available only on a part-time or overnight basis and often lacks the channel guide branding that is standard in the longer-term permanent channel placement in the basic cable tier.

Securing carriage in the basic cable tier is particularly challenging, as the industry leaders QVC and HSN already occupy such scarce capacity and cable television system operators are reluctant to add additional shopping channels in the basic tier. As a result, Shop At Home has primarily grown its distribution through national satellite carriers or through the acquisition of part-time or overnight carriage. Approximately 42% of Shop At Home's carriage is provided by satellite television systems. These distribution issues have adversely impacted Shop At Home's operating results and contributed to the segment's recurring operating losses.

Due in part to the difficulty of securing high quality distribution in the basic cable tier we have undertaken an effort to build an online retail destination. Our Internet site provided approximately 16% of total Shop At Home revenues in 2005, up from 9% in 2003.

Substantially all of Shop At Home's revenues are derived from the sale of merchandise and related shipping and handling charges. We market home accessories, cookware, jewelry, electronics, beauty, fitness, collectibles and other products to consumers. A show-host approach is used with the host conveying information about the products and demonstrating use of the products.

The mix of products offered depends on a variety of factors including price, availability and customer response. During 2005 we continued to implement our merchandising plan and electronic commerce strategy to increase the sale of higher margin merchandise in the home and cookware categories and reduce our dependence on electronics and collectibles.

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

Due to increased demand during the holiday season, merchandise sales in the fourth quarter are typically higher than in other quarters.

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

Merchandise and network distribution costs are the primary operating expenses for the segment. We purchase merchandise from numerous vendors and sources. We monitor product sales and revise our product offerings to maintain an attractive merchandising mix while continually evaluating new products and sources to broaden and enhance our product selection. While a variety of sources are available for most products we sell, two vendors in two different product categories supply us with merchandise that accounts for a total of approximately 30% of total merchandise costs incurred in 2005. Our business could be adversely affected if these vendors ceased supplying merchandise.

Distribution agreements are typically for one-year terms, with automatic renewal unless either party provides a 30-day notice before the end of the term. Affiliates are generally paid a negotiated fee based on the number of cable and direct broadcast satellite households reached by the affiliate. In addition, under certain agreements, contingent payments may be due to affiliates if revenues generated by subscribers exceed pre-determined thresholds.

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

Shopzilla

On June 27, 2005, we completed our acquisition of Shopzilla, Inc., a Web-based product comparison shopping service. The acquisition of Shopzilla enabled us to capitalize on the rapid growth and rising profitability of specialized Internet search businesses and expand our interactive media platform.

Shopzilla operates a comparison shopping service, available on proprietary Web sites, including Shopzilla.com and BizRate.com, in the United States. Shopzilla also operates the BizRate consumer feedback network that collects millions of consumer reviews of stores and products each year.

Shopzilla began operating comparison shopping sites serving the United Kingdom, France and Germany in 2004 and 2005. We expect to continue to extend the Shopzilla brand into international markets.

On a pro-forma basis, assuming we had owned Shopzilla for all of 2005; Shopzilla would have produced 6% of our total operating revenues.

Our comparison shopping service helps consumers find products offered for sale by online retailers. Shopzilla aggregates and organizes information on millions of products from thousands of retailers. Consumers use our Internet site to search or browse for products and then narrow their product choices by the specific criteria that match their needs, including price quotes from multiple retailers, brand, product quality reviews, merchant quality reviews and various other category-specific attributes. Our comparison shopping service enables consumers to find and compare products and services online conveniently and effectively, reducing the need to visit the Internet sites of multiple online merchants. We provide consumers with a deep link to the Internet site of participating merchants, enabling consumers to quickly purchase products in which they have an interest. Our service enables merchants to generate sales cost-effectively by connecting them with consumers who are actively shopping.

Online shopping in the United States has increased dramatically in recent years. Concurrently Internet users are increasingly utilizing search engines and other tools that enhance their experience on the Internet. We believe Shopzilla is well positioned to benefit from such macro economic trends.

Shopzilla earns revenue primarily from lead referrals provided to participating online merchants. Lead referrals occur when consumers using our Internet sites click through to participating online retailers. Our operating results are influenced by our ability to cost-effectively attract consumers to our Internet sites and our ability to provide relevant product and merchant information to consumers.

Participating merchants generally list their products on our Internet sites under the terms of short-term contracts. We determine minimum prices per lead referral by category and subcategory. Participating merchants may choose to increase the amount they are willing to pay per lead referral, which may heighten the prominence of their listing on our service.

We monitor total lead referrals and the average revenue per lead referral. We make adjustments to the taxonomy used to deliver search results and the manner in which such results are displayed in order to increase the referrals we provide to participating merchants.

The volume of lead referrals and the average revenue per lead referral are influenced by factors such as seasonality and category mix. Due to an increase in online shopping during the holiday season, our revenues in the fourth quarter are typically higher than in other quarters.

Marketing costs intended to attract traffic to the Shopzilla Internet site and costs to operate and develop our Internet sites are our primary expenses.

Consumers come to our Internet site through links from general search engines and other Internet sites and by directly entering our Internet sites. We purchase performance-based advertising from search engines and other Internet sites to expose our brand to consumers who are researching purchases. This advertising generally consists of keyword-based purchases, generally pursuant to contracts which we may terminate on 30 days notice. We continually monitor our campaigns and adjust them to achieve better results. We also enter into distribution agreements with companies that wish to feature our comparison shopping content on their Web sites. We either pay these companies a cost-per-click fee, or share the revenues we charge our merchants when consumers link from these distribution partner Web sites to a merchant Web site.

We also promote Shopzilla on other Internet sites, including those operated by Scripps Networks, our newspapers and our broadcast television stations. We expect to continue to undertake promotion efforts to increase consumer awareness of the Shopzilla brand and to attract consumers directly to our comparison shopping sites.

We compete for both consumer and merchant users of our service. We compete for consumers on the basis of brand recognition, coverage of products and merchants, quality of information and ease of use. We compete for merchants on the basis of the quantity of lead referrals, the likelihood that those lead referrals will convert into purchases, our ability to help merchants measure the results of their marketing expenditures on our service, and our ability to help them optimize such expenditures. Any service that helps consumers find, compare or buy products and services is a competitor to us.

Several companies operate Internet sites that focus exclusively on providing comparison shopping services. These direct competitors include Shopping.com (operated by Ebay), NexTag and PriceGrabber (operated by Experian). Our technology enables us to list considerably more products than our competitors. We believe the ability to list a greater depth and breadth of products provides us a competitive edge by enabling us to expand into additional product categories and to list additional products within categories. We must continually upgrade our technology to maintain our competitive position.

We also face competition from general search engines and portals, such as Yahoo! and Google which serve as origination Web sites for consumers to find products and merchants. Yahoo! (through Yahoo! Shopping) and Google (through Froogle) also provide services similar to ours.

We also face indirect competition from online retailers, such as Amazon.com. Typically, online retailers serve as destination Web sites from which consumers directly buy products, but they typically have more limited product selection than we do and do not offer pricing, availability, and other information on products offered by other retailers. However, many online retailers are skilled at building customer loyalty and generating repeat business. Certain online retailers, including Amazon.com, also provide listings of products offered by other merchants.

Licensing and Other Media

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

United Media owns and licenses worldwide copyrights relating to “Peanuts,” “Dilbert” and other properties for use on numerous products, including plush toys, greeting cards and apparel, for promotional purposes and for exhibit on television and other media. Charles Schulz, the creator of “Peanuts,” died in February 2000. We continue syndication of previously published “Peanuts” strips, and retain the rights to license the characters. “Peanuts” provides approximately 95% of our licensing revenues. Licensing of comic characters in Japan provides approximately 45% of our international revenues, which are less than $60 million annually.

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

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

Employees

As of December 31, 2005, we had approximately 9,600 full-time equivalent employees, of whom approximately 5,400 were with newspapers, 1,100 with Scripps Networks, 1,600 with broadcast television, 1,000 with Shop At Home, 200 with Shopzilla and 100 with licensing and other media. Various labor unions represent approximately 1,100 employees, primarily in newspapers. We have not experienced any work stoppages at our current operations since 1985. We consider our relationships with our employees to be generally satisfactory.

Item 1a. Risk Factors

For an enterprise as large and complex as ours, a wide range of factors could materially affect future developments and performance. In addition to the factors affecting specific business operations identified in connection with the description of these operations and the financial results of these operations elsewhere in this report, the most significant factors affecting our operations include the following:

Changes in economic conditions in the United States, the regional economies in which we operate or in specific economic sectors could adversely affect the profitability of our businesses.

Approximately 68% of our revenues in 2005 were derived from marketing and advertising spending by businesses operating in the United States. Advertising and marketing spending is sensitive to economic conditions, and tends to decline in recessionary periods. A decline in economic conditions could reduce advertising prices, resulting in a decrease in our advertising revenues. A decline in economic conditions could also impact consumers discretionary spending. Such a reduction in consumer spending may impact the volume of online shopping, which could adversely affect our comparison shopping business.

We derive a substantial portion of our advertising revenues from the automotive industry. For example, approximately 25% of total broadcast television advertising revenue came from the automotive category in 2005. A decline in advertising spending by auto manufacturers could adversely affect our advertising revenues.

Our traditional media businesses face substantial competition for advertising revenues with non-traditional digital media.

All of our advertising-supported businesses are subject to competition for advertising revenues. Competitors for advertising revenues include paid and free newspapers, magazines, broadcast, satellite and cable television, broadcast and satellite radio, video-on-demand services, Web sites, direct marketing and the Yellow Pages.

Competition for advertising revenue is increasingly intense with digital media platforms. The popularity of the Internet and low barriers to entry have led to a wide variety of alternatives available to advertisers and consumers. As media audiences fragment, advertisers are increasing the portion of their advertising budgets allocated to non-traditional media, such as Internet sites and search engines. Internet sites and search engines can offer more measurable returns than traditional media advertising through pay-for-performance and keyword-targeted advertising. We may also compete with companies that sell products and services online because these companies are trying to attract users to their Internet sites directly to search for information about their products and services.

In recent years, Internet sites dedicated to help wanted, real estate and automobile sales have become significant competitors for classified advertising. Entities with a large Internet presence are entering the classified market, heightening the risk of continued erosion. We may experience greater competition from specialized Internet sites in other areas, such as travel and entertainment advertising. Although the amount of advertising on our Internet sites has been increasing, we may experience a decline in advertising revenues if we are unable to attract advertising to our Internet sites in sufficient volume or at rates comparable to that of our traditional media businesses.

Television viewing audiences have fragmented, and further fragmentation could adversely affect our advertising revenues.

The expanded availability of digital cable television and the introduction of direct-to-home satellite distribution has greatly increased the options available to the viewing public. In addition, technological advancements in the video, telecommunications and data services industry is changing rapidly. Advances in technologies such as personal video recorders, video-on-demand and streaming video on broadband Internet connections enable viewers to time-shift programming or to skip commercial messages. These changes have subjected Scripps Networks and our broadcast television stations to increased competition and to new types of competition for both viewers and advertising revenues.

Continued fragmentation of the television audience and technological developments could affect the viewership levels of our businesses. Reductions in viewership levels could result in decreases in advertising revenues. Our ability to anticipate changes in, and adapt to, changes in technology and consumer tastes on a timely basis and exploit new sources of revenue from these changes is critical to our ability to increase our advertising revenues and to remain competitive.

We purchase keyword advertising on general search engines to attract consumers to our comparison shopping Internet site.

Many consumers access our service by clicking through search results displayed by Google, Yahoo! and other popular general search engines. Search engines typically provide two types of search results, algorithmic listings and purchased listings. We rely on both algorithmic and purchased listings to attract consumers to our comparison shopping Internet site.

Algorithmic listings cannot be purchased, and instead are determined and displayed solely by a set of formulas designed by the search engine. Search engines revise their algorithms from time to time in an attempt to optimize their search result listings. Modification of such algorithms may result in fewer consumers clicking through to our Internet site.

We also rely on purchased listings to attract consumers to our comparison shopping Internet site. Many general search engines also operate Internet shopping services. Modification or termination of our contractual relationships with general search engines to purchase keyword advertising could result in fewer consumers clicking through to our Internet site. We may incur additional expenses to replace this traffic.

Approximately 30% to 40% of our referral fee revenues in 2005 were with a general search engine and a change in this relationship could harm our business.

In August 2002, we entered into the first of three agreements with a general search engine to participate in its sponsored links program. Under each of these agreements, pursuant to a contractual agreement that expires in October 2008, we display listings from the search engine's advertisers as a part of our service. We receive a share of the revenues earned by the search engine when consumers visit the advertisers' websites. Our revenues could be affected if this agreement were not renewed upon expiration or if the agreement were not renewed on similar terms.

Advertising and referral fee revenues are subject to seasonal and cyclical variations.

Due to increased demand in the spring and holiday seasons, the second and fourth quarters normally have higher advertising revenues than our first and third quarters. Referral fee revenues are highest in the fourth quarter due in part to increased online shopping during the holiday season. In addition, advertising revenues in even-numbered years benefit from political advertising. If a short-term negative impact on our business were to occur during a time of high seasonal demand, there could be a disproportionate effect on the operating results of that business for the year.

Changes in public and consumer tastes and preferences for entertainment could reduce demand for our entertainment offerings and products and reduce profitability.

Our businesses create entertainment products whose success depends substantially on consumer tastes and preferences that change in often unpredictable ways. The success of our businesses depends on our ability to consistently create content and programming that meets the changing preferences of the consumer market. The acceptance of our offerings and products and their success depends on our ability to predict and adapt to changing consumer tastes and preferences. If our product offerings do not achieve sufficient consumer acceptance, our share of the viewing audience may be adversely affected. Declines in such audience shares could result in a reduction in advertising revenue.

Scripps Networks is dependent upon the maintenance of distribution agreements with cable and satellite distributors on acceptable terms.

We enter into long-term contracts for the distribution of our networks on cable and satellite television systems. Our long-term distribution arrangements enable us to reach a large percentage of cable and direct broadcast satellite households across the United States. As these contracts expire, we must renew or renegotiate the contracts, and if we are unable to renew them on acceptable terms, we may lose distribution rights.

The loss of a significant number of affiliation arrangements on basic programming tiers could reduce the distribution of HGTV and Food Network, thereby adversely affecting affiliate fee revenue and our ability to sell advertising or the rates we are able to charge for such advertising.

Our networks that are carried on digital tiers are dependent upon the continued upgrade of cable systems to digital capability and the public's continuing acceptance of, and willingness to pay for upgrades to, digital cable, as well as our ability to negotiate favorable carriage agreements on widely accepted digital tiers.

Consolidation among cable television system operators has given the largest cable and satellite television systems considerable leverage in their relationship with programmers. In 1996, the two largest cable television system operators provided service to approximately 22% of households receiving cable or satellite television service. They provide service to approximately 45% of such households today, with the two largest satellite television operators providing service to an additional 28% of such households.

Continued consolidation within the industry could reduce the number of distributors available to carry our programming, subject our affiliate fee revenue to greater volume discounts, and further increase the negotiating leverage of the cable and satellite television system operators.

Decreases, or slow growth, in circulation adversely affects our circulation revenues and also our advertising revenues.

In recent years the newspaper industry has had difficulty increasing circulation volume and revenues. Since 2001 the daily and Sunday circulation of our newspapers has declined approximately 5%. The declines are due, in part, to competition from other forms of media, particularly the Internet. Regular newspaper buying has declined, particularly among young people who increasingly rely on the Internet and other non-traditional media for news.

A prolonged decline in circulation copies could have an effect on the rate and volume of advertising revenues, which are dependent on the size and demographics of the audience we provide to our advertisers. To maintain our circulation base, we may incur additional costs. We may not be able to recover these costs through increased circulation and advertising revenues.

The loss of affiliation agreements could adversely affect our broadcast television stations' results of operations.

Our broadcast television station business owns and operates ten television stations. Six of the stations are affiliated with ABC and three are affiliated with NBC. These television networks produce and distribute programming in exchange for each of our stations' commitment to air the programming at specified times and for commercial announcement time during the programming.

The non-renewal or termination of any of our other network affiliation agreements would prevent us from being able to carry programming of the relevant network. This loss of programming would require us to obtain replacement programming, which may involve higher costs and which may not be as attractive to our target audiences, resulting in reduced revenues.

We continue to develop new products and services for evolving markets. There can be no assurance of the success of these efforts due to a number of factors, some of which are beyond our control.

There are substantial uncertainties associated with our efforts to develop new products and services for evolving markets, and substantial investments may be required. Initial timetables for the introduction and development of new products or services may not be achieved, and price and profitability targets may not prove feasible. External factors, such as the development of competitive alternatives, rapid technological change, regulatory changes and shifting market preferences, may cause new markets to move in unanticipated directions.

We cannot be certain that we will be successful in integrating businesses we may acquire with our existing businesses.

We may grow through acquisitions in certain markets, and we may also consider the acquisition of businesses that fall outside our traditional lines of business. For example, in recent years we have acquired GAC, but have also acquired Shop At Home and Shopzilla which are outside our traditional lines of business. Acquisitions involve risks, including difficulties in integrating acquired operations, diversions of management resources, debt incurred in financing such acquisitions and other unanticipated problems and liabilities. In addition, while we intend to implement appropriate controls and procedures as we integrate acquired companies, we may not be able to certify as to the effectiveness of these companies' disclosure controls and procedures or internal control over financial reporting (as required by recent amendments to U.S. federal securities laws and regulations) until we have fully integrated those acquired businesses.

Macro economic factors may impede access to or increase the cost of financing our operations and investments.

Changes in U.S. and global financial and equity markets, including market disruptions and significant interest rate fluctuations, may make it more difficult for us to obtain financing for our operations or investments or increase the cost of obtaining financing. In addition, our borrowing costs can be affected by short and long-term debt ratings assigned by independent rating agencies which are based, in significant part, on our performance as measured by credit metrics such as interest coverage and leverage ratios. A decrease in these ratings could increase our cost of borrowing or make it more difficult for us to obtain financing.

Sustained increases in costs of pension and employee health and welfare benefits may reduce our profitability.

Employee compensation and benefits accounts for approximately 33% of our total operating expenses. Our profitability is substantially affected by costs of pension benefits and other employee benefits. In recent years, we have experienced significant increases in these costs as a result of macro economic factors beyond our control, including increases in health care costs, declines in investment returns on plan assets and changes in discount rates used to calculate pension and related liabilities. At least some of these macro economic factors may continue to put upward pressure on the cost of providing pension and medical benefits. Although we have actively sought to control increases in these costs, there can be no assurance that we will succeed in limiting cost increases, and continued upward pressure could reduce the profitability of our businesses.

We Could Suffer Losses Due to Asset Impairment Charges

We test our goodwill and intangible assets, including FCC licenses, for impairment during the fourth quarter of every year, and on an interim date should factors or indicators become apparent that would require an interim test, in accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets." If the fair value of a reporting unit or an intangible asset is revised downward, an impairment under SFAS 142 could result and a non-cash charge could be required. This could materially affect our reported net earnings.

In the fourth quarter of 2005, we recorded a $103.1 million charge to reduce the carrying value of the Shop At Home goodwill and intangible assets to fair value.

In February 2006, we announced we are exploring strategic alternatives for Shop At Home. We may incur additional operating losses as we explore such alternatives. If we determine the carrying value of the remaining assets is less than their fair value an additional non-cash charge will be required. Implementation of identified strategic alternatives may result in our incurring additional liabilities.

We may not be able to protect intellectual property rights upon which our business relies, and if we lose intellectual property protection, we may lose valuable assets.

Our business depends on our intellectual property, including internally developed technology and data resources and brand identification and journalistic reputation. We attempt to protect these intellectual property rights through a combination of copyright, trade secret, patent and trademark law and contractual restrictions, such as confidentiality agreements. We also depend on our trade names and domain names. We file applications for patents, trademarks, and other intellectual property registration where we deem it appropriate to our business, but such applications may not result in the issuance of patents, registered trademarks, service marks or other intellectual property registrations. In addition, even if such registrations are issued, they may not fully protect all important aspects of our business and there is no guarantee that our business does not or will not infringe upon intellectual property rights of others. Furthermore, intellectual property laws vary from country to country, and it may be more difficult to protect and enforce our intellectual property rights in some foreign jurisdictions. In the future, we may need to litigate in the United States or elsewhere to enforce our intellectual property rights or determine the validity and scope of the proprietary rights of others. This litigation could potentially be expensive and possibly divert the attention of our management.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our service, technology and other intellectual property, and we cannot be certain that the steps we have taken will prevent any misappropriation or confusion among consumers and merchants, or unauthorized use of these rights. If we are unable to procure, protect and enforce our intellectual property rights, then we may not realize the full value of these assets, and our business may suffer.

Our Common Voting shares are principally held by descendants of Edward W Scripps, through a family trust, and this control could create conflicts of interest or inhibit potential changes of control.

We have two classes of stock: Common Voting shares and Class A Common shares. Holders of Class A Common shares are entitled to elect one-third of the Board of Directors, but are not permitted to vote any other matters except as required by Ohio law. Holders of Common Voting shares are entitled to elect the remainder of the Board and to vote on all other matters. Our Common Voting shares are principally held by descendants of Edward W Scripps. A family trust holds 87% of the Common Voting shares. As a result, the trust has the ability to elect two-thirds of the Board of Directors and to direct the outcome of any matter that does not require a vote of the Class A Common shares. Because this concentrated control could discourage others from initiating any potential merger, takeover or other change of control transaction that may otherwise be beneficial to our businesses, the market price of our Class A Common shares could be adversely affected.

Item 1b. Unresolved Staff Comments

The Company has received no written comments regarding its periodic or current reports from the staff of the Securities and Exchange Commission that were issued 180 days or more preceding the end of its 2005 fiscal year and that remain unresolved.

Item 2. Properties

Scripps Networks operates from an owned production and office facility in Knoxville. We also operate from a leased office facility in Knoxville and leased facilities in New York and Nashville. Substantially all equipment is owned by Scripps Networks. In 2005, we began to plan for another expansion of Scripps Networks headquarters in Knoxville.

We own substantially all of the facilities and equipment used in our newspaper operations. We completed the construction of new production facilities for our Knoxville newspaper in 2002 and for our Treasure Coast newspapers in 2004. We expect to begin construction of a new production facility for our Naples newspaper in 2006.

We own substantially all of the facilities and equipment used by our broadcast television stations. We own, or co-own with other broadcast television stations, the towers used to transmit our television signal. We completed the construction of new facilities for our West Palm Beach station in 2001 and for our Cincinnati station in 2004.

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

Shopzilla operates from leased facilities in Los Angeles and London, as well as a separate leased co-location facility in Los Angeles. We anticipate leasing a second co-location facility in 2006. Substantially, all of our equipment is owned by Shopzilla.

Item 3. Legal Proceedings

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

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders during the fourth quarter of 2005.

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

Name	Age	Position
Kenneth W. Lowe	55	President, Chief Executive Officer and Director (since October 2000)
Richard A. Boehne	49	Executive Vice President (since 1999)
Anatolio B. Cruz III	47	Senior Vice President and General Counsel (Since March 2004); Vice President, Deputy General Counsel and Assistant Secretary, BET Holdings, Inc. (1999 to 2004)
Frank Gardner	63	Senior Vice President and Chairman of Scripps Networks, Inc. (since 2001) – Retired December 31, 2005; Senior Vice President/Interactive Media (2000 to 2001); Senior Vice President/Television (1993 to 2000)
John F. Lansing	48	Senior Vice President/Scripps Networks (since February 2006); President, Scripps Networks, Inc. (Since January 2005); Executive Vice President, Scripps Networks, Inc. (January 2004 to January 2005); Senior Vice President/Television (2002 to 2005); Vice President/Television (2001 to 2002); Vice President/ General Manager, WEWS-TV (1997 to 2001)
Joseph G. NeCastro	49	Senior Vice President and Chief Financial Officer (since May 2002); Senior Vice President and Chief Financial Officer, Penton Media, Inc. (1998 to 2002)
Tim A. Peterman	38	Senior Vice President/Interactive Media (since November 2005); Vice President/Corporate Development (2002 to 2005); Chief Financial Officer/Broadcast Division, Chief Financial Officer/Cable Television Network Division, USA Networks (1999 to 2002)
William B. Peterson	62	Senior Vice President/Television Station Group (Since May 2004); Vice President/Station Operations (January 2004 to May 2004); Vice President/General Manager, WPTV-TV (2001 to 2004); Vice President/General Manager, WRAL-TV (1999 to 2001)
Jennifer L. Weber	39	Senior Vice President/Human Resources (since September 2005); Principal, Towers Perrin (2001 to 2005); Human Resources Consultant, Towers Perrin (1994 to 2001)

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchase of Equity Securities

Our Class A Common shares are traded on the New York Stock Exchange ("NYSE") under the symbol "SSP." There are approximately 75,000 owners of our Class A Common shares, based on security position listings, and 19 owners of our Common Voting shares (which do not have a public market). We have declared cash dividends in every year since our incorporation in 1922. Future dividends are, however, subject to our earnings, financial condition and capital requirements.

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

Quarter	1st	2nd	3rd	4th	Total
2005					
Market price of common stock:					
High	$ 49.25	$52.91	$51.19	$50.50	
Low	45.91	47.80	47.25	44.85	
Cash dividends per share of common stock	$ 0.10	$ 0.11	$ 0.11	$ 0.11	$ 0.43
2004					
Market price of common stock:					
High	$ 50.56	$54.65	$53.31	$50.55	
Low	45.68	49.86	47.29	44.73	
Cash dividends per share of common stock	$0.0875	$ 0.10	$ 0.10	$ 0.10	$0.3875

The following table provides information about Company purchases of equity securities that are registered by the Company pursuant to section 12 of the Exchange Act during the quarter ended December 31, 2005:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Max. Number of Shares that May Yet Be Purchased Under the Plan or Programs
10/1/05 - 10/31/05	157,500	$ 47.76	157,500	4,280,000
11/1/05 - 11/30/05	30,000	46.34	30,000	4,250,000
12/1/05 - 12/31/05				4,250,000
Total	187,500	$ 47.53	187,500	4,250,000

Under a share repurchase program authorized by the Board of Directors on October 24, 2004, we are authorized to repurchase up to 5.0 million Class A Common shares. A total of 750,000 shares were repurchased in 2005 at prices ranging from $45 to $51 per share. There is no expiration date for the program and we are under no commitment or obligation to repurchase any particular amount of Class A Common shares under the program.

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

Item 6. Selected Financial Data

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

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

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

Item 7a. Quantitative and Qualitative Disclosures About Market Risk

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

Item 8. Financial Statements and Supplementary Data

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

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9a. Controls and Procedures

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

Item 9b. Other Information

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant

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

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

We have adopted a code of ethics that applies to all employees, officers and directors of Scripps. We also have a code of ethics for the CEO and Senior Financial Officers. This code of ethics meets the requirements defined by Item 406 of Regulation S-K and the requirement of a code of business conduct and ethics under NYSE listing standards. Copies of our codes of ethics are posted on our Web site at www.scripps.com.

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

The Proxy Statement will be filed with the Securities and Exchange Commission on or before March 31, 2006.

Item 11. Executive Compensation

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

Item 12. Security Ownership of Certain Beneficial Owners and Management

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

Item 13. Certain Relationships and Related Transactions

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

Item 14. Principal Accountant Fees and Services

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

PART IV

Item 15. Exhibits and Financial Statement Schedules

Financial Statements and Supplemental Schedule

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

The reports of Deloitte & Touche LLP, an Independent Registered Public Accounting Firm, dated March 14, 2006, are filed as part of this Form 10-K. See Index to Consolidated Financial Statement Information at page F-1.

(b) The Company's consolidated supplemental schedules 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.

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Signatures

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

THE E. W. SCRIPPS COMPANY

Dated: March 15, 2006

By: /s/ Kenneth W. Lowe
Kenneth W. Lowe
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities indicated, on March 15, 2006.

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

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Selected Financial Data
Eleven-Year Financial Highlights
(in millions, except per share data)

	2005 (1)	2004 (1)	2003 (1)	2002 (1)	2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995 (1)
Summary of Operations (11)											
Operating revenues:											
Scripps Networks	$ 903	$ 724	$ 535	$ 415	$ 337	$ 296	$ 213	$ 133	$ 57	$ 30	$ 19
Newspapers	729	704	692	682	677	687	654	623	483	415	387
Broadcast television	318	342	304	305	278	343	312	331	331	323	295
Shop At Home	359	293	238	42							
Shopzilla	99										
Licensing and other media	106	104	105	90	89	97	93	89	80	75	68
Total segment operating revenues	2,514	2,167	1,875	1,536	1,380	1,423	1,272	1,175	952	843	769
Divested operating units (1)						11	23	25	44	61	44
RMN pre-JOA operating revenues (2)					12	221	210	200	197	183	184
Total operating revenues	$2,514	$2,167	$1,875	$1,536	$1,392	$1,654	$1,505	$1,401	$1,193	$1,086	$ 997
Segment profit (loss):											
Scripps Networks	$ 414	$ 304	$ 204	$ 125	$ 76	$ 69	$ 34	$ 6	$ (9)	$ (14)	$ (17)
Newspapers managed solely by us	209	205	227	232	222	238	241	227	186	145	138
Newspapers operated pursuant to JOAs(9)	14	36	37	34	12	28	30	29	26	19	17
Total newspapers	223	241	264	267	234	266	271	255	213	163	155
Broadcast television	88	108	85	98	80	129	96	118	128	126	113
Shop At Home	(28)	(22)	(22)	(2)							
Shopzilla	28										
Licensing and other media	19	17	19	17	15	16	13	12	10	10	8
Corporate	(42)	(38)	(32)	(28)	(19)	(20)	(18)	(16)	(16)	(17)	(16)
Total segment profit	701	610	519	477	386	461	396	375	326	268	244
Divested operating units (1)							1	1	(1)	5	4
Depreciation of PP&E	(70)	(65)	(62)	(57)	(54)	(68)	(65)	(64)	(53)	(49)	(45)
Amortization of other intangible assets	(21)	(4)	(5)	(4)	(5)	(4)	(4)	(5)	(2)	(3)	(5)
Gains (losses)on disposals of PP&E	(2)	(3)	(2)	(1)	(2)	(1)			(1)	(1)	(1)
Amortization of goodwill and other intangible assets with indefinite lives (3)					(38)	(36)	(35)	(35)	(22)	(17)	(15)
Write-off of goodwill and intangible assets (7)	(103)										
Gain on sale of production facility (4)		11									
Restructuring charges, including share of JOA restructurings (5)			(2)	4	(16)	(10)	(2)			(4)	
Interest expense	(39)	(31)	(32)	(28)	(39)	(52)	(45)	(47)	(19)	(10)	(11)
Interest and dividend income	5	3	5	2	1	1	1	2	3	1	3
Other investment results, net of expenses (6)		15	(3)	(86)	5	(25)	1		(3)	37	
Gains on divested operations (1)						6			48		
Other gains (losses) (8)										(15)	
Miscellaneous, net	1	1		(1)			3	(2)	1		(1)
Income taxes (10)	(191)	(194)	(136)	(113)	(99)	(106)	(103)	(91)	(116)	(83)	(75)
Minority interests	(58)	(43)	(14)	(6)	(4)	(4)	(4)	(5)	(5)	(3)	(3)
Income from continuing operations	$ 223	$ 301	$ 268	$ 186	$ 136	$ 162	$ 143	$ 129	$ 155	$ 126	$ 93
Per Share Data											
Income from continuing operations	$ 1.35	$ 1.82	$ 1.65	$ 1.15	$ .85	$ 1.02	$ .91	$ .79	$ .95	$ .78	$ .58
Cash dividends	.43	.39	.30	.30	.30	.28	.28	.27	.26	.26	.25
Market value of proceeds from Cable Transaction (11)										9.92	
Market Value of Common Shares at December 31											
Per share	$48.02	$48.28	$47.07	$38.48	$33.00	$31.44	$22.41	$24.88	$24.22	$17.50	$19.69
Total	7,859	7,879	7,622	6,159	5,227	4,951	3,502	3,908	3,906	2,827	3,153

Certain amounts may not foot since each is rounded independently.

As a result of the two-for-one stock split authorized and distributed in the third quarter 2004, all share and per share amounts have been retroactively adjusted to reflect the stock split for all periods presented.

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Notes to Selected Financial Data

Eleven-Year Financial Highlights
(in millions)

	2005 (1)	2004 (1)	2003 (1)	2002 (1)	2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995 (1)
Cash Flow Statement Data (11)											
Net cash provided by continuing operations	$ 418	$ 385	$ 320	$ 208	$ 204	$ 254	$ 191	$ 236	$ 190	$ 175	$ 111
Investing activity:											
Capital expenditures	(72)	(77)	(89)	(88)	(68)	(75)	(80)	(67)	(57)	(53)	(57)
Business acquisitions and investments	(547)	(320)	(5)	(118)	(102)	(139)	(70)	(29)	(745)	(128)	(12)
Other (investing)/divesting activity, net	13	12	7	15	16	62	33	10	31	35	(19)
Financing activity:											
Increase (decrease) in long-term debt, net	294	24	(216)	1	9	(54)	(1)	(4)	651	41	(30)
Dividends paid	(111)	(65)	(50)	(51)	(51)	(47)	(47)	(47)	(46)	(45)	(43)
Common stock issued (retired)	(37)				(22)	(5)	(35)	(108)	(26)		
Other financing activity	20	35	34	29	16	6	1	6	4	9	6
Balance Sheet Data											
Total assets	4,033	3,425	3,008	2,870	2,642	2,588	2,535	2,376	2,304	1,479	1,362
Long-term debt (including current portion)	826	533	509	725	724	715	769	771	773	122	81
Shareholders' equity	2,287	2,096	1,823	1,515	1,352	1,278	1,164	1,070	1,050	945	1,194

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

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

The income statement and cash flow data for the eleven years ended December 31, 2005, and the balance sheet data as of the same dates have been derived from our audited consolidated financial statements. All per share amounts are presented on a diluted basis. The eleven-year financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and notes thereto included elsewhere herein.

Operating revenues and segment profit (loss) represent the revenues and the profitability measures used to evaluate the operating performance of our business segments in accordance with Financial Accounting Standard No. ("FAS") 131. See page F-11.

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

Acquisitions

2005- Shopzilla, a Web-based product comparison shopping service. Newspapers and other publications in Tennessee, California and Colorado.

2004- Summit America, including its remaining 30% interest in Shop At Home and its five owned and operated Shop At Home affiliated broadcast television stations. The Great American Country network.

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

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

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

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

1999- Additional 7.0% interest in Food Network.

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

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

1996- Vero Beach, Florida, daily newspaper.

Divestitures

2000- Destin, Florida, newspaper (in exchange for Ft. Pierce, Florida, newspaper) and the independent yellow page directories. The divestitures resulted in net pre-tax gains of $6.2 million, increasing income from continuing operations by $4.0 million, $.03 per share.

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

1997- Monterey and San Luis Obispo, California, daily newspapers (in exchange for Boulder, Colorado, daily newspaper). Terminated joint operating agency ("JOA") and ceased operations of El Paso, Texas, daily newspaper. The JOA termination and the newspaper trade resulted in pre-tax gains totaling $47.6 million, increasing income from continuing operations by $26.2 mil- lion, $.16 per share.

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

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

Notes to Selected Financial Data (continued)

(3) We adopted FAS 142 - Goodwill and Other Intangible Assets effective January 1, 2002. Recorded goodwill and intangible assets with indefinite lives are no longer amortized, but instead are tested for impairment at least annually. Other intangible assets are reviewed for impairment in accordance with FAS 144. Amortization of goodwill and other intangible assets with indefinite lives, primarily FCC licenses and broadcast television station network affiliation relationships, was as follows:

2001 - $38.1 million, $28.1 million after tax, $.18 per share.
2000 - $35.8 million, $26.5 million after tax, $.17 per share.
1999 - $34.7 million, $25.7 million after tax, $.16 per share.
1998 - $35.0 million, $25.9 million after tax, $.16 per share.
1997 - $21.8 million, $17.5 million after tax, $.11 per share.
1996 - $17.3 million, $15.0 million after tax, $.09 per share.
1995 - $15.1 million, $13.5 million after tax, $.08 per share.

(4) **2004**-An $11.1 million gain on the sale of our Cincinnati television station's production facility to the City of Cincinnati increased income from continuing operations by $7.0 million, $.04 per share.

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

2003- A $1.8 million charge for estimated severance costs to Cincinnati Post union-represented editorial employees was recorded as a result of Gannett notifying us that the Cincinnati JOA will not be renewed when it expires on December 31, 2007. The charge reduced income from continuing operations $1.2 million, $.01 per share.

2002- The Denver JOA consolidated its office space and sold its excess real estate. The $3.9 million gain on the sale increased income from continuing operations by $2.4 million, $.01 per share.

2001- Costs of $16.1 million associated with workforce reductions, including our $5.9 million share of such costs at the Denver JOA, reduced income from continuing operations by $10.1 million, $.06 per share.

2000- Expenses of $9.5 million associated with formation of the Denver JOA reduced income from continuing operations by $6.2 million, $.04 per share.

1999- Severance payments of $1.2 million to certain television station employees and $0.8 million of costs incurred to move Food Network's operations to a different location in Manhattan reduced income from continuing operations by $1.2 million, $.01 per share.

1996- A $4.0 million charge for our share of certain costs associated with restructuring portions of the distribution system of the Cincinnati JOA reduced income from continuing operations by $2.6 million, $.02 per share.

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

2004- Net realized gains of $14.7 million. Net investment results increased income from continuing operations by $9.5 million, $.06 per share.

2003- Net realized losses of $3.2 million. Net investment results decreased income from continuing operations by $2.1 million, $.01 per share.

2002- Net realized losses of $79.7 million. Charges associated with winding down the Scripps Ventures investment funds were $3.6 million. Net investment results decreased income from continuing operations by $55.6 million, $.34 per share.

2001- Net realized losses of $2.9 million. Accrued incentive compensation was decreased $11.5 million, to zero, in connection with the decline in value of the Scripps Ventures I investment portfolio. Net investment results increased income from continuing operations by $3.8 million, $.02 per share.

2000- Net realized losses of $17.5 million. Accrued incentive compensation was increased $4.5 million, to $11.5 million. Net investment results reduced income from continuing operations by $15.8 million, $.10 per share.

1999- Net realized gains of $8.6 million. Accrued incentive compensation was increased $7.0 million, to $7.0 million. Net investment results increased income from continuing operations by $0.4 million, $.00 per share.

1997- Net realized losses of $2.7 million. Net investment results reduced income from continuing operations by $1.7 million, $.01 per share.

1996- Net realized gains of $37.0 million. Net investment results increased income from continuing operations by $24.3 million, $.15 per share.

(7) **2005**- As a result of our annual FAS 142 impairment test, a non-cash charge of $103.1 million, including $67.3 million of nondeductible goodwill, was recorded to reduce the carrying value of our Shop At Home segment's goodwill and intangible assets to their fair values. The charge decreased income from continuing operations by $90.6 million, $.55 per share.

(8) **1996**- A $15.5 million contribution of appreciated Time Warner stock to a charitable foundation decreased income from continuing operations by $5.2 million, $.03 per share.

(9) **2005**-Plans to consolidate the Denver Newspaper Agency's ("DNA") production facilities will result in certain assets of the existing facilities being retired earlier than previously estimated. The reduction in these assets' estimated useful lives increased DNA's depreciation expense and decreased our equity in earnings from JOAs by $20.4 million. Income from continuing operations was decreased by $12.6 million, $.08 per share.

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

2003- Changes in the estimated tax liability for prior years and our estimate of unrealizable state net operating loss carryforwards reduced the tax provision, increasing income from continuing operations by $27.1 million, $.17 per share.

2002- A change in the estimated tax liability for prior years reduced the tax provision, increasing income from continuing operations by $9.8 million, $.06 per share.

2000- A change in the estimated tax liability for prior years reduced the tax provision, increasing income from continuing operations by $7.2 million, $.05 per share.

(11) The eleven-year summary of operations excludes the operating results of the following entities and the gains on their divestiture as they are accounted for as discontinued operations:

2005- The Birmingham joint operating agreement was terminated and we ceased operation of our Birmingham Post-Herald newspaper. We received cash consideration of approximately $40.8 million from the termination of the JOA and sale of certain of the Birmingham newspapers' assets. Net income was increased by $24.8 million, $.15 per share.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations

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

Forward-Looking Statements

This discussion and the information contained in the notes to the consolidated financial statements contain certain forward-looking statements that are based on our current expectations. Forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from the expectations expressed in the forward-looking statements. Such risks, trends and uncertainties, which in most instances are beyond our control, include changes in advertising demand and other economic conditions; consumers' taste; newsprint prices; program costs; labor relations; technological developments; competitive pressures; interest rates; regulatory rulings; and reliance on third-party vendors for various products and services. The words "believe," "expect," "anticipate," "estimate," "intend" and similar expressions identify forward-looking statements. All forward-looking statements, which are as of the date of this filing, should be evaluated with the understanding of their inherent uncertainty. We undertake no obligation to publicly update any forward-looking statements to reflect events or circumstances after the date the statement is made.

Executive Overview

The E. W. Scripps company is a diverse and growing media company with interests in national cable networks, newspaper publishing, broadcast television stations, electronic commerce, interactive media and licensing and syndication. The company's portfolio of media properties includes: Scripps Networks, with such brands as HGTV, Food Network, DIY Network, Fine Living and Great American Country; daily and community newspapers in 18 markets and the Washington-based Scripps Media Center, home to the Scripps Howard News Service; 10 broadcast television stations, including six ABC-affiliated stations, three NBC affiliates and one independent; Shop At Home, which markets a growing range of consumer goods directly to television viewers in roughly 57 million U.S. households; Shopzilla, the online comparison shopping service that carries an index of more than 30 million products from approximately 65,000 merchants; and United Media, a leading worldwide licensing and syndication company that is the home of PEANUTS, DILBERT and approximately 150 other features and comics.

The company has a long-standing tradition of creating shareholder value by following a disciplined strategy of investing in growing media businesses. Starting with newspapers nearly 130 years ago and continuing with our acquisition of Shopzilla in June, 2005, we have stayed ahead of the ongoing migration of consumers and marketing dollars to new media marketplaces. This is evidenced by the dramatic change in our company's profile during the last ten years. In 1994, the newspaper division contributed 50 percent of the company's consolidated revenue. In 2005 it contributed 29 percent. The cable television networks, a business that did not exist in 1993, contributed 36 percent to the company's revenue in 2005 while Shopzilla, our newly acquired comparison shopping Internet service, contributed 4 percent.

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

Scripps Networks is in a period of sustained growth. The Networks have successfully monetized ratings and viewership gains, especially at its two more established networks HGTV and Food Network. The appeal of our new programming has resonated with viewers and has resulted in an increasing number of younger viewers turning to our flagship networks. Primetime viewership during the fourth quarter of 2005 among adults 25-54 rose 16 percent at Food Network and was up 13 percent at HGTV. Our networks have also contributed to our growing status as one of the country's leading Internet companies. The number of people visiting our network Web sites was up 15 percent for the quarter, demonstrating the appeal of our brands and the success we have had targeting consumers. We also have emerged as a leader in providing content that is specifically formatted for the growing number of video-on-demand and broadband services. In 2005, we launched our newest broadband channel — HGTV KitchenDesign. The channel launched in December with more than 200 videos taken directly from our extensive programming archives at Scripps Networks. We expect to launch similar broadband channels that will dig deep into such lifestyle topics as gardening, healthy eating and crafts. Top priorities at Networks are the ratings growth at HGTV and Food, the programming and distribution of our emerging networks, developing new revenue streams for our network brands such as product licensing and retail sales, and the growth of interactive revenue.

During the second quarter of 2005, we completed the acquisition of Shopzilla. Shopzilla operates a product comparison shopping service that helps consumers find products offered for sale on the Web by online retailers. Shopzilla aggregates and organizes information on millions of products from thousands of retailers. Shopzilla also operates BizRate, a popular Web-based consumer feedback network which collects millions of consumer reviews of stores and products each year. The acquisition enables us to capitalize on the rapid growth and rising profitability of specialized Internet search businesses and expands our electronic media platform. On a pro-forma basis, Shopzilla's revenues over the second half of 2005 have more than doubled compared with the second half of 2004 due in part to Shopzilla's increasing popularity with online shoppers.

We also have begun leveraging the cross-promotional power of all of our media businesses by driving traffic to Shopzilla via links on virtually all of our Web sites. In addition, our lifestyle networks and TV stations promoted Shopzilla throughout the holiday shopping season; and our newspapers ran ads and created a Shopzilla-branded, Smart Shopper column.

Recurring operating losses and a longer than expected path to profitability at Shop At Home resulted in a $103.1 million write-down of goodwill and other intangible assets in 2005. While we have made progress in improving the quality and variety of products that are offered to home shoppers and have continued to build the business through the Internet, we have encountered challenges in gaining affordable access to permanent, high quality cable distribution for the network. Accordingly, we are undertaking a deliberate and careful assessment of strategic alternatives for Shop At Home. While we believe there is still opportunity at Shop At Home, we are carefully assessing the capital decisions that may have to be made to maximize the value of Shop At Home for the benefit of our shareholders.

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

At our newspapers, we are continuing efforts to strengthen the competitive position of our newspapers print and online businesses. We plan to grow the print business by expanding into surrounding markets and launching non-traditional and non-daily products within our local markets. We believe our online businesses will generate higher growth rates than our traditional print business and as a result are focusing heavily in this area. These local Web sites place a heavy emphasis on interactive, community-based content as well as live news updates. In 2005, along with MediaNews Group, our joint operating partner in Denver, we decided to consolidate newspaper production operations from two plants into a single facility. The consolidation of facilities seeks to reduce costs and increase efficiencies for the production of both newspapers.

Priorities at our broadcast television stations include concentrating on the branding of our local ABC and NBC affiliates, emphasizing local news and building out non-traditional revenue opportunities that target new advertisers. Improved ratings at ABC in 2005 and the outlook for 2006 bode well not only for revenue at our ABC stations from popular shows, but also for the lead-in they provide to late news. At the same time, Nielsen introduced its Local People Meter (“LPM”) technology and methodology to the Detroit market starting in 2006. LPM’s have reported less viewing to network affiliated stations in other markets, so we are closely monitoring the impact this technology has on our ratings and our revenue in Detroit. To date in 2006, the impact has been minimal. Political advertising is expected to increase our revenues in 2006. The Olympics and the return of the Super Bowl to ABC in 2006 should help boost revenue. Revenue and profits were expectedly lower due to the absence of political advertising in 2005.

Critical Accounting Policies and Estimates

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

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

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

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

Acquisitions – Financial Accounting Standards No. ("FAS") 141 – Business Combinations requires assets and acquired liabilities assumed in a business combination to be recorded at fair value. Fair values are generally determined by independent appraisals using comparisons to market transactions and present value techniques. The use of a discounted cash flow technique requires significant judgments with respect to expected cash flows to be derived from the assets, the estimated period of time the assets will produce those cash flows and the selections of an appropriate discount rate. Changes in such estimates could change the amounts allocated to individual identifiable assets, the lives over which the assigned values are amortized and the amounts allocated to goodwill. While we believe our assumptions are reasonable, if different assumptions were made, the purchase price allocation and the estimated useful lives of amortizable assets could differ substantially from the reported amounts.

Goodwill and Other Indefinite-Lived Intangible Assets –FAS 142 - Goodwill and Other Intangible Assets, requires that goodwill for each reporting unit be tested for impairment on an annual basis or when events occur or circumstances change that would indicate the fair value of a reporting unit is below its carrying value. For purposes of performing the impairment test for goodwill, our reporting units are each of our national television networks, newspapers, broadcast TV, Shop At Home and Shopzilla. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the fair value of the goodwill within the reporting unit is less than its carrying value.

FAS 142 also requires us to compare the fair value of each indefinite-lived intangible asset to its carrying amount. If the carrying amount of an indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized.

To determine the fair value of our reporting units and indefinite-lived intangible assets, we generally use market multiples, appraised values and present value techniques (discounted cash flow). The use of a discounted cash flow technique requires significant judgments including the application of a discount rate, estimation of future cash flows, long-term rates of growth for our businesses, and the useful life over which cash flows will occur. Changes in our estimates and projections or changes in our established reporting units could materially affect the determination of fair value for each reporting unit.

Upon completing our impairment test in the fourth quarter of 2005, we determined that the carrying value of the Shop At Home business segment exceeded its fair value. Accordingly, our 2005 results include a write-down of goodwill and intangible assets totaling $103.1 million. While we believe the estimates and judgments used in determining Shop At Home's fair values were appropriate, different assumptions with respect to future cash flows, long-term growth rates and discount rates could produce a different estimate of fair value. For example, a 1.0% change in the discount rate combined with a 0.25% change in the long-term growth rate would result in an approximate $20 million change in the estimated fair value of Shop At Home.

For our other reporting units with goodwill and intangible assets, no impairments of assets were identified. In addition, except for the recently acquired GAC and Shopzilla businesses, the estimated fair values of our reporting units substantially exceed their recorded carrying values.

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

In 2003, we reached agreement with the IRS on certain proposed adjustments to our 1996 through 2001 consolidated federal income tax returns. In addition, several open state tax years were closed without audit in 2003. As a result of reaching agreement on the proposed adjustment with the IRS and the closing of open state tax years, we reduced our provision for open tax years by $21.0 million in 2003. No significant adjustments were recorded to our tax provision in 2005 or 2004. The audit of our 1996 through 2001 federal income tax returns will remain open until two remaining issues are settled with the IRS. If the IRS accepts our positions on those issues, we will reduce our provision for income taxes by $2.0 million in the period those positions are accepted.

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

Pension Plans – We sponsor various noncontributory defined benefit pension plans covering substantially all full-time employees. Pension expense for those plans was $18.5 million in 2005, $23.1 million in 2004, and $25.4 million in 2003.

The measurement of our pension obligations and related expense is dependent on a variety of estimates, including: discount rates; expected long-term rate of return on plan assets; expected increase in compensation levels; and employee turnover, mortality and retirement ages. We review these assumptions on an annual basis and make modifications to the assumptions based on current rates and trends when appropriate. In accordance with accounting principles generally accepted in the United States of America, the effects of these modifications are recorded currently or amortized over future periods. We consider the most critical of our pension estimates to be our discount rate and the expected long-term rate of return on plan assets.

The discount rate used to determine our future pension obligations is based upon a dedicated bond portfolio approach that includes securities rated Aa or better with maturities matching our expected benefit payments from the plans. The rate is determined each year at the plan measurement date and affects the succeeding year's pension cost. At December 31, 2005, the discount rate was 5.75% as compared with 6.00% at December 31, 2004. Discount rates can change from year to year based on economic conditions that impact corporate bond yields. A decrease in the discount rate increases pension expense. A 0.5% change in the discount rate as of December 31, 2005, to either 5.25% or 6.25%, would increase or decrease our pension obligations as of December 31, 2005, by approximately $38.8 million and increase or decrease 2005 pension expense by approximately $5.0 million.

The expected long-term rate of return on plan assets is based primarily upon the target asset allocation for plan assets and capital markets forecasts for each asset class employed. Our expected rate of return on plan assets also considers our historical compound rate of return on plan assets for 10 and 15 year periods. At December 31, 2005, the expected long-term rate of return on plan assets was 8.25%. For the ten year period ended December 31, 2005, our actual compounded rate of return was 9.3%. A decrease in the expected rate of return on plan assets increases pension expense. A 0.5% change in the expected long-term rate of return on plan assets, to either 8.75% or 7.75%, would increase or decrease our 2005 pension expense by approximately $2.0 million.

We had cumulative unrecognized actuarial losses for our pension plans of $103 million at December 31, 2005. Unrealized actuarial gains and losses result from deferred recognition of differences between our actuarial assumptions and actual results. In 2005, we had an actuarial loss of $4.1 million, primarily due to the change in the discount rate. The cumulative unrecognized net loss is primarily due to declines in corporate bond yields and the unfavorable performance of the equity markets between 2000 and 2002. Amortization of unrecognized actuarial gains or losses is recognized in pension expense whenever the cumulative gain or loss is 10% or more of the greater of the pension obligation or the market-related fair value of plan assets. The gain or loss is amortized over the average remaining service period of the employees. Based on our current assumptions, we anticipate that 2006 pension expense will include $6.0 million in amortization of unrecognized actuarial losses.

The cost of plan amendments ("prior service cost") is amortized on a straight-line basis over the average remaining service period of the employees.

Results of Operations

The trends and underlying economic conditions affecting the operating performance and future prospects differ for each of our business segments. Accordingly, we believe the following discussion of our consolidated results of operations should be read in conjunction with the discussion of the operating performance of our business segments that follows on pages F-11 through F-18.

In 2005, we reached agreement with Advance Publications, Inc., the publisher of the Birmingham News ("News"), to terminate the Birmingham joint operating agreement between the News and our Birmingham Post-Herald newspaper and sold certain assets to the News. We received cash consideration of approximately $40.8 million from these transactions. Net income was increased by $24.8 million, $.15 per share. In accordance with the provisions of FAS 144 – Accounting for the Impairment or Disposal of Long-Lived Assets, the results of the Birmingham Post-Herald have been treated as a discontinued operation for all periods presented within our results of operations.

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

(in thousands)	For the years ended December 31, 2005	Change	2004	Change	2003
Operating revenues	$ 2,513,890	16.0%	$ 2,167,443	15.6%	$ 1,874,778
Costs and expenses	(1,875,329)	(14.6)%	(1,636,124)	(13.9)%	(1,436,978)
Depreciation and amortization of intangibles	(91,204)	(32.7)%	(68,721)	(3.5)%	(66,385)
Losses on disposal of PP&E	(1,725)	38.9%	(2,823)	(69.0)%	(1,670)
Write-down of Shop At Home goodwill and intangible assets	(103,124)				
Hurricane recoveries (losses), net	983		(2,654)		
Gain on sale of production facility			11,148		
Restructuring charges					(1,847)
Operating income	443,491	(5.3)%	468,269	27.3%	367,898
Interest expense	(38,791)	(25.6)%	(30,878)	2.3%	(31,593)
Equity in earnings of JOAs and other joint ventures	61,926	(24.0)%	81,453	0.7%	80,883
Interest and dividend income	4,767	41.5%	3,369	(33.4)%	5,062
Other investment results, net of expenses			14,674		(3,200)
Miscellaneous, net	978	4.7%	934		(497)
Income from continuing operations before income taxes and minority interests	472,371		537,821		418,553
Provision for income taxes	191,294		193,969		136,184
Income from continuing operations before minority interests	281,077		343,852		282,369
Minority interests	58,467		43,069		14,273
Income from continuing operations	$ 222,610	(26.0)%	$ 300,783	12.2%	$ 268,096
Income from continuing operations per diluted share of common stock	$ 1.35	(25.8)%	$ 1.82	10.3%	$ 1.65

2005 compared with 2004

The increase in operating revenues was primarily due to the continued growth in advertising and network affiliate fee revenues at our national television networks and our June 2005 acquisition of Shopzilla. The growth in advertising revenues was primarily driven by increased demand for advertising time and higher advertising rates at our networks. The growth in affiliate fee revenues is attributed to scheduled rate increases, wider distribution of our networks, and the impact of reaching renewal agreements with several cable television operators during the later half of 2004. Increases in operating revenues were also attributed to increases in merchandise sales at Shop At Home and improvement in local and classified advertising sales at our newspapers. These increases in revenue were partially offset by declines in revenue at our broadcast television stations attributed to the absence of political advertising.

Costs and expenses were affected by the expanded hours of original programming and costs to promote our national networks, increases in cost of merchandise sold at Shop At Home and increased personnel and infrastructure costs incurred to support the revenue growth at Shop At Home, and the acquisition of Shopzilla. Beginning in 2006, employee costs will include approximately $22 million related to the expensing of stock options granted to employees.

Depreciation and amortization increased primarily as a result of the acquisitions of Shopzilla, Summit America, and Great American Country. In 2006, we expect depreciation and amortization will be approximately $110 million to $115 million.

In conjunction with our annual impairment test of goodwill and intangible assets, we determined that the carrying value of the Shop At Home business segment exceeded its fair value. Accordingly, our 2005 results include a write-down of goodwill and intangible assets totaling $103.1 million.

Gains on disposal of property, plant and equipment in 2004 include an $11.1 million gain on the sale of our Cincinnati television station's production facility to the City of Cincinnati.

Certain of our Florida operations were affected by hurricanes in 2005 and 2004. During 2005, we reached agreement with insurance providers and other responsible third parties on certain of our property and business interruption claims resulting from the 2004 hurricanes and recorded insurance recoveries of $2.2 million. These insurance recoveries were partially offset by hurricane losses of $1.2 million recorded in 2005. Operating results in 2004 include asset impairment losses and restoration costs from the hurricanes totaling $2.6 million. Estimated business interruption losses from the hurricanes were $2.3 million in 2005 and $4.2 million in 2004.

We are currently in discussions with our insurance carriers regarding property and business interruption claims sustained by our newspaper operations in the 2004 hurricanes totaling $3.1 million. Property and business interruption claims for the 2005 hurricanes have not yet been filed with our insurance carriers. Recoveries of these unsettled claims will not be recorded until settlement agreements are reached with insurance providers.

Interest expense includes interest incurred on our outstanding borrowings and interest incurred on deferred compensation and other employment agreements. Interest incurred on our outstanding borrowings increased in 2005 due to higher average debt levels attributed to the Shopzilla acquisition. In connection with the June 2005 acquisition, the Company issued $150 million in 5-year notes at a rate of 4.30%. We financed the remainder of the transaction with commercial paper. The average outstanding commercial paper balance for the second half of 2005 was $260 million at an average rate of 3.73% compared with $63 million at an average rate of 1.86% for the second half of 2004. In 2006, we expect interest expense will be approximately $40 million to $45 million.

In 2005, the management committee of the Denver Newspaper Agency ("DNA") approved plans to consolidate DNA's newspaper production facilities. As a result, assets used in certain of the existing facilities will be retired earlier than previously estimated. The reduction in these assets' estimated useful lives increased DNA's 2005 depreciation expense, resulting in a $20.4 million decrease in our equity in earnings from JOAs. The increased depreciation is expected to decrease equity in earnings from JOAs by approximately $3.0 million in each remaining quarter until the second quarter of 2007.

Interest and dividend income in 2005 reflects $3.0 million of interest income due to us as a result of favorable court rulings with respect to certain disputes with the IRS. Interest and dividend income in 2004 includes $1.3 million of interest earned on the Summit America Note receivable prior to the second quarter 2004 acquisition of Summit America.

Other investment results include net realized gains and losses on the sale of investments and investment impairments resulting from other-than-temporary declines in the fair value of investments. Other investment results in 2004 represent realized gains from the sale of certain investments, including Digital Theater Systems.

Information regarding our effective tax rate is as follows:

(in thousands)	2005	Change	2004
Income from continuing operations before income taxes and minority interests as reported	$472,371	(12.2)%	$537,821
Income of pass-through entities allocated to non-controlling interests	54,431	34.6%	40,441
Income allocated to Scripps	$417,940	(16.0)%	$497,380
Provision for income taxes	$191,294	1.4%	$193,969
Effective income tax rate as reported	40.5%		36.1%
Effective income tax rate on income allocated to Scripps	45.8%		39.0%

Our effective tax rate is affected by the growing profitability of Food Network. Food Network is operated pursuant to the terms of a general partnership, in which we own an approximate 70% residual interest. Income taxes on partnership income accrue to the individual partners. While the income before income tax reported in our financial statements includes all of the income before tax of the partnership, our income tax provision does not include income taxes on the portion of Food Network income that is attributable to the non-controlling interest.

The comparability of our year-over-year effective tax rate is affected by the write-off of Shop At Home non-deductible goodwill totaling $67.3 million. The impact of this write-off increased our effective tax rate by 5.0% in 2005. We expect the effective tax rate to be between 35% and 36% in 2006.

Minority interest increased year-over-year primarily due to the increased profitability of the Food Network. Food Network's profits are allocated in proportion to each partner's residual interests in the partnership, of which we own approximately 70%. In 2006, we expect minority interest will be about $70 million.

2004 compared with 2003

The increase in operating revenues was primarily attributed to the continued growth in advertising and network affiliate fee revenues at our national television networks, increases in merchandise sales at Shop At Home, and the return of political advertising at our broadcast television stations. The growth in advertising revenues at Scripps Networks was primarily driven by increased viewership. The growth in affiliate fee revenues at Scripps Networks is attributed to scheduled rate increases, wider distribution of our networks, and reaching renewal agreements with several cable television operators.

Costs and expenses were affected by the expanded hours of original programming and costs to promote our national networks, increases in cost of merchandise sold at Shop At Home, newsprint prices and disability and health care costs.

Depreciation and amortization increased year-over-year primarily as a result of depreciation and amortization attributed to the acquisition of Summit America and Great American Country.

Gains on disposal of property, plant and equipment in 2004 include an $11.1 million gain on the sale of our Cincinnati television station’s production facility to the City of Cincinnati.

Restructuring charges in 2003 reflect a $1.8 million charge for estimated severance costs to Cincinnati Post and Kentucky Post editorial employees as stipulated by the terms of a collective bargaining agreement. The charge was recorded as a result of Gannett notifying us that the Cincinnati JOA will not be renewed when it expires on December 31, 2007.

Operating results in 2004 were affected by the impact of hurricanes at our Florida operations. Our Florida operations sustained wind and water damage and the hurricanes interrupted operations at our affected businesses and at certain of their customers, resulting in lost revenues. Estimated asset impairment losses and restoration costs totaled $2.6 million. Business interruption losses for 2004 were estimated to be approximately $4.2 million.

Interest expense includes interest incurred on our outstanding borrowings and interest incurred on deferred compensation and other employment agreements. Interest expense decreased in 2004 as lower average debt levels offset increases in interest rates. The average balance of outstanding borrowings was $513 million in 2004 and $608 million in 2003. The weighted-average interest rate on all borrowings was 4.73% in 2004 and 4.17% in 2003.

Interest and dividend income decreased in 2004 due to the loss of income on the Summit America Note receivable that was forgiven during our second quarter acquisition of Summit America. This reduction in income was partially offset by interest income earned on federal tax refunds received in 2004.

Other investment results include net realized gains and losses on the sale of investments and investment impairments resulting from other-than-temporary declines in the fair value of investments. Other investment results in 2004 represent realized gains from the sale of certain investments, including Digital Theater Systems. Other investment results in 2003 reflect a charge for write-downs associated with declines in value of certain investments in development-stage businesses.

The effective tax rate was 36.1% in 2004 and 32.6% in 2003. The comparability of our year-over-year effective tax rate is affected by changes in estimated liabilities for open tax years and state net operating loss carryforwards that reduced our tax provision by $27.1 million in 2003. These changes in estimates reduced the effective tax rate by 6.4% in 2003. In addition, our effective income tax rate is affected by the growing profitability of Food Network and the portion of Food Network income that is attributed to the non-controlling interest. Income before income tax attributed to the non-controlling interest in Food Network was $40.4 million in 2004 and $12.7 million in 2003.

Minority interest increased year-over-year primarily due to the operating performance of Food Network. Prior to the fourth quarter of 2003, Food Network profits were allocated solely to Class A partnership interests, of which we own approximately 87%. During the fourth quarter of 2003, Food Network profits began to be allocated in proportion to each partner’s residual interests in the partnership.

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

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

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

(in thousands)	For the years ended December 31, 2005	Change	2004	Change	2003
Segment operating revenues:					
Scripps Networks	$ 902,925	24.8%	$ 723,713	35.3%	$ 535,013
Newspapers managed solely by us	728,373	3.5%	703,857	1.8%	691,591
Newspapers operated pursuant to JOAs	538		207	3.5%	200
Total newspapers	728,911	3.5%	704,064	1.8%	691,791
Broadcast television	317,659	(7.3)%	342,498	12.6%	304,162
Shop At Home	359,256	22.6%	293,092	22.9%	238,484
Shopzilla	99,447				
Licensing and other media	105,692	1.6%	104,076	(1.2)%	105,328
Total operating revenues	$2,513,890	16.0%	$2,167,443	15.6%	$1,874,778
Segment profit (loss):					
Scripps Networks	$ 414,095	36.1%	$ 304,358	49.0%	$ 204,263
Newspapers managed solely by us	208,389	1.7%	204,898	(9.8)%	227,132
Newspapers operated pursuant to JOAs	14,314	(60.4)%	36,177	(2.3)%	37,032
Total newspapers	222,703	(7.6)%	241,075	(8.7)%	264,164
Broadcast television	87,954	(18.7)%	108,243	27.0%	85,218
Shop At Home	(28,343)	(29.0)%	(21,968)	0.5%	(22,075)
Shopzilla	27,980				
Licensing and other media	18,998	13.3%	16,767	(12.8)%	19,238
Corporate	(41,917)	(10.0)%	(38,103)	(18.6)%	(32,125)
Total segment profit	701,470	14.9%	610,372	17.7%	518,683
Depreciation and amortization of intangibles	(91,204)	(32.7)%	(68,721)	(3.5)%	(66,385)
Losses on disposal of PP&E	(1,725)	38.9%	(2,823)	(69.0)%	(1,670)
Write-down of Shop At Home goodwill and intangible assets	(103,124)				
Hurricane asset impairment losses			(254)		
Gain on sale of production facility			11,148		
Restructuring charges, including share of JOA restructurings					(1,847)
Interest expense	(38,791)	(25.6)%	(30,878)	2.3%	(31,593)
Interest and dividend income	4,767	41.5%	3,369		5,062
Other investment results, net of expenses			14,674		(3,200)
Miscellaneous, net	978	4.7%	934		(497)
Income from continuing operations before income taxes and minority interests	$ 472,371	(12.2)%	$ 537,821	28.5%	$ 418,553

Discussions of the operating performance of each of our reportable business segments begin on page F-13.

Compliance with the Sarbanes-Oxley Act contributed to the increase in corporate expenses in 2005 and 2004 compared with 2003. Corporate expenses, including the impact of expensing stock options granted to employees, are expected to be approximately $50 million to $55 million for the full year of 2006.

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

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

(in thousands)	For the years ended December 31, 2005	Change	2004	Change	2003
Scripps Networks:					
Equity in earnings of joint ventures	$11,120	7.7%	$10,329	10.7%	$ 9,333
Newspapers:					
Equity in earnings of JOAs	50,601	(29.0)%	71,230	(0.5)%	71,611
Equity in earnings (loss) of joint ventures	205		(106)	(73.8)%	(61)
Total equity in earnings of JOAs and other joint ventures	$61,926	(24.0)%	$81,453	0.7%	$80,883

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

(in thousands)	For the years ended December 31, 2005	Change	2004	Change	2003
Depreciation and amortization:					
Scripps Networks	$ 17,370	(38.1)%	$12,575	(3.0)%	$12,203
Newspapers managed solely by us	21,721	0.3%	21,778	5.7%	23,106
Newspapers operated pursuant to JOAs	1,495	(3.0)%	1,451	3.8%	1,509
Total newspapers	23,216	0.1%	23,229	5.6%	24,615
Broadcast television	19,906	(1.9)%	19,532	(0.6)%	19,425

Shop At Home	8,826	16.2%	10,534		7,341
Shopzilla	18,651				
Licensing and other media	1,035	(55.2)%	667	(6.9)%	624
Corporate	2,200	(0.7)%	2,184	(0.3)%	2,177
Total	$ 91,204	(32.7)%	$68,721	(3.5)%	$66,385
Asset write-downs and gains (losses) on disposal of PP&E:					
Scripps Networks	$ (34)				$ (512)
Newspapers managed solely by us	(255)	(75.5)%	$ (1,040)		(454)
Newspapers operated pursuant to JOAs			2		(27)
Total newspapers	(255)	(75.4)%	(1,038)		(481)
Broadcast television	(293)		9,677		(569)
Shop At Home	(104,247)		(314)		(13)
Licensing and other media	(2)				(6)
Corporate	(18)				(89)
Total	$(104,849)		$ 8,325		$ (1,670)
JOA restructuring charges					$ 1,847
Interest and dividend income:					
Newspapers managed solely by us	$ 289	15.1%	$ 251	(26.2)%	$ 340
Newspapers operated pursuant to JOAs	18	(21.7)%	23	9.5%	21
Total newspapers	307	12.0%	274	(24.1)%	361
Summit America note			1,306	(71.6)%	4,591
Licensing and other media	631		26		4
Corporate	3,801		1,735		59
Other	28		28	(40.4)%	47
Total	$ 4,767	41.5%	$ 3,369	33.4%	$ 5,062

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Scripps Networks – Scripps Networks includes our national television networks: Home & Garden Television ("HGTV"), Food Network, DIY Network ("DIY"), Fine Living, and Great American Country ("GAC"). Programming from our networks can be viewed on demand ("VOD") on cable television systems in about 84 markets across the United States. Scripps Networks also includes our online channels, HGTVPro.com and HGTVKitchenDesign, and our 12% interest in FOX Sports Net South, a regional television network. Our networks also operate internationally through licensing agreements and joint ventures with foreign entities.

We launched HGTV in 1994. Food Network launched in 1993, and we acquired our controlling interest in 1997. We launched DIY in 1999 and Fine Living in 2002. We acquired GAC on November 17, 2004. We have used a similar strategy in developing each of our networks. Our initial focus is to gain distribution on cable and satellite television systems. We may offer incentives in the form of cash payments or an initial period in which payment of affiliate fees by the systems is waived in exchange for long-term distribution contracts. We create new and original programming and undertake promotion and marketing campaigns designed to increase viewer awareness. We expect to incur operating losses until network distribution and audience size are sufficient to attract national advertisers. As distribution of the network increases, we make additional investments in the quality and variety of programming and increase the number of hours of original programming offered on the network. Such investments are expected to result in increases in viewership, yielding higher advertising revenues.

While we have employed similar development strategies with each of our networks, there can be no assurance DIY, Fine Living and GAC will achieve operating performances similar to HGTV and Food Network. There has been considerable consolidation among cable and satellite television operators, with the eight largest providing services to approximately 95% of the homes that receive cable and satellite television programming. At the same time, there has been an expansion in the number of programming services seeking distribution on those systems, with the number of networks more than doubling since 1996.

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

Financial information for Scripps Networks is as follows:

	For the years ended December 31,				
(in thousands)	**2005**	**Change**	**2004**	**Change**	**2003**
Operating revenues:					
HGTV	$ 453,171	20.2%	$376,905	26.1%	$298,998
Food Network	357,043	21.0%	294,957	42.3%	207,260
DIY	44,577	41.5%	31,504	55.2%	20,305
Fine Living	26,934	50.0%	17,953		8,308
GAC	15,502		1,650		
Other	5,698		744		142
Total segment operating revenues	$ 902,925	24.8%	$723,713	35.3%	$535,013
Contribution to segment profit (loss):					
HGTV	$ 298,535	31.1%	$227,647	28.8%	$176,719
Food Network	213,348	30.0%	164,174	48.1%	110,832
DIY	6,814	14.8%	5,936		2,318
Fine Living	(437)	95.5%	(9,701)	33.8%	(14,657)
GAC	(807)		(7)		
Unallocated costs and other	(103,358)	(23.5)%	(83,691)	(18.0)%	(70,949)
Total segment profit	$ 414,095	36.1%	$304,358	49.0%	$204,263
Homes reached in December (1):					
HGTV	88,900	1.7%	87,400	3.4%	84,500
Food Network	88,000	2.4%	85,900	3.5%	83,000
DIY	34,500	11.3%	31,000	19.2%	26,000
Fine Living	29,000	16.0%	25,000	25.0%	20,000
GAC	39,400	7.1%	36,800	37.8%	26,700

(1) Approximately 94 million homes in the United States receive cable or satellite television. Homes reached are according to the Nielsen Homevideo Index ("Nielsen"), with the exception of DIY and Fine Living which are not yet rated by Nielsen and represent comparable amounts estimated by us.

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

Operating results for Scripps Networks were as follows:

(in thousands)	For the years ended December 31, 2005	Change	2004	Change	2003
Segment operating revenues:					
Advertising	$726,602	28.1%	$567,426	30.7%	$434,175
Network affiliate fees, net	167,012	15.1%	145,163	56.2%	92,907
Other	9,311	(16.3)%	11,124	40.3%	7,931
Total segment operating revenues	902,925	24.8%	723,713	35.3%	535,013
Segment costs and expenses:					
Employee compensation and benefits	114,389	(19.3)%	95,917	(9.8)%	87,346
Programs and program licenses	173,823	(5.5)%	164,700	(23.2)%	133,691
Other segment costs and expenses	211,465	(25.1)%	169,067	(42.0)%	119,046
Total segment costs and expenses	499,677	(16.3)%	429,684	(26.3)%	340,083
Hurricane recoveries (losses), net	(273)				
Segment profit before joint ventures	402,975	37.1%	294,029	50.8%	194,930
Equity in earnings of joint ventures	11,120	7.7%	10,329	10.7%	9,333
Segment profit	$414,095	36.1%	$304,358	49.0%	$204,263
Supplemental Information:					
Billed network affiliate fees	$187,528		$163,743		$103,749
Network launch incentive payments	19,732		34,365		25,105
Payments for programming (greater) less than program cost amortization	(42,991)		(21,560)		(34,314)
Depreciation and amortization	17,370		12,575		12,203
Capital expenditures	22,635		21,972		9,364
Business acquisitions and other additions to long-lived assets	209,335		332,060		199,303

Advertising revenues increased primarily due to an increased demand for advertising time and higher advertising rates at our networks. The appeal of new programming has positively impacted revenue by enabling us to increase the average net cost per spot charged on upfront and scatter units sold. In addition, higher revenues have resulted from increasing the amount of higher priced upfront and scatter units sold in lieu of lower priced direct response units.

The increase in network affiliate fees over each of the last three years reflects both scheduled rate increases and wider distribution of the networks. The increase in network affiliate fees for 2004 also reflects the fact that the charter distribution agreements for Food Network provided the programming to cable television systems without charge for the initial 10-year term of the agreements. Charter distribution agreements with cable and satellite television systems distributing our programming to approximately 25 million homes expired at the end of 2003. Distribution agreements with cable and satellite television systems currently in force require the payment of affiliate fees over the terms of the agreements.

We expect total operating revenues at Scripps Networks to increase approximately 18% to 20% for the full year of 2006.

Employee compensation and benefits increased primarily due to the hiring of additional employees to support the growth of Scripps Networks.

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

Our continued investment in programming and consumer marketing to increase viewership at all of our networks is expected to increase total segment expenses approximately 14% to 16% for the full year of 2006.

Capital expenditures in 2005 include the costs of upgrading our broadcast operations. Capital expenditures in 2004 include costs for the new Food Network studio in New York.

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

Newspapers managed solely by us – The newspapers managed solely by us operate in mid-size markets, focusing on news coverage within their local markets. Advertising and circulation revenues provide substantially all of each newspaper's operating revenues and employee and newsprint costs are the primary expenses at each newspaper. Declines in circulation of daily newspapers have resulted in a loss of advertising market share throughout the newspaper industry. Further declines in circulation in our newspaper markets could adversely affect our newspapers.

The trends and underlying economic conditions affecting the operating performance of any of our newspapers are substantially the same as those affecting all of our newspapers. Our newspaper operating performance is most affected by newsprint prices and economic conditions, particularly within the retail, labor, housing and auto markets. While an individual newspaper may perform better or worse than our newspaper group as a whole due to specific conditions at the newspaper or within its local economy, we do not expect such near-term variances to significantly affect the overall long-term operating performance of the newspaper segment.

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

(in thousands)	For the years ended December 31, 2005	Change	2004	Change	2003
Segment operating revenues:					
Local	$168,951	1.8%	$165,980	(0.8)%	$167,343
Classified	226,767	5.6%	214,775	2.4%	209,724
National	42,762	1.9%	41,956	7.0%	39,225
Preprint and other	145,496	8.4%	134,175	6.6%	125,815
Newspaper advertising	583,976	4.9%	556,886	2.7%	542,107
Circulation	128,168	(2.0)%	130,790	(3.5)%	135,503
Other	16,229	0.3%	16,181	15.7%	13,981
Total operating revenues	728,373	3.5%	703,857	1.8%	691,591
Segment costs and expenses:					
Employee compensation and benefits	271,497	(2.6)%	264,547	(5.4)%	251,029
Newsprint and ink	83,949	(5.6)%	79,505	(9.2)%	72,803
Other segment costs and expenses	164,432	(6.9)%	153,812	(9.4)%	140,566
Total costs and expenses	519,878	(4.4)%	497,864	(7.2)%	464,398
Hurricane recoveries (losses), net	(311)		(989)		
Contribution to segment profit before joint ventures	208,184	1.6%	205,004	(9.8)%	227,193
Equity in earnings (loss) of joint ventures	205		(106)	(73.8)%	(61)
Contribution to segment profit	$208,389	1.7%	$204,898	(9.8)%	$227,132
Supplemental Information:					
Depreciation and amortization	$ 21,721		$ 21,778		$ 23,106
Capital expenditures	15,421		26,444		37,550
Business acquisitions and other additions to long-lived assets	9,338		80		3,904

Our 2005 and 2004 operating results were affected by the impact of hurricanes at our Florida operations. Our Florida operations sustained wind and water damage and the hurricanes interrupted operations at our affected businesses and at certain of our customers' businesses, resulting in lost revenues. Advertising revenues at our other newspapers increased 2% in 2005 and 2004. The increase in advertising revenues was primarily due to increases in classified advertising and preprint and other advertising, particularly online revenue. The increase in classified advertising was primarily attributed to continued improvement in help wanted and real estate advertising. Increases in these categories helped offset declines in automotive advertising.

Increases in preprint and other advertising reflect the development of new print and electronic products and services. These products include niche publications such as community newspapers, lifestyle magazines, publications focused on the classified advertising categories of real estate, employment and auto, and other publications aimed at younger readers. Additionally, our Internet sites had advertising revenues of $23.0 million in 2005 compared with $14.9 million in 2004 and $11.5 million in 2003. Higher advertising rates, resulting from increases in the audience visiting our Web sites as well as an increase in our online product offerings contributed to the increase in online revenues. We expect continued growth in advertising on our Internet sites as we continue to leverage our local franchises in help wanted, automotive and real estate advertising.

Other operating revenues represent revenue earned on ancillary services offered by our newspapers. The increase in 2004 compared with 2003 is primarily attributed to increases in commercial printing revenues.

We expect total operating revenues at Newspapers to increase approximately 4% to 6% for the full year of 2006. We will continue our strategy of developing new print and online products to strengthen local advertising share. Growth in online revenue is expected to account for nearly one quarter of the year-over-year increase in total revenues.

An increase in health care and long-term disability costs of $4.8 million contributed to the increase in employee compensation and benefit expenses in 2004 compared with 2003.

Newsprint and ink costs increased primarily due to increases in newsprint prices. The average price of newsprint year-over-year increased 11% in 2005 and 10% in 2004. The increase in 2005 was partially offset by a 4% decrease in newsprint consumption.

Increases in other segment costs and expenses reflect costs associated with the development of new ancillary products and services.

Total newspaper costs and expenses, including the impact of expensing stock options granted to employees, are expected to increase 7% to 9% for the full year of 2006. The overall number of newspaper employees is expected to increase slightly as we shift resources to advertising sales and Internet-based businesses. We also expect to invest in our Florida markets to capitalize on the growth opportunities in those markets.

Capital expenditures in 2004 and 2003 include costs for the construction of a new production facility for our Treasure Coast, Florida newspapers.

Newspapers operated under Joint Operating Agreements: Three of our newspapers are operated pursuant to the terms of joint operating agreements ("JOAs"). See page 7 for information regarding the markets in which we publish a newspaper pursuant to the terms of a JOA.

The operating profits earned from the combined operations of the two newspapers in a JOA are distributed to the partners in accordance with the terms of the joint operating agreement. We receive a 50% share of the Denver JOA profits, a 40% share of the Albuquerque JOA profits, and approximately 20% to 25% share of the Cincinnati JOA profits.

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

(in thousands)	2005	Change	2004	Change	2003
	For the years ended December 31,				
Equity in earnings of JOAs included in segment profit:					
Denver	$15,854	(56.7)%	$36,630	(3.2)%	$37,854
Cincinnati	23,532	1.7%	23,148	4.1%	22,246
Albuquerque	11,215	(2.1)%	11,452	(0.5)%	11,511
Total equity in earnings of JOAs included in segment profit	50,601	(29.0)%	71,230	(0.5)%	71,611
Operating revenues	538		207		200
Total	51,139	(28.4)%	71,437	(0.5)%	71,811
JOA editorial costs and expenses:					
Denver	24,473	(6.3)%	23,012	(1.4)%	22,692
Cincinnati	8,064	(0.6)%	8,018	(1.7)%	7,887
Albuquerque	4,288	(1.4)%	4,230	(0.7)%	4,200
Total JOA editorial costs and expenses	36,825	(4.4)%	35,260	(1.4)%	34,779
JOAs contribution to segment profit:					
Denver	(8,142)		13,759	(10.1)%	15,303
Cincinnati	15,468	2.2%	15,129	5.4%	14,359
Albuquerque	6,988	(4.1)%	7,289	(1.1)%	7,370
Total JOA contribution to segment profit	$14,314	(60.4)%	$36,177	(2.3)%	$37,032
Supplemental information:					
Depreciation and amortization	$ 1,495		$ 1,451		$ 1,509
Capital expenditures	1,477		613		567

Additional depreciation incurred by the Denver Newspaper Agency reduced equity in earnings of JOAs by $20.4 million for the full year of 2005 (See page F-10). The increased depreciation is also expected to decrease equity in earnings of JOAs by approximately $3.0 million in each remaining quarter until the second quarter of 2007.

We expect our JOA newspapers will contribute $18 million to $20 million to segment profit for the full year of 2006.

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

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

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

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

Operating results for broadcast television were as follows:

(in thousands)	2005	Change	2004	Change	2003
	For the years ended December 31,				
Segment operating revenues:					
Local	$197,400	7.4%	$183,732	(0.4)%	$184,395
National	103,436	2.9%	100,518	(0.2)%	100,757
Political	3,973		41,546		3,356
Network compensation	5,177	(39.1)%	8,505	(4.5)%	8,905
Other	7,673	(6.4)%	8,197	21.5%	6,749
Total segment operating revenues	317,659	(7.3)%	342,498	12.6%	304,162
Segment costs and expenses:					
Employee compensation and benefits	122,324	(1.0)%	121,062	(4.1)%	116,312
Programs and program licenses	47,343	2.2%	48,402	(5.3)%	45,965
Other segment costs and expenses	61,605	2.8%	63,380	(11.8)%	56,667
Total segment costs and expenses	231,272	0.7%	232,844	(6.3)%	218,944
Hurricane recoveries (losses), net	1,567		(1,411)		
Segment profit	$ 87,954	(18.7)%	$108,243	27.0%	$ 85,218
Supplemental Information:					
Payments for programming less (greater) than program cost amortization	$ (415)		$ (606)		$ 579
Depreciation and amortization	19,906		19,532		19,425

Capital expenditures	13,524	17,543	34,742
Business acquisitions and other additions to long-lived assets			918

Our 2005 and 2004 operating results were affected by the impact of hurricanes at our Florida operations. Our Florida operations sustained wind and water damage and the hurricanes interrupted operations at our affected businesses and at certain of our customers' businesses, resulting in lost revenues. Revenues at our other television stations decreased 7% in 2005 compared with 2004 and increased 12% in 2004 compared with 2003. Year-over-year changes in revenues are significantly affected by various cyclical factors, particularly the political cycle. Advertising revenues dramatically increase during even-numbered years, when congressional and presidential elections occur. Political advertising is expected to approximate $25 million in 2006 and advertising revenue tied to the Super Bowl and Olympics could reach $8 million.

Broadcast television has initiated a number of advertising strategies aimed at securing revenues from businesses that have not historically advertised on television. The increase in local advertising revenues in 2005 is primarily attributed to the revenues generated from the successful implementation of these strategies.

We have reached agreement in principle on new affiliation agreements for our six ABC affiliated stations. The agreement will extend the ABC affiliation relationship for each of our stations through January of 2010. Network compensation in 2006 for our ABC affiliated stations will approximate the $4.9 million of revenue recognized by these stations in 2005. Our ABC affiliates recognized $8.2 million of network compensation in 2004 and $8.6 million in 2003.

We expect total operating revenues at our broadcast television stations to increase approximately 10% to 12% for the full year of 2006.

The increase in employee compensation and benefit expenses in 2004 compared with 2003 is primarily due to higher employee benefit costs, including a $1.9 million increase in health care and long-term disability costs.

Other segment costs and expenses reflect spending to promote our stations and research costs to better understand our target audience.

Total broadcast television costs and expenses, including the impact of expensing stock options granted to employees, are expected to increase 5% to 6% in 2006.

Capital expenditures in 2004 and 2003 include the construction of a new production facility for our Cincinnati television station.

Shop At Home – On April 14, 2004, we completed our acquisition of Summit America. Summit America owned a 30% minority interest in Shop At Home and operated five Shop At Home-affiliated broadcast television stations.

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

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

Operating results for Shop At Home were as follows:

	For the years ended December 31,				
(in thousands)	**2005**	**Change**	**2004**	**Change**	**2003**
Segment operating revenues:					
Retail merchandise	$341,728	23.5%	$276,740	23.5%	$224,123
Shipping and handling	16,574	15.1%	14,398	11.1%	12,957
Other	954	(51.2)%	1,954	39.2%	1,404
Total segment operating revenues	359,256	22.6%	293,092	22.9%	238,484
Segment costs and expenses:					
Cost of merchandise sold	238,580	(25.3)%	190,376	(20.4)%	158,149
Network distribution fees	61,817	(5.1)%	58,798	2.9%	60,532
Employee compensation and benefits	39,478	(19.5)%	33,045	(39.4)%	23,707
Other segment costs and expenses	47,724	(45.3)%	32,841	(80.7)%	18,171
Total segment costs and expenses	387,599	(23.0)%	315,060	(20.9)%	260,559
Segment profit (loss)	$ (28,343)	(29.0)%	$ (21,968)	0.5%	$ (22,075)
Supplemental Information:					
Interest and dividend income from Summit America			$ 1,306		$ 4,591
Depreciation and amortization	$ 8,826		10,534		7,341
Write-off of goodwill and intangible assets	103,124				
Capital expenditures	10,293		6,375		3,249
Business acquisitions and other additions to long-lived assets			228,810		

Shop At Home programming reached an average full-time equivalent of 54.4 million homes in 2005, up from 50.4 million homes in 2004 and 46.4 million homes in 2003. During the past several years, Shop At Home has primarily grown its distribution through national satellite carriers or through the acquisition of part-time or overnight carriage, where the household productivity is significantly less than basic tier cable homes. In 2005, national satellite carriage represented approximately 42% of Shop At Home's carriage. This carriage produces approximately 40% to 50% less revenue per household than a basic cable home due, in large part, to the expanded choice of viewing options and fragmentation of audience share. In addition, carriage secured on a part-time or overnight basis tends to be higher on the channel guide and often lacks the channel guide branding that is standard in longer-term permanent channel contracts. Shop At Home has sustained recurring operating losses due in part to the fact that we have not successfully secured consistently strong channel positions. As a result of these operating losses and a longer than anticipated path to profitability, we recorded a non-cash charge in 2005 of $103.1 million to write-down Shop At Home's goodwill and intangible assets.

We are undertaking a deliberate and careful assessment of strategic alternatives for Shop At Home. While we believe there is still opportunity at Shop At Home, we are carefully assessing the capital decisions that may have to be made to maximize the value of Shop At Home for the benefit of our shareholders.

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We continue to implement our merchandising plan at Shop At Home which includes improving the mix, quality and appeal of the products offered for sale both online and on air. Sales of products in the home and cookware categories increased by 91% for the full-year of 2005 compared with 2004 and represent 16% of total revenue in 2005. Sales of products in these categories were 10% of total revenue in 2004 and 8% in 2003.

Increases in other costs and expenses reflect additional costs to support Shop At Home's revenue growth. These costs include increases in the costs of facilities, outside services, uncollectible accounts receivable, marketing and consumer research costs.

In connection with the 2004 acquisition of Summit America, we assumed Summit America's obligations to us under the $47.5 million secured loan and $3 million redeemable preferred stock extended to Summit America as part of the 2002 acquisition of the controlling interest in Shop At Home. We also assumed Summit America's rights under the Shop At Home affiliation agreements with the Summit America broadcast television stations. Accordingly, interest and dividend income from Summit America and network distribution fees paid to the Summit America broadcast television stations ceased upon the acquisition of Summit America.

Shopzilla– On June 27, 2005, we completed our acquisition of Shopzilla, Inc., a Web-based product comparison shopping service.

Shopzilla operates a comparison shopping service that helps consumers find products offered for sale by online retailers. Shopzilla aggregates and organizes information on millions of products from thousands of retailers. Shopzilla also operates the BizRate consumer feedback network that collects millions of consumer reviews of stores and products each year.

Shopzilla earns revenue primarily from referral fees collected when consumers using our Web sites click through to participating online retailers. Marketing costs intended to attract traffic to the Shopzilla Web site are the primary expenses.

Operating results for Shopzilla from the June 27, 2005 acquisition date were as follows:

(in thousands)	For the period ended December 31, 2005
Segment operating revenues	$ 99,447
Segment profit	$ 27,980
Supplemental Information:	
Depreciation and amortization	$ 18,651
Capital expenditures	5,608
Business acquisitions and other additions to long-lived assets	535,127

On a pro-forma basis, assuming we had owned Shopzilla for all of 2005 and 2004, operating revenues were $154.8 million in 2005 and $67.4 million in 2004. Segment profits were $41.3 million in 2005 and $10.6 million in 2004.

The increase in revenue year-over-year is primarily attributed to an increase in referrals to participating online retailers. The use of online comparison shopping sites has increased as online retailing increases and as Internet users become more aware of our services.

Approximately 66% of the year-over-year increase in Shopzilla's segment costs and expenses was attributed to marketing costs designed to attract traffic to our Web sites. A significant portion of our marketing costs is performance-based advertising to acquire Internet traffic from search engines and other Web sites.

Shopzilla is expected to generate segment profits of approximately $50 million to $55 million for the full-year of 2006.

Capital expenditures in 2006 are expected to be approximately $10 million.

Liquidity and Capital Resources

Our primary source of liquidity is our cash flow from operating activities. Advertising provides 65% of total operating revenues, so cash flow from operating activities is adversely affected during recessionary periods. Information about our use of cash flow from operating activities is presented in the following table:

	For the years ended December 31,				
(in thousands)	2005	Change	2004	Change	2003
Net cash provided by continuing operating activities	$ 417,521	8.5%	$ 384,675	20.4%	$ 319,629
Net cash provided by discontinued operating activities	29,359		1,489		2,917
Dividends paid, including to minority interests	(111,177)		(65,006)		(50,464)
Employee stock option proceeds	32,345		28,108		33,180
Other financing activities	(11,847)		6,480		545
Cash flow available for investments and debt repayment	$ 356,201		$ 355,746		$ 305,807
Sources and uses of available cash flow:					
Business acquisitions and net investment activity	$(532,454)		$(312,756)		$ 2,775
Capital expenditures	(72,121)		(76,775)		(89,251)
Other investing activity	(1,699)		3,936		(217)
Repurchase Class A Common Shares	(36,822)				
Increase (decrease) in long-term debt	293,859		23,901		(216,395)

Our cash flow has been used primarily to fund acquisitions and investments and to develop new businesses. There are no significant legal or other restrictions on the transfer of funds among our business segments.

Net cash provided by operating activities has increased year-over-year due to the improved operating performance of our business segments. Cash required for the development of our emerging brands (DIY, Fine Living, VOD and Shop At Home) was approximately $40 million in 2005, $85 million in 2004, and $80 million in 2003.

We expect cash flow from operating activities in 2006 will provide sufficient liquidity to continue the development of our emerging brands and to fund the capital expenditures necessary to support our businesses. Capital expenditures are expected to be approximately $115 million to $130 million in 2006, including an expansion of the Scripps Networks headquarters in Knoxville.

In March 2006, we reached agreement in principal to acquire 100% of the common stock of uSwitch for approximately $366 million in cash. In connection with the agreement, we entered into a $100 million 364-day revolving credit facility. The remainder of the acquisition will be financed through cash on hand and additional borrowings on our existing credit facilities.

In 2005, we reached agreement with Advance Publications, Inc., the publisher of the Birmingham News ("News"), to terminate the Birmingham joint operating agreement between the News and our Birmingham Post-Herald newspaper and sold certain assets to the News. We received cash consideration of approximately $40.8 million from these transactions. Total cash provided by the discontinued operation in 2005 was $29.4 million.

In 2005, the management committee of the Denver JOA approved plans to consolidate the JOA's newspaper production facilities and authorized the incurrence of up to $150 million of debt by the JOA to finance the building and equipment costs related to the consolidation.

In 2004, the Denver JOA entered into an $88 million financing agreement with a group of banks to construct a new office building for the non-production related employees of the Denver JOA and the editorial departments of both the Rocky Mountain News and MediaNews Group's ("MNG") Denver Post. Upon completing construction of the non-production facility, the Denver JOA will lease the building for an initial term of five years.

Scripps and MNG are not parties to either of these agreements and have not guaranteed any of the Denver JOA's obligations under either of these arrangements. However, we expect that our cash distributions received from the Denver JOA will be reduced as the JOA will have additional cash requirements to satisfy debt and lease payments under the agreements. In addition, the Denver JOA will need to renegotiate an additional lease term, relocate to an alternative building or acquire the building upon the expiration of the lease for the non-production facility. Relocation or acquisition of the building may require capital contributions by the JOA partners.

On June 27, 2005, we acquired 100% ownership of Shopzilla for approximately $570 million in cash. Assets acquired in the transaction included approximately $34.0 million of cash and $12.3 million of short-term investments. The acquisition was financed using a combination of cash on hand and additional borrowings, including the issuance of $150 million of 4.3% notes due in 2010.

On November 17, 2004, we completed the acquisition of the Great American Country network. We paid approximately $140 million in cash, which we financed through additional borrowings on our existing credit facilities.

On April 14, 2004, we completed the acquisition of Summit America for approximately $180 million in cash. The acquisition of Summit America was financed through cash and short-term investments on hand and additional borrowings on our existing credit facilities.

Pursuant to the terms of the Food Network general partnership agreement, the partnership is required to distribute available cash to the general partners. Cash distributions to Food Network's non-controlling interests were $29.0 million in 2005. In prior years, available cash was used by the partnership to repay loans to its partners. We expect cash distributions to Food Network's non-controlling interests will approximate $35 million to $40 million in 2006.

We are authorized to repurchase up to 5 million of our Class A Common shares. We expect to repurchase sufficient shares to offset the dilution resulting from our stock compensation programs each year. In 2005, we repurchased 750,000 shares at a total cost of $36.8 million. The stock repurchase program can be discontinued at any time.

We have a credit facility that permits $450 million in aggregate borrowings and expires in July 2009. Total borrowings under the facility were $227 million at December 31, 2005.

Our access to commercial paper markets can be affected by macroeconomic factors outside of our control. In addition to macroeconomic factors, our access to commercial paper markets and our borrowing costs are affected by short and long-term debt ratings assigned by independent rating agencies.

We have a U.S. shelf registration statement which allows us to borrow up to an additional $300 million as of December 31, 2005.

Off-Balance Sheet Arrangements and Contractual Obligations

Off-Balance Sheet Arrangements

Off-balance sheet arrangements include the following four categories: obligations under certain guarantees or contracts; retained or contingent interests in assets transferred to an unconsolidated entity or similar arrangements; obligations under certain derivative arrangements; and obligations under material variable interests.

We may use derivative financial instruments to manage exposure to newsprint price, interest rate and foreign exchange rate fluctuations. We held no newsprint or foreign currency derivative financial instruments at December 31, 2005.

We primarily use interest rate swaps to manage the interest rate mix of our total debt portfolio and related overall cost of borrowing. In February 2003, we issued $50 million of 3.75% notes due in 2008. Concurrently, we entered into a receive-fixed, pay-floating interest rate swap, effectively converting the notes to a variable-rate obligation indexed to LIBOR. Since we account for the interest rate swap as fair value hedge of the underlying fixed-rate notes, changes in the fair value of the interest rate swap are offset by changes in the fair value of the swapped notes and no net gain or loss is recognized in earnings.

We have not entered into any other material arrangements which would fall under any of these four categories and which would be reasonably likely to have a current or future material effect on our results of operations, liquidity or financial condition.

Our contractual obligations under certain contracts are included in the following table.

Contractual Obligations

A summary of our contractual cash commitments, as of December 31, 2005, is as follows:

(in thousands)	Less than 1 Year	Years 2 & 3	Years 4 & 5	Over 5 Years	Total
Long-term debt:					
Principal amounts		$ 150,260	$ 477,393	$ 200,850	$ 828,503
Interest on notes	$ 40,977	72,178	41,981	17,440	172,576
Network launch incentives:					
Network launch incentive offers accepted	10,047	9,156	4,731		23,934
Incentives offered to cable television systems	20,422	11,227			31,649
Distribution agreements	70,315	9,150	5,775	4,500	89,740
Programming:					
Available for broadcast	17,673	3,278	664		21,615
Not yet available for broadcast	109,997	103,536	73,193	18,347	305,073
Employee compensation and benefits:					
Deferred compensation and benefits	5,807	11,616	11,602	15,025	44,050
Employment and talent contracts	44,202	48,984	10,125	3,423	106,734
Operating Leases:					
Noncancelable	19,427	33,394	22,621	32,308	107,750
Cancelable	3,293	5,513	1,584	36	10,426
Pension Obligations:					
Minimum pension funding	2,376	4,797	4,649	6,487	18,309
Purchase commitments:					
Newsprint	3,372	4,496			7,868
Satellite transmission	9,631	10,020	9,630	36,040	65,321
Noncancelable purchase and service commitments	18,282	27,647	13,553	11,764	71,246
Capital expenditures	1,000	7,000			8,000
Other purchase and service commitments	112,953	16,563	11,751	2,939	144,206
Total contractual cash obligations	$ 489,774	$ 528,815	$ 689,252	$ 349,159	$ 2,057,000

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

Long-Term Debt – Principal payments on long-term debt reflect the repayment of our fixed-rate notes in accordance with their contractual due dates. Principal payments also include the repayment of our outstanding variable rate credit facilities assuming repayment will occur upon the expiration of the facility in July 2009.

Except for our $50 million, 3.75% notes due in 2008, interest payments on our fixed-rate notes are projected based on each notes' contractual rates and maturity. For our notes due in 2008, we entered into a receive-fixed, pay-floating interest rate swap that expires upon the maturity of the notes. Interest payments on the these notes are calculated assuming the variable interest rate of 4.6% at December 31, 2005 will remain unchanged until the maturity of the notes in 2008. Interest payments on our variable-rate credit facilities assume that the outstanding balance on the facilities and the related variable interest rates remain unchanged until the expiration of the facilities in July 2009.

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

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

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

Distribution Agreements – Distribution agreement commitments are primarily attributed to our Shop At Home business segment. Shop At Home programming is distributed on a full or part-time basis under the terms of affiliation agreements with broadcast television stations and cable and satellite television systems. Distribution agreements are commonly for one-year terms with automatic renewal unless either party provides notice of cancellation prior to renewal. Such agreements may also be canceled by us in certain circumstances. We also may enter into long-term distribution agreements. Long-term distribution agreements are generally noncancelable. While we continually review the profitability of our distribution, and may cancel low-yielding distribution, we would expect most of these distribution agreements to remain in effect and to be renewed upon their expiration.

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

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

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

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

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

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

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

Pension Funding – We sponsor qualified defined benefit pension plans that cover substantially all non-union and certain union-represented employees. We also have a non-qualified Supplemental Executive Retirement Plan ("SERP").

Contractual commitments summarized in the contractual obligations table includes payments to meet minimum funding requirements of our defined benefit pension plans in 2006 and estimated benefit payments for our unfunded non-qualified SERP plan. Estimated payments for the SERP plan have been estimated over a ten year period. Accordingly, the amounts in the after 5 years column include estimated payments for the periods of 2011-2015. While benefit payments under these plans are expected to continue beyond 2015, we believe it is not practicable to estimate payments beyond this period.

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

We may also enter into contracts with certain vendors and suppliers, including most of our newsprint vendors. These contracts typically do not require the purchase of fixed or minimum quantities and generally may be terminated at any time without penalty. Included in the table of contractual commitments are purchase orders placed as of December 31, 2005. Purchase orders placed with vendors, including those with whom we maintain contractual relationships, are generally cancelable prior to shipment. While these vendor agreements do not require us to purchase a minimum quantity of goods or services, and we may generally cancel orders prior to shipment, we expect expenditures for goods and services in future periods will approximate those in prior years.

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

The Food Network general partnership agreement is due to expire on December 31, 2012, unless amended or extended prior to that date. In the event of such expiration, the assets of the partnership are to be liquidated and distributed to the partners in proportion to their partnership interests.

The table of contractual commitments does not include amounts for the repurchase of minority interests in Fine Living or Food Network.

Quantitative and Qualitative Disclosures about Market Risk

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

We may use foreign currency forward and option contracts to hedge our cash flow exposures that are denominated in Japanese yen and forward contracts to reduce the risk of changes in the price of newsprint on anticipated newsprint purchases. We held no foreign currency or newsprint derivative financial instruments at December 31, 2005.

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

	As of December 31, 2005		As of December 31, 2004	
(in thousands, except share data)	Cost Basis	Fair Value	Cost Basis	Fair Value
Financial instruments subject to interest rate risk:				
Variable rate credit facilities, including commercial paper	$226,966	$226,966	$ 82,766	$ 82,766
$100 million, 6.625% notes, due in 2007	99,975	102,638	99,960	107,500
$50 million, 3.75% notes, due in 2008	50,000	48,705	50,000	49,735
$100 million, 4.25% notes, due in 2009	99,623	96,975	99,527	100,038
$150 million, 4.30% notes, due in 2010	149,784	144,939		
$200 million, 5.75% notes, due in 2012	199,185	205,580	199,060	212,960
Other notes	1,537	1,299	1,638	1,440
Total long-term debt including current portion	$827,070	$827,102	$532,951	$554,439
Interest rate swap	$ (1,295)	$ (1,295)	$ (265)	$ (265)
Financial instruments subject to market value risk:				
AOL Time Warner (2,017,000 shares)	$ 29,667	$ 35,173	$ 29,667	$ 39,227
Other available-for-sale securities	61	1,806	2,062	4,673
Total investments in publicly-traded companies	29,728	36,979	31,729	43,900
Other equity securities	5,426	(a)	7,282	(a)

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

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

The weighted-average interest rate on borrowings under the Variable-Rate-Credit Facilities at December 31 was 4.3% in 2005, 2.3% in 2004, and 1.1% in 2003.

Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) was evaluated as of the date of the financial statements. This evaluation was carried out under the supervision of and with the participation of management, including the Chief Executive Officer and the Chief Financial Officer. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures are effective. There were no changes to the company's internal controls over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

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

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

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

As required by Section 404 of the Sarbanes Oxley Act of 2002, management assessed the effectiveness of The E. W. Scripps Company and subsidiaries (the "Company") internal control over financial reporting as of December 31, 2005. Management's assessment is based on the criteria established in the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon our assessment, management believes that the company maintained effective internal control over financial reporting as of December 31, 2005.

We completed the acquisition of Shopzilla, a Web-based product comparison shopping service, on June 27, 2005. This business represents a separate segment with total assets of approximately $600 million at December 31, 2005, subject to final asset valuation, and pro-forma segment profits of $41.3 million for the full year 2005. It is also a separate control environment. We have excluded this segment from management's report on internal control over financial reporting, as permitted by SEC guidance, for the year ended December 31, 2005.

The company's independent registered public accounting firm has issued an attestation report on our internal control over financial reporting and the company's management assessment of our internal control over financial reporting as of December 31, 2005. This report appears on page F-25.

Date: March 14, 2006

BY:

/s/ Kenneth W. Lowe

Kenneth W. Lowe
President and Chief Executive Officer

/s/ Joseph G. NeCastro

Joseph G. NeCastro
Senior Vice President and Chief Financial Officer

Report of Independent Registered Public Accounting Firm

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

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that The E. W. Scripps Company and subsidiaries (the "Company") maintained effective internal control over financial reporting as of December 31, 2005, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management's Report on Internal Control Over Financial Reporting, management excluded from their assessment the internal control over financial reporting at Shopzilla, which was acquired on June 27, 2005 and whose financial statements reflect total assets and revenues constituting 15 and 4 percent, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2005. Accordingly, our audit did not include the internal control over financial reporting at Shopzilla. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that the Company maintained effective internal control over financial reporting as of December 31, 2005, is fairly stated, in all material respects, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2005, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2005 of the Company and our report dated March 14, 2006 expressed an unqualified opinion on those financial statements and financial statement schedule.

Deloitte & Touche LLP

Cincinnati, Ohio
March 14, 2006

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Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying consolidated balance sheets of The E. W. Scripps Company and subsidiaries (the “Company”) as of December 31, 2005 and 2004, and the related consolidated statements of income, cash flows and comprehensive income and shareholders’ equity for each of the three years in the period ended December 31, 2005. 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 the standards of the Public Company Accounting Oversight Board (United States). 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 E. W. Scripps Company and subsidiaries at December 31, 2005 and 2004, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company’s internal control over financial reporting as of December 31, 2005, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 14, 2006 expressed an unqualified opinion on management’s assessment of the effectiveness of the Company’s internal control over financial reporting and an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting.

Deloitte & Touche LLP

Cincinnati, Ohio
March 14, 2006

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Consolidated Balance Sheets

(in thousands, except share data)	As of December 31, 2005	2004
Assets		
Current assets:		
Cash and cash equivalents	$ 19,243	$ 12,279
Short-term investments	12,800	8,637
Accounts and notes receivable (less allowances - 2005, $18,463; 2004, $20,527)	493,075	402,807
Programs and program licenses	172,879	139,082
Inventories	43,317	40,773
Deferred income taxes	32,269	17,242
Assets of discontinued JOA operations		2,703
Miscellaneous	22,986	20,068
Total current assets	796,569	643,591
Investments	210,021	234,030
Property, plant and equipment	526,221	496,194
Goodwill and other intangible assets:		
Goodwill	1,647,794	1,358,730
Other intangible assets	391,185	255,859
Total goodwill and other intangible assets	2,038,979	1,614,589
Other assets:		
Programs and program licenses (less current portion)	169,624	169,452
Unamortized network distribution incentives	172,271	193,830
Prepaid pension	66,153	32,179
Miscellaneous	52,790	40,984
Total other assets	460,838	436,445
Total Assets	$4,032,628	$3,424,849
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 92,163	$ 106,475
Customer deposits and unearned revenue	53,521	52,689
Accrued liabilities:		
Employee compensation and benefits	75,095	64,430
Network distribution incentives	8,871	42,468
Miscellaneous	88,485	71,413
Liabilities of discontinued JOA operations	1,186	1,073
Other current liabilities	29,103	36,810
Total current liabilities	348,424	375,358
Deferred income taxes	358,198	264,407
Long-term debt (less current portion)	825,775	532,686
Other liabilities (less current portion)	121,891	82,648
Commitments and contingencies (Note 18)		
Minority interests	91,261	73,629
Shareholders' equity:		
Preferred stock, $.01 par - authorized: 25,000,000 shares; none outstanding		
Common stock, $.01 par:		
Class A - authorized: 240,000,000 shares; issued and outstanding: 2005 - 126,994,386 shares; 2004 - 126,521,832 shares;	1,270	1,265
Voting - authorized: 60,000,000 shares; issued and outstanding: 2005 - 36,668,226 shares; 2004 - 36,668,226 shares	367	367
Total	1,637	1,632
Additional paid-in capital	363,416	320,359
Stock compensation:		
Performance awards and restricted stock units	4,828	789
Unvested restricted stock awards	(1,634)	(4,879)
Retained earnings	1,930,994	1,787,221
Accumulated other comprehensive income (loss), net of income taxes:		
Unrealized gains (losses) on securities available for sale	4,906	7,912
Pension liability adjustments	(18,550)	(18,495)
Foreign currency translation adjustment	1,482	1,582
Total shareholders' equity	2,287,079	2,096,121
Total Liabilities and Shareholders' Equity	$4,032,628	$3,424,849

See notes to consolidated financial statements.

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Consolidated Statements of Income

(in thousands, except per share data)	For the years ended December 31, 2005	2004	2003
Operating Revenues:			
Advertising	$1,621,797	$1,460,508	$1,274,371
Merchandise	343,605	283,008	229,026
Network affiliate fees, net	167,012	145,163	92,907
Circulation	128,168	130,790	135,503
Referral fees	98,881		
Licensing	77,049	84,341	82,416
Other	77,378	63,633	60,555
Total operating revenues	2,513,890	2,167,443	1,874,778
Costs and Expenses:			
Employee compensation and benefits (exclusive of JOA editorial compensation costs)	607,701	555,796	517,942
Programs and program licenses	221,167	213,102	179,656
Costs of merchandise sold	238,896	193,622	159,960
Marketing and advertising	157,271	81,022	54,273
Newsprint and ink	83,949	79,505	72,803
JOA editorial costs and expenses	36,825	35,260	34,779
Other costs and expenses	529,520	477,817	417,565
Total costs and expenses	1,875,329	1,636,124	1,436,978
Depreciation, Amortization, and (Gains) Losses:			
Depreciation	70,387	64,989	61,842
Amortization of intangible assets	20,817	3,732	4,543
(Gains) losses on disposal of property, plant and equipment	1,725	2,823	1,670
Write-down of Shop At Home goodwill and intangible assets	103,124		
Hurricane losses (recoveries), net	(983)	2,654	
Gain on sale of production facility		(11,148)	
Restructuring charges			1,847
Net depreciation, amortization, and (gains) losses	195,070	63,050	69,902
Operating income	443,491	468,269	367,898
Interest expense	(38,791)	(30,878)	(31,593)
Equity in earnings of JOAs and other joint ventures	61,926	81,453	80,883
Interest and dividend income	4,767	3,369	5,062
Other investment results, net of expenses		14,674	(3,200)
Miscellaneous, net	978	934	(497)
Income from continuing operations before income taxes and minority interests	472,371	537,821	418,553
Provision for income taxes	191,294	193,969	136,184
Income from continuing operations before minority interests	281,077	343,852	282,369
Minority interests	58,467	43,069	14,273
Income from continuing operations	222,610	300,783	268,096
Income from discontinued operations, net of tax	26,543	3,028	2,719
Net income	$ 249,153	$ 303,811	$ 270,815
Net income per basic share of common stock:			
Income from continuing operations	$ 1.36	$ 1.85	$ 1.67
Income from discontinued operations	.16	.02	.02
Net income per basic share of common stock	$ 1.53	$ 1.87	$ 1.69
Net income per diluted share of common stock:			
Income from continuing operations	$ 1.35	$ 1.82	$ 1.65
Income from discontinued operations	.16	.02	.02
Net income per diluted share of common stock	$ 1.51	$ 1.84	$ 1.66
Weighted average shares outstanding:			
Basic	163,279	162,279	160,532
Diluted	165,435	164,917	162,937

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

See notes to consolidated financial statements.

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Consolidated Statements of Cash Flows

(in thousands)	For the years ended December 31, 2005	2004	2003
Cash Flows from Operating Activities:			
Income from continuing operations	$ 222,610	$ 300,783	$ 268,096
Adjustments to reconcile income from continuing operations to net cash flows from operating activities:			
Depreciation and amortization	91,204	68,721	66,385
Write-down of Shop At Home goodwill and intangible assets, net of deferred income tax	90,592		
Gain on sale of production facility, net of deferred income tax		(7,773)	
Restructuring charges and other items, net of deferred income tax		(9,877)	(23,819)
Other effects of deferred income taxes	52,370	61,498	53,263
Tax benefits of stock compensation plans	10,362	12,050	13,822
Dividends received greater than equity in earnings of JOAs and other joint ventures	21,014	8,878	9,025
Stock and deferred compensation plans	15,322	4,321	10,230
Minority interests in income of subsidiary companies	58,467	43,069	14,273
Affiliate fees billed greater than amounts recognized as revenue	20,516	18,580	10,842
Network launch incentive payments	(19,732)	(34,365)	(25,105)
Payments for programming less (greater) than program cost amortization	(43,406)	(22,166)	(33,735)
Prepaid and accrued pension expense	(26,743)	(14,432)	(13,109)
Other changes in certain working capital accounts, net	(73,730)	(51,774)	(38,449)
Miscellaneous, net	(1,325)	7,162	7,910
Net cash provided by continuing operating activities	417,521	384,675	319,629
Net cash provided by discontinued operating activities	29,359	1,489	2,917
Net operating activities	446,880	386,164	322,546
Cash Flows from Investing Activities:			
Purchase of subsidiary companies and long-term investments	(547,007)	(320,333)	(4,768)
Additions to property, plant and equipment	(72,121)	(76,775)	(89,251)
Decrease (increase) in short-term investments, net of effects of acquiring Shopzilla	8,116	(8,637)	
Sale of long-term investments	6,437	16,214	7,543
Proceeds from sale of production facility		3,000	
Miscellaneous, net	(1,699)	936	(217)
Net investing activities	(606,274)	(385,595)	(86,693)
Cash Flows from Financing Activities:			
Increase in long-term debt	293,965	32,869	50,000
Payments on long-term debt	(106)	(8,968)	(266,395)
Dividends paid	(70,352)	(63,112)	(48,320)
Dividends paid to minority interests	(40,825)	(1,894)	(2,144)
Repurchase Class A Common shares	(36,822)		
Proceeds from employee stock options	32,345	28,108	33,180
Miscellaneous, net	(11,847)	6,480	545
Net financing activities	166,358	(6,517)	(233,134)
Increase (decrease) in cash and cash equivalents	6,964	(5,948)	2,719
Cash and cash equivalents:			
Beginning of year	12,279	18,227	15,508
End of year	$ 19,243	$ 12,279	$ 18,227
Supplemental Cash Flow Disclosures:			
Interest paid, excluding amounts capitalized	$ 38,183	$ 30,476	$ 30,235
Income taxes paid continuing operations	132,360	119,820	86,828
Income taxes paid discontinued operations	14,625	1,911	1,673
Total income taxes paid	146,985	121,731	88,501
Non-Cash Transactions:			
Assumption of Summit America note and preferred stock obligations		48,424	

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income and Shareholders' Equity

(in thousands, except share data)	Common Stock	Additional Paid-in Capital	Stock Compensation	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
As of December 31, 2002	$ 1,601	$217,823	$ (4,590)	$1,324,027	$ (23,396)	$1,515,465
Comprehensive income:						
Net income				270,815		270,815
Unrealized gains, net of tax of ($9,220)					17,123	17,123
Adjustment for losses (gains) in income, net of tax of $398					(739)	(739)
Change in unrealized gains (losses)					16,384	16,384
Minimum pension liability, net of tax of ($4,968)					7,937	7,937
Currency translation, net of tax of ($434)					790	790
Total				270,815	25,111	295,926
Dividends: declared and paid - $.30 per share				(48,320)		(48,320)
Compensation plans, net: 1,986,396 shares issued;						
117,744 shares repurchased; 7,200 shares forfeited	18	45,924	(304)			45,638
Tax benefits of compensation plans		13,822				13,822
As of December 31, 2003	1,619	277,569	(4,894)	1,546,522	1,715	1,822,531
Comprehensive income:						
Net income				303,811		303,811
Unrealized gains, net of tax of ($655)					1,213	1,213
Adjustment for losses (gains) in income, net of tax of $4,706					(8,740)	(8,740)
Change in unrealized gains (losses)					(7,527)	(7,527)
Minimum pension liability, net of tax of $2,356					(3,782)	(3,782)
Currency translation, net of tax of ($295)					593	593
Total				303,811	(10,716)	293,095
Dividends: declared and paid - $.3875 per share				(63,112)		(63,112)
Convert 70,000 Voting Shares to Class A Common shares						
Convert 40,000 shares from restricted stock awards to restricted stock units		(1,577)	1,577			
Compensation plans, net: 1,370,486 shares issued;						
76,548 shares repurchased	13	32,317	(773)			31,557
Tax benefits of compensation plans		12,050				12,050
As of December 31, 2004	1,632	320,359	(4,090)	1,787,221	(9,001)	2,096,121
Comprehensive income:						
Net income				249,153		249,153
Unrealized gains, net of tax of $1,841					(3,423)	(3,423)
Adjustment for losses (gains) in income, net of tax of ($224)					417	417
Change in unrealized gains (losses)					(3,006)	(3,006)
Minimum pension liability, net of tax of $58					(55)	(55)
Currency translation, net of tax of ($186)					(100)	(100)
Total				249,153	(3,161)	245,992
Dividends: declared and paid - $.43 per share				(70,352)		(70,352)
Repurchase 750,000 Class A Common shares	(8)	(1,786)		(35,028)		(36,822)
Compensation plans, net: 1,293,634 shares issued;						
68,580 shares repurchased; 2,500 shares forfeited	13	34,481	7,284			41,778
Tax benefits of compensation plans		10,362				10,362
As of December 31, 2005	$ 1,637	$363,416	$ 3,194	1,930,994	$ (12,162)	$2,287,079

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

Shop At Home markets a range of consumer goods to television viewers and visitors to its Internet site. Shop At Home reaches about 57 million full-time equivalent households and can be viewed in more than 154 television markets, including 95 of the largest 100 television markets in the U.S. Shop At Home programming is distributed under the terms of affiliation agreements with broadcast television stations and cable and satellite television systems. Substantially all of Shop At Home’s revenues are earned from the sale of merchandise.

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

Financial information for each of our five business segments is presented in Note 17. Licensing and other media aggregates our operating segments that are too small to report separately, and primarily includes syndication and licensing of news features and comics.

Our operations are geographically dispersed and we have a diverse customer base. We believe bad debt losses resulting from default by a single customer, or defaults by customers in any depressed region or business sector, would not have a material effect on our financial position. Approximately 65% of our operating revenues are derived from advertising. Operating results can be affected by changes in the demand for advertising both nationally and in individual markets.

The six largest cable television systems and the two largest satellite television systems provide service to more than 95% of homes receiving HGTV and Food Network. The loss of distribution by any of these cable and satellite television systems could adversely affect our business. While no assurance can be given regarding renewal of our distribution contracts, we have not lost carriage upon the expiration of our distribution contracts with any of these cable and satellite television systems.

While a variety of sources are available for most products that Shop At Home sells, two vendors in two different product categories supply us with merchandise that accounts for approximately 19% and 11% of total merchandise costs incurred in 2005. Our Shop At Home business could be adversely affected if these vendors ceased supplying merchandise.

One customer accounts for approximately 30% to 40% of Shopzilla’s annual operating revenues. Our Shopzilla business could be adversely affected upon the loss of this customer.

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

Our financial statements include estimates and assumptions used in accounting for our defined benefit pension plans; the recognition of certain revenues; product returns and rebates due to customers; the periods over which long-lived assets are depreciated or amortized; the fair value of such long-lived assets; income taxes payable; estimates for uncollectible accounts receivable; the fair value of our inventories and self-insured risks.

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

Revenue Recognition – Our primary sources of revenue are from:

- The sale of advertising space, advertising time and Internet advertising.
- The sale of merchandise to consumers.
- The sale of newspapers to distributors and to individual subscribers.
- Subscriber fees paid by cable and satellite television systems for our programming services ("network affiliate fees").
- Referral fees paid by participating online retailers.
- Royalties from licensing copyrighted characters.

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

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

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

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

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

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

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

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

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

Referral fees. Referral fee revenues consist of fees earned when consumers using our Internet sites are directed to participating online retailers. Referral fee revenues are recognized at the time the related transactions occur.

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

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

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

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

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

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

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

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

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

The cost of securities sold is determined by specific identification.

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

Buildings and improvements	35 years
Leasehold improvements	Term of lease
Printing presses	30 years
Other newspaper production equipment	5 to 10 years
Television transmission towers and related equipment	15 years
Other television and program production equipment	3 to 15 years
Computer hardware and software	3 to 5 years
Office and other equipment	3 to 10 years

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

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

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

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

Program rights liabilities payable within the next twelve months are included in accounts payable. Noncurrent program rights liabilities are included in other noncurrent liabilities. The carrying value of our program rights liabilities approximate fair value.

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

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

In accordance with Financial Accounting Standard No. ("FAS") 142 - Goodwill and Other Intangible Assets, goodwill and other indefinite-lived intangible assets are not amortized, but are reviewed for impairment at least annually. We perform our annual impairment review during the fourth quarter of each year in conjunction with our annual planning cycle. We also assess, at least annually, whether assets classified as indefinite-lived intangible assets continue to have indefinite lives.

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

Amortizable Intangible Assets – Broadcast television network affiliation represents the value assigned to an acquired broadcast television station's relationship with a national television network. Broadcast television stations affiliated with national television networks typically have greater profit margins than independent television stations, primarily due to audience recognition of the television station as a network affiliate. In the fourth quarter of 2004, we concluded that these assets no longer had indefinite lives and began amortizing these network affiliation relationships over their 20 to 25 year remaining useful lives.

Network distribution intangible assets represent the value assigned to an acquired programming service's relationships with the broadcast television stations and cable and satellite television systems that distribute its programs. These relationships and distribution provide the opportunity to deliver advertising and sell merchandise to viewers. We amortize these contractual relationships over the terms of the distribution contracts and expected renewal periods, which approximates 15 years.

Customer lists and other intangible assets are amortized in relation to their expected future cash flows over estimated useful lives of up to 20 years.

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

Self-Insured Risks – We are self-insured for general and automobile liability, employee health, disability and workers' compensation claims and certain other risks. Third-party administrators are used to process claims. Estimated liabilities for unpaid claims, which totaled $21.9 million at December 31, 2005, are based on our historical claims experience and are developed from actuarial valuations. While we re-evaluate our assumptions and review our claims experience on an on-going basis, actual claims paid could vary significantly from estimated claims, which would require adjustments to expense.

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

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

Marketing and Advertising Costs – Marketing and advertising costs include costs incurred to promote our businesses. Marketing and advertising costs also include fees paid to search engines to attract traffic to our Internet sites. Advertising production costs are deferred and expensed the first time the advertisement is shown. Other marketing and advertising costs are expensed as incurred.

Risk Management Contracts – We do not hold derivative financial instruments for trading or speculative purposes and we do not hold leveraged contracts. From time to time we may use interest rate swaps to limit the impact of interest rate changes on our earnings and cash flows and to reduce our overall borrowing costs. In 2003, we entered into a pay-floating interest rate swap, effectively converting $50 million of newly issued 3.75% notes due in 2008 to variable rate obligations. See Note 13. We held no other derivative financial instruments in the three years ended December 31, 2005.

Stock-Based Compensation – We have a stock-based compensation plan, which is described more fully in Note 19. We measure compensation expense using the intrinsic-value-based method of APB 25 - Accounting for Stock Issued to Employees, and its related interpretations (collectively "APB 25"). Under that method, total compensation is determined on the measurement date as the difference between the fair value of the underlying shares and the price the employee will pay for those shares. The measurement date is the date upon which both the number of shares that will be issued and the price the employee will pay are known.

Options to purchase Class A Common shares ("stock options") are granted under the plan with exercise prices not less than 100% of the fair market value of the stock on the date of the award. As a result, we do not recognize compensation expense in our financial statements for grants of stock options to employees or directors. However, if the terms of such options are subsequently modified, compensation expense is recognized for the difference between the fair value of the underlying stock at the time of modification and the option exercise price. The compensation expense is amortized over the remaining vesting period stated in the option agreement, or immediately if the options are fully vested.

Performance awards represent the right to receive restricted shares if certain performance measures are met. Each award specifies a target number of shares to be issued and the specific performance criteria that must be met. The actual number of shares that an employee receives may be less or more than the target number of shares depending on the extent to which the specified performance measures are met or exceeded. The measurement date for performance awards does not occur until the number of shares that will be issued is known. Until that date, we estimate total compensation expense based upon the number of shares that we expect to be issued and the period end fair value of the underlying shares. Total compensation expense is recognized over the vesting period stated in the performance award.

Awards both of Class A Common shares ("restricted stock") and restricted stock units ("RSUs") generally require no payment by the employee. Restricted stock and RSUs generally vest over a one to three-year incentive period conditioned upon the individual's continued employment through that period. The fair value of restricted stock and RSUs at the measurement date is amortized to expense over the vesting period stated in the restricted stock and RSU agreements. Cliff vested awards are amortized on a straight-line basis over the vesting period and pro-rata vested awards are amortized as each vesting period expires. The vesting of certain awards may be accelerated if certain financial targets are met. If it is expected those targets will be met, the awards are amortized over the accelerated vesting period.

The fair value of stock options granted and assumptions used to determine the fair values were as follows:

	For the years ended December 31,		
	2005	2004	2003
Weighted-average fair value of stock options granted	$ 11.54	$ 11.86	$ 11.01
Assumptions used to determine fair value:			
Dividend yield	0.8%	0.8%	0.8%
Expected volatility	22.2%	19.5%	22.0%
Risk-free rate of return	3.8%	3.5%	3.8%
Expected life of options	5.38 years	6.5 years	7 years

In 2005, we changed our method of estimating the fair value of options granted. In years prior to 2005, we estimated the fair value of our stock options using the Black-Scholes model. In 2005, we began estimating the value of these stock options using a lattice-based binomial model. The use of a lattice-based binomial model did not materially impact the fair value of stock options granted or the pro-forma expense reported for stock option grants.

Stock options granted prior to 2005 generally had a ten-year term. Stock options granted in 2005 generally have an eight-year term. The expected life assumption was adjusted to reflect the shorter terms of the stock options.

The following table illustrates the effect on net income and earnings per share if we had applied the fair value recognition provisions of FAS 123—Accounting for Stock-Based Compensation, as amended by FAS 148—Accounting for Stock-Based Compensation - Transition and Disclosure, to all stock-based employee compensation for the periods covered in this report:

	For the years ended December 31,		
(in thousands, except per share data)	**2005**	**2004**	**2003**
Net income as reported	$249,153	$303,811	$270,815
Add stock-based compensation included in reported income, net of related income tax effects	5,948	3,728	4,279
Deduct stock-based compensation determined under fair value based method, net of related income tax effects	(20,315)	(21,506)	(19,639)
Pro forma net income	$234,786	$286,033	$255,455
Net income per share of common stock:			
Basic earnings per share:			
As reported	$ 1.53	$ 1.87	$ 1.69
Additional stock-based compensation, net of income tax effects	(.09)	(.11)	(.10)
Pro forma basic earnings per share	$ 1.44	$ 1.76	$ 1.59
Diluted earnings per share:			
As reported	$ 1.51	$ 1.84	$ 1.66
Additional stock-based compensation, net of income tax effects	(.09)	(.11)	(.09)
Pro forma diluted earnings per share	$ 1.42	$ 1.73	$ 1.56

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

On April 14, 2004, shareholders approved amendments to the 1997 Long-Term Incentive Plan (the “Plan”) that, among other things: a) extended the term of the Plan to June 1, 2014 and b) modified provisions with respect to vesting and the term of outstanding stock options when employment is terminated due to death, disability or “change in control.” Under the prior Plan provisions, stock options held by an employee whose employment was terminated due to death or disability were immediately vested with the exception of stock options granted less than one year prior to the termination of employment. The employee forfeited any stock options granted less than one year prior to termination of employment due to death or disability. Vested stock options granted prior to 1999 were exercisable for the lesser of one year or the remaining terms of the stock options, while vested stock options granted after 1998 were exercisable for the remaining terms of the stock options. The amended and restated Plan provides that all stock options held by an employee will immediately vest upon termination of employment due to death or disability and those stock options will remain exercisable for the remaining terms of the options.

The terms of approximately 3.4 million stock options, representing substantially all outstanding stock options granted after 1994 but before 1999, and from April 15, 2003, through April 14, 2004, were modified by the Plan amendments with respect to termination of employment due to death or disability. Because we are unable to estimate which employees, if any, will benefit from these modifications, the intrinsic-value based method of APB 25 requires us to record compensation expense for any such options that are held by an employee at the time their employment is terminated due to death or disability. No compensation expense would be recognized if such stock options were exercised or forfeited prior to termination of employment due to death or disability.

Under the terms of the prior Plan, a change in control of The E.W. Scripps Company resulted in immediate vesting of all stock options held by employees, while a change in control of a subsidiary or division thereof (“subsidiary”) alone did not trigger vesting of stock options held by employees of that subsidiary. Vested stock options held by employees of a subsidiary whose employment was terminated due to a change in control of that subsidiary were exercisable for a period of 90 days. The amended and restated Plan provides that all stock options held by an employee of a subsidiary will vest and remain exercisable for the remaining terms of the stock options upon termination of employment due to a change in control of that subsidiary.

The Plan amendments with respect to termination of employment due to change in control modified the terms of approximately 4.6 million stock options held by employees of subsidiary companies. Approximately 1.4 million of those stock options were also modified by the Plan amendments with respect to termination of employment due to death or disability. Because we are unable to estimate which employees may benefit from the Plan modifications, the intrinsic-value based method of APB 25 requires us to record compensation expense for any such stock options that are held by an employee of a subsidiary company at the time their employment is terminated due to a change in control of that subsidiary. No compensation expense would be recognized if such options were exercised or forfeited prior to termination of employment due to a change in control.

While we measure compensation expense in our financial statements using the intrinsic-value based method of APB 25, we must also report pro forma net income and earnings per share assuming we had used the fair-value based methods of FAS 123. Both the amount of compensation expense and the timing of recognition of compensation expense resulting from the Plan modifications is different if fair-value based methods are used instead of intrinsic-value based methods. Under the fair-value based method, Plan modifications are accounted for as the retirement of the outstanding stock options and the issuance of new stock options at the modification date. The fair value of the modified stock options exceeded the fair value of the stock options held as the date of the modifications by approximately $2.8 million. That compensation expense is recognized over the remaining vesting period of the stock options, or immediately for vested stock options. The pro forma effect of the stock option modifications are included in the preceding table.

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

(in thousands)	For the years ended December 31, 2005	2004	2003
Basic weighted-average shares outstanding	163,279	162,279	160,532
Effect of dilutive securities:			
Unvested restricted stock and share units held by employees	308	353	364
Stock options held by employees and directors	1,848	2,285	2,041
Diluted weighted-average shares outstanding	165,435	164,917	162,937

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

2. Accounting Changes and Recently Issued Accounting Standards

FAS 123-R

In December 2004, the Financial Accounting Standards Board ("FASB") issued FAS 123 (revised 2004) - Share-Based Payments ("FAS 123-R"). FAS 123-R replaces FAS 123—Accounting for Stock-Based Compensation, and supersedes APB 25 - Accounting for Stock Issued to Employees. As revised by the Securities and Exchange Commission, we will be required to adopt FAS 123-R beginning January 1, 2006. FAS 123-R requires all share-based awards to employees, and any subsequent modifications to those awards, to be recognized in the financial statements based on a fair-value-based method. The pro forma disclosures previously permitted under FAS 123 will no longer be an alternative to financial statement recognition.

Under FAS 123-R, we must determine the appropriate fair-value model to be used for valuing share-based payments, the amortization method for compensation cost and the transition method to be used at the date of adoption. Upon adoption, we expect to utilize the modified prospective transition method. Using this method, compensation expense for all unvested awards included in our pro forma disclosures will be recognized over the award's remaining vesting period beginning in the first quarter of 2006. Compensation expense recognized will be based upon the values assigned to grants and modifications of stock compensation used in the proforma disclosures.

Except for the effects of stock compensation grants to retiree-eligible employees disclosed below, we expect that the effect on net income and earnings per share in the periods following adoption will be consistent with amounts reported in our pro forma disclosures under FAS 123 (see Note 1). However, the actual effect on net income and earnings per share will vary depending on the terms and number of options ultimately granted.

Upon the adoption of FAS 123-R, we will be required to record compensation expense over the period in which the employee becomes eligible to retire, if that period is shorter than the stated vesting period. If employees are eligible to retire at the date of grant, compensation expense will be recognized immediately. If these provisions had been applied in 2005, performance awards and stock options with fair values of $7.6 million would have been immediately expensed upon grant in our pro forma disclosures rather than over the stated vesting period.

FSP 109-1

In December 2004, the FASB issued FASB Staff Position No. FAS 109-1 ("FSP 109-1")—Application of FASB Statement No. 109, "Accounting for Income Taxes," to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004 ("AJCA"). The AJCA introduces a special 9% tax deduction on qualified production activities. FSP 109-1 clarifies that this tax deduction should be accounted for as a special tax deduction in accordance with FAS 109. Pursuant to the AJCA, we were eligible to claim the benefit beginning in 2005. Our income tax provision includes the effects of the estimated deduction we expect to take on our 2005 consolidated federal income tax return.

Interpretation 47

In March 2005, the FASB issued FASB Interpretation No. ("Interpretation") 47—Accounting for Conditional Asset Retirement Obligations – an Interpretation of FASB Statement No. 143. Interpretation 47 clarifies the timing of liability recognition for legal obligations associated with the retirement of a tangible long-lived asset when the timing and/or method of settlement are conditional on a future event. This Interpretation became effective for us in the fourth quarter of 2005. The application of this Interpretation did not have a material effect on our consolidated financial statements.

FAS 154

In May 2005, the FASB issued FAS 154—Accounting Changes and Error Corrections, which replaces Accounting Principles Opinion No. 20—Accounting Changes and FAS 3—Reporting Accounting Changes in Interim Financial Statements. FAS 154 provides guidance on the accounting for and reporting of accounting changes and error corrections. The standard requires retrospective application to prior period financial statements for changes in accounting principles and the reporting of a correction of an error. FAS 154 also requires a change in accounting estimate that is affected by a change in accounting principle to be accounted for as a change in accounting estimate. FAS 154 will be effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The application of this standard is not expected to have a material effect on our consolidated financial statements.

EITF No. 05-06

In June 2005, the Emerging Issues Task Force (“EITF”) issued EITF No. 05-06—Determining the Amortization Period for Leasehold Improvements Purchased After Lease Inception or Acquired in a Business Combination. The EITF requires that leasehold improvements acquired in a business combination or purchased after the inception of a lease be amortized over the shorter of the useful life of the assets or a term that includes required lease periods and renewals deemed to be reasonably assured at the date of acquisition. The EITF became effective beginning July 1, 2005 and did not have a material effect on our consolidated financial statements.

FSP 115-1 and 124-1

In November – 2005, the FASB issued FSP FAS 115-1 and FAS 124-1 (“FSP”), -The Meaning of Other-Than-Temporary Impairments and Its Application to Certain Investments. The FSP provides guidance on determining when investments in certain debt and equity securities are considered impaired, whether that impairment is other-than-temporary, and on measuring such impairment loss. The FSP also includes accounting considerations subsequent to the recognition of an other-than temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. The FSP is required to be applied to reporting periods beginning after December 15, 2005. Adoption of this standard is not expected to have a material effect on our financial statements.

3. Acquisitions

March 2006 – We reached an agreement in principle to acquire 100% of the common stock of uSwitch for approximately $366 million in cash. uSwitch operates an online comparison service that helps consumers compare prices on a range of services including gas, electricity, home phone, broadband providers and personal finance products in the United Kingdom. The acquisition will be financed through a combination of cash on hand and borrowings on both existing and new credit facilities.

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

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

2004 – On April 14, 2004, we acquired Summit America. Summit America owned a 30% minority interest in Shop At Home and owned and operated five Shop At Home-affiliated broadcast television stations. The acquisition provided us with complete ownership of Shop At Home and secured distribution of the network in Summit America’s television markets.

We paid $4.05 in cash per fully-diluted outstanding share of Summit America common stock, or approximately $180 million, which we financed through cash and short-term investments on hand and additional borrowings on our existing credit facilities. We also assumed Summit America’s obligations to us under the $47.5 million secured loans and the $3 million in redeemable preferred stock extended to Summit America as part of the 2002 acquisition of the controlling interest in Shop At Home.

On November 17, 2004, we completed the acquisition of the Great American Country (“GAC”) network. We paid approximately $140 million in cash, which we financed through additional borrowings on our existing credit facilities. Acquiring GAC provided us with a recognized cable network brand that had secured distribution into 37 million homes.

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

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

	For the years ended December 31,		
(in thousands)	**2005**	**2004**	**2003**
Short-term investments	$ 12,279		
Accounts receivable	13,124	$ 2,157	
Current assets	8,139	555	
Property, plant and equipment	25,996	7,816	
Indefinite-lived intangible assets		163,600	
Amortizable intangible assets	144,240	32,400	
Goodwill	407,343	184,545	$2,885
Other assets	138	240	
Net operating loss carryforwards	23,499	31,078	
Total assets acquired	634,758	422,391	2,885
Current liabilities	(24,242)	(4,217)	
Deferred tax liabilities	(66,271)	(47,159)	
Obligations under notes receivable and preferred stock		(48,424)	
Other long-term obligations	(719)	(2,978)	
Minority interest	10		619
Total purchase price	$543,536	$319,613	$3,504

The allocation of the purchase price to the assets and liabilities of the Shopzilla acquisition is based upon preliminary appraisals and is therefore subject to change.

Goodwill added during 2005 relates to the Shopzilla and the newspaper publication acquisitions. The goodwill of $401 million added from the Shopzilla acquisition was assigned to the Shopzilla business segment. Amortizable intangible assets acquired in the Shopzilla acquisition include customer lists, technology, trade names and patents. The customer lists intangible assets are estimated to have useful lives of two to twenty years. The other acquired intangibles are estimated to have useful lives of four to nine years. The goodwill of $5.9 million added from the acquisition of newspapers and other publications was assigned to the newspaper segment.

Goodwill added during 2004 relates to the Summit America and GAC acquisitions. The goodwill of $71.1 million added in the Summit America acquisition was assigned to the Shop At Home business segment. Goodwill of $113.5 million was initially allocated to the GAC acquisition. During 2005, we completed an appraisal of the book and tax basis of the assets acquired and liabilities assumed in the acquisition. Primarily due to higher values being assigned to network distribution relationships, we decreased the amount assigned to goodwill by $14.2 million. Goodwill from the GAC acquisition was assigned to the Scripps Networks business segment. Amortizable intangible assets acquired in the 2004 Summit America and GAC acquisitions included customer lists, trade names, and network distribution relationships. Indefinite-lived assets acquired consist of FCC licenses. The FCC licenses are not amortized.

Goodwill added in 2003 relates to the acquisition of minority interest in our Memphis newspaper.

The goodwill added from the GAC transaction and approximately $3.3 million of the goodwill added in the Shopzilla acquisition is expected to be deductible for tax purposes.

The following table summarizes, on a pro forma basis, the estimated combined results of operations of Scripps and Shopzilla had the transaction taken place at the beginning of 2003. The pro forma information includes adjustments for interest expense that would have been incurred to finance the acquisition, additional depreciation and amortization of the assets acquired and excludes transaction related expenses incurred by Shopzilla in the 2005 periods. The unaudited pro forma financial information is not necessarily indicative of the results that actually would have occurred had the acquisition been completed at the beginning of the period.

(in thousands, except per share data) (unaudited)	For the years ended December 31, 2005	2004
Operating revenues	$ 2,569,277	$ 2,234,876
Income from continuing operations	218,136	280,309
Income from continuing operations per share of common stock:		
Basic	$ 1.34	$ 1.73
Diluted	$ 1.32	$ 1.70
Basic Shares	163,279	162,279
Diluted Shares	165,435	164,917

Pro forma results are not presented for the other acquisitions because the combined results of operations would not be significantly different from reported amounts.

4. Discontinued Operations

In the third quarter of 2005, we reached agreement with Advance Publications, Inc. the publisher of the Birmingham News (“News”), to terminate the Birmingham joint operating agreement between the News and our Birmingham Post-Herald newspaper. During the quarter, we also ceased publication of our Birmingham Post-Herald newspaper and sold certain assets to the News. We received cash consideration of approximately $40.8 million from these transactions. Our 2005 net income was increased by $24.8 million. In accordance with the provisions of FAS 144, “Accounting for the Impairment or Disposal of Long-Lived Assets”, the results of the Birmingham Post-Herald have been treated as a discontinued operation for all periods presented within our consolidated financial statements. Accordingly, the results of the newspaper have also been excluded from our Newspaper segment results for all periods presented.

Operating results for the Birmingham-Post Herald were as follows:

(in thousands)	For the years ended December 31, 2005	2004	2003
Operating revenues	$ 31	$ 60	$ 67
Share of earnings of JOA, including termination fee	45,423	7,377	7,071
Income from discontinued operations, before tax	$ 42,726	$ 4,832	$ 4,509
Income taxes	16,183	1,804	1,790
Income from discontinued operations	$ 26,543	$ 3,028	$ 2,719

5. Asset Write-Downs and Other Charges and Credits

Net income was affected by the following:

Write-down of goodwill and other intangible assets

FAS 142, Goodwill and Other Intangible Assets, requires that we perform a fair value-based impairment test of goodwill and other indefinite-lived intangible assets at least annually. We perform our review during the fourth quarter of each year in conjunction with our annual planning cycle. The fair value is determined based upon market values of similar businesses and the present values of projected cash flows. As a result of our annual test we determined that the carrying value of the Shop At Home business segment exceeded its fair value. Accordingly, 2005 results include an estimated pre-tax write down of goodwill and other intangible assets totaling $103.1 million, including $67.3 million of nondeductible goodwill. Net income was reduced by $90.6 million. The amount of the write-down is subject to the completion of a valuation of all the assets and liabilities of the Shop At Home business segment.

Denver newspaper production facilities

In 2005, the management committee of the Denver Newspaper Agency (“DNA”) approved plans to consolidate DNA’s newspaper production facilities. As a result, assets used in certain of the existing facilities will be retired earlier than previously estimated. The reduction in these assets’ estimated useful lives increased DNA’s third and fourth quarter depreciation expense. The increased depreciation resulted in a $20.4 million decrease in our 2005 equity in earnings from JOAs. Net income was decreased by $12.6 million.

Hurricanes

Certain of our Florida operations were affected by hurricanes in the fourth quarter of 2005 and the third and fourth quarters of 2004. Operations at our affected businesses were interrupted and damage was incurred resulting in approximately $1.2 million of restoration costs and impairment losses in 2005. Restoration costs and asset impairment losses totaled $2.6 million in 2004.

Estimated business interruption losses were $2.3 million in 2005 and $4.2 million in 2004.

During 2005, we reached agreement with insurance providers and other responsible third parties on certain of our property and business interruption claims resulting from the 2004 hurricanes and recorded insurance recoveries of $2.2 million in 2005. We are currently in discussions with our insurance carriers regarding property and business interruption claims sustained by our newspaper operations in the 2004 hurricanes totaling $3.1 million. Property and business interruption claims for the 2005 hurricanes have not yet been filed with our insurance carriers. Recoveries of these unsettled claims will not be recorded until settlement agreements are reached with the insurance providers.

Gain on sale of production facility

Operating results in 2004 include an $11.1 million pre-tax gain on the sale of our Cincinnati television station's production facility to the City of Cincinnati. The gain on sale had previously been deferred while the station continued to use the facility until construction of a new production facility was complete. Net income was increased by $7.0 million.

Other investment results

Other investment results in 2004 represent realized gains from the sale of certain investments, including Digital Theater Systems. Net income was increased by $9.5 million. Operating results in 2003 included a pre-tax charge of $3.2 million for write-downs associated with declines in value of certain development-stage business investments. Net income was reduced by $2.1 million.

Restructuring charges

In 2003, we received notification from Gannett Co. Inc. ("Gannett") that the Cincinnati JOA will not be renewed upon its expiration in 2007. As a result of the notification and as stipulated by the terms of a collective bargaining agreement, we recorded a $1.8 million charge for estimated severance to Cincinnati Post editorial employees. The charge reduced net income by $1.2 million (see Note 7).

Income tax adjustments

In 2003, we adjusted our estimates of our prior year state and federal income tax liabilities and our estimate of unrealizable state net operating loss carryforwards (see Note 6). The changes in these estimates reduced the income tax provision by $27.1 million.

6. Income Taxes

We file a consolidated federal income tax return and separate state income tax returns for each subsidiary company. Included in our federal and state income tax returns is our proportionate share of the taxable income or loss of partnerships and incorporated limited liability companies that have been elected to be treated as partnerships for tax purposes ("pass-through entities"). Our financial statements do not include any provision (benefit) for income taxes on the income (loss) of pass-through entities attributed to the non-controlling interests.

Food Network is operated under the terms of a general partnership agreement. Fine Living and Shop At Home are incorporated as limited liability companies ("LLC") and are treated as partnerships for tax purposes. As a result, federal and state income taxes for these pass-through entities accrue to the individual partners.

Consolidated income before income tax consisted of the following:

(in thousands)	For the years ended December 31, 2005	2004	2003
Income allocated to Scripps	$ 417,940	$ 497,380	$ 405,873
Income of pass-through entities allocated to non-controlling interests	54,431	40,441	12,680
Income from continuing operations before income taxes and minority interest	$ 472,371	$ 537,821	$ 418,553

The provision for income taxes consisted of the following:

(in thousands)	For the years ended December 31, 2005	2004	2003
Current:			
Federal	$ 121,269	$ 86,229	$ 55,521
Tax benefits from NOLs	(13,797)	(2,800)	
Federal, net	107,472	83,429	55,521
State and local	34,297	24,713	17,622
Tax benefits from NOLs	(3,116)	(328)	(1,026)
State and local, net	31,181	24,385	16,596
Foreign	2,441	4,413	5,347
Total	141,094	112,227	77,464
Tax benefits of compensation plans allocated to additional paid-in capital	10,362	12,050	13,822
Total current income tax provision	151,456	124,277	91,286
Deferred:			
Federal	35,884	59,612	63,470
Other	2,465	3,968	(4,348)
Total	38,349	63,580	59,122
Deferred tax allocated to other comprehensive income	1,489	6,112	(14,224)
Total deferred income tax provision	39,838	69,692	44,898
Provision for income taxes	$ 191,294	$ 193,969	$ 136,184

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

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

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

	For the years ended December 31,		
	2005	2004	2003
Statutory rate	35.0%	35.0%	35.0%
Effect of:			
State and local income taxes, net of federal income tax benefit	4.8	3.4	3.7
Income of pass-through entities allocated to non-controlling interests	(4.0)	(2.6)	(1.1)
Write-off of non-deductible goodwill	5.0		
Section 199—Production Activities Deduction	(0.5)		
Changes in estimates for prior year income taxes			(5.0)
Adjustment of state net operating loss carryforward valuation allowance			(1.4)
Miscellaneous	0.2	0.3	1.3
Effective income tax rate	40.5%	36.1%	32.5%

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

(in thousands)	As of December 31, 2005	2004
Temporary differences:		
Property, plant and equipment	$ 64,968	$ 59,574
Goodwill and other intangible assets	271,985	197,809
Network distribution incentives	1,888	5,773
Investments, primarily gains and losses not yet recognized for tax purposes	57,158	63,908
Accrued expenses not deductible until paid	(10,528)	(8,777)
Deferred compensation and retiree benefits not deductible until paid	(13,312)	(19,576)
Other temporary differences, net	(2,864)	(4,164)
Total temporary differences	369,295	294,547
Tax basis capital loss carryforwards	(686)	(9,286)
Federal net operating loss carryforwards	(32,106)	(28,278)
State net operating loss carryforwards	(19,306)	(17,229)
Valuation allowance for state deferred tax assets	8,732	7,411
Net deferred tax liability	$325,929	$247,165

Investment losses on our portfolio of investments in development-stage businesses were recognized for book purposes when it was determined the carrying values of the investment would not be recovered. For tax purposes such losses are generally recognized when the securities become worthless. State tax law generally provides that such losses may not be deducted from ordinary income, and that any losses in excess of capital gains can be carried forward for up to five years. At December 31, 2005, such state capital loss carryforwards totaled $17.7 million. We expect to generate sufficient capital gains to fully utilize the capital loss carryforwards prior to the expiration of the carryforward periods between 2008 and 2010.

At the date of acquisition, Shopzilla had federal net operating loss carryforwards totaling $56.8 million. These net operating loss carryforwards and the loss carryforwards obtained in the Summit America acquisition totaled $91.7 million at December 31, 2005. The federal net operating loss carryforwards expire between 2018 and 2024. We expect to be able to fully utilize the carryforwards on our federal income tax returns.

At the date of acquisition, Shopzilla had state tax loss carryforwards totaling $63.1 million. Total state net operating loss carryforwards, including those acquired in the Summit America acquisition and of certain of our other subsidiary companies, were $627 million at December 31, 2005. Our state tax loss carryforwards expire between 2006 and 2024. Because separate state income tax returns are filed for our subsidiary companies, we are not able to use state tax losses of a subsidiary company to offset state taxable income of another subsidiary company.

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

7. Joint Operating Agreements

In 2005, we reached agreement with Advance Publications, Inc. to terminate the Birmingham joint operating agreement (see Note 4).

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

The table below provides certain information about our JOAs.

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

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

The combined sales, production and business operations of the newspapers are either jointly managed or are solely managed by one of the newspapers. The sales, production and business operations of the Denver newspapers are operated by the Denver Newspaper Agency, a limited liability partnership (the “Denver JOA”). Each newspaper owns 50% of the Denver JOA and shares management of the combined newspaper operations. We have no management responsibilities for the combined operations of the other two JOAs.

The operating profits earned from the combined operations of the two newspapers in a JOA are distributed to the partners in accordance with the terms of the joint operating agreement. We receive a 50% share of the Denver JOA profits, a 40% share of the Albuquerque JOA profits, and approximately 20% to 25% share of the Cincinnati JOA profits.

8. Investments

Investments consisted of the following:

(in thousands, except share data)	As of December 31, 2005	2004
Securities available for sale (at market value):		
Time Warner (2,017,000 common shares)	$ 35,173	$ 39,227
Other available-for-sale securities	1,806	4,673
Total available-for-sale securities	36,979	43,900
Denver JOA	142,633	164,996
FOX Sports Net South and other joint ventures	24,983	17,852
Other equity securities	5,426	7,282
Total investments	$ 210,021	$ 234,030
Net unrealized gains on securities available for sale	$ 7,251	$ 12,171

Investments available for sale represent securities in publicly-traded companies. Investments available for sale are recorded at fair value. Fair value is based upon the closing price of the security on the reporting date. As of December 31, 2005, there were no significant unrealized losses on our available-for-sale securities.

Other equity securities include securities that do not trade in public market, so they do not have readily determinable fair values. We estimate the fair values of the other securities approximate their carrying values at December 31, 2005. There can be no assurance we would realize the carrying values of these securities upon their sale.

9. Property, Plant and Equipment

Property, plant and equipment consisted of the following:

(in thousands)	As of December 31, 2005	2004
Land and improvements	$ 58,810	$ 58,336
Buildings and improvements	272,094	262,201
Equipment	726,247	650,640
Total	1,057,151	971,177
Accumulated depreciation	530,930	474,983
Net property, plant and equipment	$ 526,221	$496,194

10. Goodwill and Other Intangible Assets

Goodwill and other intangible assets consisted of the following:

(in thousands)	As of December 31, 2005	2004
Goodwill	$1,647,794	$1,358,730
Other intangible assets:		
Carrying amount:		
Acquired network distribution	47,554	32,914
Broadcast television network affiliation relationships	26,748	26,748
Customer lists	119,653	5,450
Copyrights and other trade names	22,002	3,740
Other	21,110	9,045
Total carrying amount	237,067	77,897
Accumulated amortization:		
Acquired network distribution	(9,091)	(3,991)
Broadcast television network affiliation relationships	(1,379)	(277)
Customer lists	(15,322)	(2,977)
Copyrights and other trade names	(3,521)	(232)
Other	(7,974)	(6,010)
Total accumulated amortization	(37,287)	(13,487)
Total amortizable intangible assets	199,780	64,410
Other indefinite-lived intangible assets:		
FCC licenses	189,222	189,222
Other	2,087	2,087
Total other indefinite-lived intangible assets	191,309	191,309
Pension liability adjustments	96	140
Total other intangible assets	391,185	255,859
Total goodwill and other intangible assets	$2,038,979	$1,614,589

Activity related to goodwill, amortizable intangible assets and indefinite-lived intangible assets by business segment was as follows:

(in thousands)	Scripps Networks	Newspapers	Broadcast Television	Shop At Home	Shopzilla	Licensing and Other	Total
Goodwill:							
Balance as of December 31, 2003	$141,201	$ 783,464	$219,367	$ 30,135		$ 18	$1,174,185
Business acquisitions	113,488			71,057			184,545
Balance as of December 31, 2004	254,689	783,464	219,367	101,192		18	1,358,730
Business acquisitions		5,851			$401,492		407,343
Adjustment to purchase price allocations	(14,187)			(1,354)			(15,541)
Write-down of Shop At Home				(99,838)			(99,838)
Other adjustments			(2,900)				(2,900)
Balance as of December 31, 2005	$240,502	$ 789,315	$216,467	$ —	$401,492	$ 18	$1,647,794
Amortizable intangible assets:							
Balance as of December 31, 2003	$ 1,110	$ 3,333	$ 999	$ 2,186			$ 7,628
Business acquisitions	29,620			2,780			32,400
Reclassification from indefinite-lived intangible assets			26,748	1,050			27,798
Other additions		267	49				316
Amortization	(968)	(693)	(355)	(1,716)			(3,732)
Balance as of December 31, 2004	29,762	2,907	27,441	4,300			64,410
Business acquisitions		1,840			$142,400		144,240
Adjustment of purchase price allocations	14,599			303			14,902
Other additions		267	2		62		331
Write-down of Shop At Home				(3,286)			(3,286)
Amortization	(3,268)	(709)	(1,177)	(1,317)	(14,346)		(20,817)
Balance as of December 31, 2005	$ 41,093	$ 4,305	$ 26,266	$ —	$128,116		$ 199,780
Other indefinite-lived intangible assets:							
Balance as of December 31, 2003	$ 919	$ 1,153	$ 52,370	$ 1,050			$ 55,492
Business acquisitions				163,600			163,600
Reclassification to amortizable intangible assets			(26,748)	(1,050)			(27,798)
Other additions		15					15
Balance as of December 31, 2004	919	1,168	25,622	163,600			191,309
Balance as of December 31, 2005	$ 919	$ 1,168	$ 25,622	$163,600			$ 191,309

In accordance with FAS 142, we perform an annual impairment review of goodwill and indefinite-lived intangible assets and also assess whether our indefinite lived intangible assets continue to have indefinite lives. In our 2005 annual review we determined the goodwill and other intangible assets of the Shop At Home business segment were impaired (see Note 5). Accordingly, a pretax write-down of goodwill and other intangible assets totaling $103.1 million was recorded in 2005. No other impairment losses were recorded in 2005.

During our 2004 annual review, no impairment charges resulted from our review. However, we determined that our broadcast television network affiliation relationships and the Shop At Home trade name no longer have indefinite lives. In the fourth quarter of 2004, we began amortizing broadcast television network affiliation relationships on a straight-line basis over their 20 to 25 year remaining useful lives and began amortizing the Shop At Home trade names on a straight line basis over a 10 year remaining useful life.

Estimated amortization expense of intangible assets for each of the next five years, is expected to be $24.5 million in 2006, $24.5 million in 2007, $22.1 million in 2008, $22.0 million in 2009, $19.1 million in 2010 and $87.6 million in later years.

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11. Programs and Program Licenses

Programs and program licenses consisted of the following:

(in thousands)	As of December 31, 2005	2004
Cost of programs available for broadcast	$ 798,925	$ 784,404
Accumulated amortization	534,246	525,257
Total	264,679	259,147
Progress payments on programs not yet available for broadcast	77,824	49,387
Total programs and program licenses	$ 342,503	$ 308,534

In addition to the programs owned or licensed by us included in the table above, we have commitments to license certain programming that is not yet available for broadcast, including first-run syndicated programming. Such program licenses are recorded as assets when the programming is delivered to us and is available for broadcast. First-run syndicated programming is generally produced and delivered at or near its broadcast date. Such contracts may require progress payments or deposits prior to the program becoming available for broadcast. Remaining obligations under contracts to purchase or license programs not yet available for broadcast totaled approximately $295 million at December 31, 2005. If the programs are not produced, our commitment to license the program would generally expire without obligation.

Progress payments on programs not yet available for broadcast and the cost of programs and program licenses capitalized totaled $212 million in 2005, $191 million in 2004 and $166 million in 2003.

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

(in thousands)	Programs Available for Broadcast	Programs Not Yet Available for Broadcast	Total
2006	$ 129,642	$ 77,462	$ 207,104
2007	69,364	94,135	163,499
2008	42,788	73,243	116,031
2009	19,719	63,167	82,886
2010	3,159	47,010	50,169
Later years	7	18,235	18,242
Total	$ 264,679	$ 373,252	$ 637,931

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

12. Unamortized Network Distribution Incentives

Unamortized network distribution incentives consisted of the following:

(in thousands)	As of December 31, 2005	2004
Network launch incentives	$ 316,774	$ 317,816
Accumulated amortization	178,241	151,070
Net book value	138,533	166,746
Unbilled affiliate fees	33,738	27,084
Total unamortized network distribution incentives	$ 172,271	$ 193,830

We capitalized launch incentive payments totaling $1.2 million in 2005, $6.8 million in 2004, and $35.9 million in 2003.

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

(in thousands)	
Amortization for the year ended December 31:	
2005	$ 27,171
2004	21,378
2003	24,050
Estimated amortization for the year ending December 31:	
2006	$ 28,209
2007	21,037
2008	23,387
2009	25,415
2010	16,811
Later years	23,674
Total	$ 138,533

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

13. Long-Term Debt

Long-term debt consisted of the following:

(in thousands)	As of December 31, 2005	2004

Variable-rate credit facilities	$226,966	$ 82,766
$100 million, 6.625% notes, due in 2007	99,975	99,960
$50 million, 3.75% notes, due in 2008	50,000	50,000
$100 million, 4.25% notes, due in 2009	99,623	99,527
$150 million, 4.30% notes, due in 2010	149,784	
$200 million, 5.75% notes, due in 2012	199,185	199,060
Other notes	1,537	1,638
Total face value of long-term debt less discounts	827,070	532,951
Fair market value of interest rate swap	(1,295)	(265)
Total long-term debt	$825,775	$532,686
Fair value of long-term debt *	$827,100	$554,400

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

We have Competitive Advance and Revolving Credit Facilities expiring in July 2009 (the "Revolver"), and a commercial paper program that collectively permit aggregate borrowings up to $450 million (the "Variable-Rate Credit Facilities"). Borrowings under the Revolver are available on a committed revolving credit basis at our choice of three short-term rates or through an auction procedure at the time of each borrowing. The Revolver is primarily used as credit support for our commercial paper program in lieu of direct borrowings under the Revolver. The weighted-average interest rate on borrowings under the Variable-Rate Credit Facilities was 4.3% at December 31, 2005 and 2.3% at December 31, 2004. To finance our acquisition of uSwitch we entered into a $100 million 364-day revolving credit facility in March 2006.

We have a U.S. shelf registration which allows additional borrowings of up to $300 million as of December 31, 2005.

We entered into a receive-fixed, pay-floating interest rate swap to achieve a desired proportion of fixed-rate versus variable-rate debt. The interest rate swap expires upon the maturity of the $50 million, 3.75% notes in 2008, and effectively converts those fixed-rate notes into variable-rate borrowings. The variable interest rate was 4.6% at December 31, 2005, which was based on six-month LIBOR minus a rate spread. The swap agreement was designated as a fair-value hedge of the underlying fixed-rate notes. Accordingly, changes in the fair value of the interest rate swap agreement (due to movements in the benchmark interest rate) are recorded as adjustments to the carrying value of long-term debt with an offsetting adjustment to other non-current assets. The changes in the fair value of the interest rate swap agreements and the underlying fixed-rate obligation are recorded as equal and offsetting unrealized gains and losses in the Consolidated Statements of Income. We have structured the interest rate swap to be 100% effective. As a result, there is no current impact to earnings resulting from hedge ineffectiveness.

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

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

As of December 31, 2005, we had outstanding letters of credit totaling $8.6 million.

We did not capitalize any interest in 2005. Capitalized interest was $0.6 million in 2004 and $0.5 million in 2003.

14. Other Liabilities and Minority Interests

Other liabilities consisted of the following:

	As of December 31,	
(in thousands)	**2005**	**2004**
Program rights payable	$ 21,615	$ 30,835
Employee compensation and benefits	84,903	70,532
Network distribution incentives	22,758	44,309
Other	33,198	21,475
Total other liabilities	162,474	167,151
Current portion of other liabilities	40,583	84,503
Other liabilities (less current portion)	$121,891	$ 82,648

The carrying value of our network distribution incentive liabilities approximate their carrying value.

Minority Interests

Non-controlling interests hold an approximate 10% residual interest in Fine Living. The minority owners of Fine Living have the right to require us to repurchase their interests. We have an option to acquire their interests. The minority owners will receive the fair market value for their interests at the time their option is exercised. The put and call options become exercisable at various dates through 2016. Put options on an approximate 6% non-controlling interest in Fine Living are currently exercisable. The remaining put options, comprising an approximate 4% interest in Fine Living, become exercisable in 2006.

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

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

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15. Supplemental Cash Flow Information

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

(in thousands)	For the years ended December 31, 2005	2004	2003
Other changes in certain working capital accounts, net:			
Accounts receivable	$(78,862)	$(64,540)	$(56,408)
Inventories	(2,479)	(10,687)	(5,712)
Accounts payable	(14,151)	17,627	12,886
Accrued income taxes	7,533	(7,193)	7,138
Accrued employee compensation and benefits	10,843	1,582	(1,891)
Accrued interest	390	255	(136)
Other accrued liabilities	3,247	15,373	6,735
Other, net	(251)	(4,191)	(1,061)
Total	$(73,730)	$(51,774)	$(38,449)

16. Employee Benefit Plans

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

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

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

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

We use a December 31 measurement date for our retirement plans. Retirement plans expense is based on valuations performed by plan actuaries as of the beginning of each fiscal year. The components of the expense consisted of the following:

(in thousands)	For the years ended December 31, 2005	2004	2003
Service cost	$ 18,439	$ 19,004	$ 16,495
Interest cost	22,931	22,092	20,295
Expected return on plan assets, net of expenses	(30,156)	(25,484)	(20,327)
Net amortization and deferral	3,255	3,635	5,241
Total for defined benefit plans	14,469	19,247	21,704
Multi-employer plans	439	661	560
SERP	4,023	3,906	3,665
Defined contribution plans	7,511	7,044	6,433
Total	$ 26,442	$ 30,858	$ 32,362

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

	2005	2004	2003
Used to determine annual expense:			
Discount rate	6.00%	6.25%	6.50%
Long-term rate of return on plan assets	8.25%	8.25%	8.25%
Increase in compensation levels	4.50%	4.75%	4.75%

The discount rate used to determine our future pension obligations is based on a dedicated bond portfolio approach that includes securities rated Aa or better with maturities matching our expected benefit payments from the plans. The increase in compensation levels assumption is based on actual past experience and the near-term outlook.

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

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

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

	Target allocation 2006	Percentage of plan assets as of December 31, 2005	2004
US equity securities	53%	53%	55%
Non-US equity securities	13	13	10
Fixed-income securities	34	34	35
Total	100%	100%	100%

U.S. equity securities include common stocks of large, medium, and small companies which are predominantly U.S. based. Non-U.S. equity securities include companies domiciled outside the U.S. and American depository receipts. Fixed-income securities include securities issued or guaranteed by the U.S. government, mortgage backed securities and corporate debt obligations, as well as investments in hedge fund products and real estate.

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

(in thousands)	Defined Benefit Plans 2005	Defined Benefit Plans 2004	SERP 2005	SERP 2004
Accumulated benefit obligation	$374,425	$334,800	$ 27,724	$ 26,261
Change in projected benefit obligation:				
Projected benefit obligation at beginning of year	$386,225	$361,933	$ 29,035	$ 28,684
Service cost	18,439	19,004	1,246	1,288
Interest cost	22,931	22,092	1,664	1,701
Benefits paid	(16,690)	(12,993)	(2,062)	(1,828)
Actuarial losses (gains)	21,321	(3,811)	769	(810)
Projected benefit obligation at end of year	432,226	386,225	30,652	29,035
Plan assets:				
Fair value at beginning of year	359,655	303,111		
Actual return on plan assets	21,725	32,036		
Company contributions	42,840	37,501	2,062	1,828
Benefits paid	(16,690)	(12,993)	(2,062)	(1,828)
Fair value at end of year	407,530	359,655		
Plan assets greater than (less than) projected benefits	(24,696)	(26,570)	(30,652)	(29,035)
Unrecognized net loss	88,444	61,627	13,756	14,189
Unrecognized prior service cost	2,077	2,396	(807)	(896)
Prepaid (accrued) pension costs	$ 65,825	$ 37,453	$(17,703)	$(15,742)
Amounts recognized in Consolidated Balance Sheets:				
Prepaid pension costs	$ 66,153	$ 32,179		
Accrued pension benefit obligation	(13,336)	(6,136)	$(27,724)	$(26,261)
Intangible asset	96	140		
Minimum pension liability adjustment included in accumulated other comprehensive income	12,912	11,270	10,021	10,519
Prepaid (accrued) pension costs	$ 65,825	$ 37,453	$(17,703)	$(15,742)

For the years ended December 31,

Information for pension plans with an accumulated benefit obligation in excess of plan assets was as follows:

(in thousands)	Defined Benefit Plans 2005	Defined Benefit Plans 2004	SERP 2005	SERP 2004
Accumulated benefit obligation	$45,269	$56,586	$27,724	$26,261
Projected benefit obligation	47,087	60,277	30,652	29,035
Fair value of plan assets	36,488	50,321		

For the years ended December 31,

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

	2005	2004	2003
Discount rate	5.75%	6.00%	6.25%
Increase in compensation levels	4.50%	4.50%	4.75%

We anticipate contributing $0.2 million to meet minimum funding requirements of our defined benefit pension plans in 2006 and $2.1 million to fund current benefit payments for our non-qualified SERP plan in 2006. We may also elect to make additional contributions to our defined benefit pension plans.

Estimated future benefit payments expected to be paid for the next ten years are $17.0 million in 2006, $18.6 million in 2007, $19.0 million in 2008, $19.7 million in 2009, $20.2 million in 2010, and a total of $113.7 million for the five years ending 2015.

17. Segment Information

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

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

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

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

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

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Information regarding our business segments is as follows:

(in thousands)	For the years ended December 31, 2005	2004	2003
Segment operating revenues:			
Scripps Networks	$ 902,925	$ 723,713	$ 535,013
Newspapers managed solely by us	728,373	703,857	691,591
Newspapers operated pursuant to JOAs	538	207	200
Total newspapers	728,911	704,064	691,791
Broadcast television	317,659	342,498	304,162
Shop At Home	359,256	293,092	238,484
Shopzilla	99,447		
Licensing and other media	105,692	104,076	105,328
Total operating revenues	$2,513,890	$2,167,443	$1,874,778
Segment profit (loss):			
Scripps Networks	$ 414,095	$ 304,358	$ 204,263
Newspapers managed solely by us	208,389	204,898	227,132
Newspapers operated pursuant to JOAs	14,314	36,177	37,032
Total newspapers	222,703	241,075	264,164
Broadcast television	87,954	108,243	85,218
Shop At Home	(28,343)	(21,968)	(22,075)
Shopzilla	27,980		
Licensing and other media	18,998	16,767	19,238
Corporate	(41,917)	(38,103)	(32,125)
Total segment profit	701,470	610,372	518,683
Depreciation and amortization of intangibles	(91,204)	(68,721)	(66,385)
Gains (losses) on disposal of property, plant and equipment	(1,725)	(2,823)	(1,670)
Write-down of Shop At Home goodwill and intangible assets	(103,124)		
Hurricane asset impairment losses		(254)	
Gain on sale of production facility		11,148	
Restructuring charges (including share of JOA restructurings) and other gains			(1,847)
Interest expense	(38,791)	(30,878)	(31,593)
Interest and dividend income	4,767	3,369	5,062
Other investment results, net of expenses		14,674	(3,200)
Miscellaneous, net	978	934	(497)
Income from continuing operations before income taxes and minority interests	$ 472,371	$ 537,821	$ 418,553
Depreciation:			
Scripps Networks	$ 14,102	$ 11,607	$ 9,977
Newspapers managed solely by us	21,279	21,352	22,681
Newspapers operated pursuant to JOAs	1,228	1,184	1,242
Total newspapers	22,507	22,536	23,923
Broadcast television	18,729	19,177	19,283
Shop At Home	7,509	8,818	5,858
Shopzilla	4,305		
Licensing and other media	1,035	667	624
Corporate	2,200	2,184	2,177
Total depreciation	$ 70,387	$ 64,989	$ 61,842
Amortization of intangibles:			
Scripps Networks	$ 3,268	$ 968	$ 2,226
Newspapers managed solely by us	442	426	425
Newspapers operated pursuant to JOAs	267	267	267
Newspapers	709	693	692
Broadcast television	1,177	355	142
Shop At Home	1,317	1,716	1,483
Shopzilla	14,346		
Total amortization of intangibles	$ 20,817	$ 3,732	$ 4,543

(in thousands)	For the years ended December 31, 2005	2004	2003
Additions to property, plant and equipment:			
Scripps Networks	$ 22,635	$ 21,972	$ 9,364
Newspapers managed solely by us	15,421	26,444	37,550
Newspapers operated pursuant to JOAs	1,477	613	567
Total newspapers	16,898	27,057	38,117
Broadcast television	13,524	17,543	34,742
Shop At Home	10,293	6,375	3,249
Shopzilla	5,608		
Licensing and other media	551	361	511
Corporate	4,089	3,467	3,268
Total additions to property, plant and equipment	$ 73,598	$ 76,775	$ 89,251
Business acquisitions and other additions to long-lived assets:			
Scripps Networks	$ 209,335	$ 332,060	$ 199,303
Newspapers managed solely by us	9,338	80	3,904
Newspapers operated pursuant to JOAs			160
Total newspapers	9,338	80	4,064
Broadcast television			918
Shop At Home		228,810	
Shopzilla	535,127		
Investments	2,401	640	704
Total	$ 756,201	$ 561,590	$ 204,989
Assets:			
Scripps Networks	$1,155,809	$1,080,803	$ 878,722
Newspapers managed solely by us	1,111,549	1,098,504	1,091,579
Newspapers operated pursuant to JOAs	161,683	182,860	200,851
Total newspapers	1,273,232	1,281,364	1,292,430
Broadcast television	491,136	494,680	498,695
Shop At Home	258,943	366,403	152,572
Shopzilla	586,291		
Licensing and other media	34,888	27,850	28,833
Investments	44,181	51,180	63,444
Corporate	188,148	119,866	91,837
Total assets of continuing operations	4,032,628	3,422,146	3,006,533
Discontinued operations	—	2,703	1,269
Total assets	$4,032,628	$3,424,849	$3,007,802

No single customer provides more than 10% of our revenue. International revenues are primarily derived from licensing comic characters and HGTV and Food Network programming in international markets. Licensing of comic characters in Japan provides approximately 45% of our international revenues, which are less than $60 million annually.

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

18. Commitments and Contingencies

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

Minimum payments on noncancelable leases at December 31, 2005, were: 2006, $19.4 million; 2007, $17.7 million; 2008, $15.7 million; 2009, $14.5 million; 2010, $8.1 million; and later years, $32.3 million. We expect our operating leases will be replaced with leases for similar facilities upon their expiration. Rental expense for cancelable and noncancelable leases was $27.1 million in 2005, $24.4 million in 2004 and $19.9 million in 2003.

In the ordinary course of business we enter into long-term contracts to obtain satellite transmission rights, to obtain distribution of Shop At Home, or to obtain other services. Liabilities for such commitments are recorded when the related services are rendered. Minimum payments on such contractual commitments at December 31, 2005, were: 2006, $147 million; 2007, $69.1 million; 2008, $38.2 million; 2009, $23.6 million; 2010, $15.5 million; and later years, $55.7 million. We expect these contracts will be replaced with similar contracts upon their expiration.

19. Capital Stock and Incentive Plans

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

Under a share repurchase program authorized by the Board of Directors on October 28, 2004, we are authorized to repurchase up to 5.0 million Class A Common Shares. A total of 0.8 million shares were repurchased in 2005 at prices ranging from $45 to $51 per share. The balance remaining on the authorization is 4.2 million shares. There is no expiration date for the program and we are under no commitment or obligation to repurchase any particular amount of common shares under the program.

Incentive Plans – Scripps' Long-Term Incentive Plan (the "Plan") provides for the award of restricted and unrestricted Class A Common Shares, incentive and nonqualified stock options, stock appreciation rights, and performance units to key employees and non-employee directors. The Plan expires in 2014, except for options then outstanding. The number of shares authorized for issuance under the plan at December 31, 2005, was 24.3 million, of which approximately 6.9 million had not been issued.

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

	Number of Shares	Weighted-Avg Price at Grant Date	Range of Grant Date Prices
Unvested shares at December 31, 2002	656,752	$ 27.89	$ 22 -39
Shares awarded in 2003	327,638	39.55	40 - 47
Shares vested in 2003	(371,254)	26.54	22 - 39
Shares forfeited in 2003	(7,200)	25.88	25 - 41
Unvested shares at December 31, 2003	605,936	35.04	22 - 47
Shares awarded in 2004	133,580	48.72	47 - 53
Shares vested in 2004	(245,562)	33.50	23 - 53
Shares converted to restricted stock units	(40,000)	39.44	39
Unvested shares at December 31, 2004	453,954	39.58	23 - 53
Shares awarded in 2005	8,750	49.23	48 - 50
Shares vested in 2005	(211,196)	44.28	32 - 52
Shares forfeited in 2005	(2,500)	47.28	47
Unvested shares at December 31, 2005	249,008	$ 41.93	$ 23 -53

Restricted Stock Units – During 2004, 40,000 restricted stock awards were converted to restricted stock units ("RSUs"). The RSUs give the recipient the right to receive shares of our stock upon the lapse of restriction periods. The restrictions lapse in equal installments over a four-year incentive period conditioned upon the employee's continued employment.

Performance Awards – Performance awards with a target of 147,764 Class A Common shares were issued in 2005. The number of shares ultimately awarded depends upon the extent to which specified performance requirements are met. The shares earned vest between 2006 and 2008.

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

The following table presents information about stock options:

	Number of Shares	Weighted-Average Exercise Price	Range of Exercise Prices
Outstanding at December 31, 2002	9,680,068	$ 27.20	$ 8 -39
Granted in 2003	2,250,000	40.11	40 -47
Exercised in 2003	(1,582,278)	20.75	8 - 39
Outstanding at December 31, 2003	10,347,790	30.99	9 - 47
Options exercisable at December 31, 2003	6,679,204	$ 26.45	$ 9 -39
Outstanding at December 31, 2003	10,347,790	$ 30.99	$ 9 -47
Granted in 2004	2,149,000	49.27	46 -54
Exercised in 2004	(1,200,076)	23.23	9 - 42
Forfeited in 2004	(137,980)	36.66	32 -52
Outstanding at December 31, 2004	11,158,734	35.27	13 -54
Options exercisable at December 31, 2004	7,040,262	$ 29.86	$ 13 -46
Outstanding at December 31, 2004	11,158,734	$ 35.27	$ 13 -54
Granted in 2005	1,895,250	46.87	46 - 51
Exercised in 2005	(1,203,600)	26.85	17 - 49
Forfeited in 2005	(210,054)	43.44	24 - 52
Outstanding at December 31, 2005	11,640,330	37.89	13 - 54
Options exercisable at December 31, 2005	7,913,789	$ 33.84	$ 13 -54

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Substantially all options granted prior to 2003 are exercisable. Options generally become exercisable over a one-to-three-year period. Information about options outstanding and options exercisable by year of grant is as follows:

Year of Grant	Options on Shares Outstanding	Range of Exercise Prices	Weighted Average Exercise Price	Options on Shares Exercisable	Range of Exercise Prices	Weighted Average Exercise Price
1996 - expire in 2006	9,800	$ 13	$ 13.25	9,800	$ 13	$ 13.25
1997 - expire in 2007	237,900	17 - 21	17.58	237,900	17 - 21	17.58
1998 - expire in 2008	319,400	20 - 27	23.66	319,400	20 - 27	23.66
1999 - expire in 2009	756,100	21 - 25	23.54	756,100	21 - 25	23.54
2000 - expire in 2010	1,192,366	22 - 30	24.76	1,192,366	22 - 30	24.76
2001 - expire in 2011	1,377,598	29 - 35	32.13	1,377,598	29 - 35	32.13
2002 - expire in 2012	1,828,134	36 - 39	37.67	1,828,134	36 - 39	37.67
2003 - expire in 2013	2,018,514	40 - 46	40.10	1,388,568	40 - 46	40.10
2004 - expire in 2014	2,055,768	46 - 54	49.27	803,923	46 - 54	49.57
2005 - expire in 2013	1,844,750	46 - 51	46.88			
Total options on number of shares	11,640,330	$ 13 -54	$ 37.89	7,913,789	$ 13 -54	$ 33.84

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20. Summarized Quarterly Financial Information (Unaudited)

Summarized financial information is as follows:

(in thousands, except per share data) 2005	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Operating revenues	$ 585,047	$ 627,339	$ 594,702	$ 706,802	$ 2,513,890
Costs and expenses	(453,261)	(447,318)	(465,498)	(509,252)	(1,875,329)
Depreciation and amortization of intangibles	(17,191)	(18,601)	(27,605)	(27,807)	(91,204)
Gains (losses) on disposal of property, plant and equipment	(137)	25	(108)	(1,505)	(1,725)
Write-down of Shop At Home goodwill and intangible assets				(103,124)	(103,124)
Hurricane recoveries (losses), net		1,892		(909)	983
Interest expense	(7,372)	(7,559)	(12,136)	(11,724)	(38,791)
Equity in earnings of JOAs and other joint ventures	18,157	21,203	10,096	12,470	61,926
Interest and dividend income	208	374	3,758	427	4,767
Miscellaneous, net	332	(402)	414	634	978
Provision for income taxes	(45,032)	(62,797)	(34,458)	(49,007)	(191,294)
Minority interests	(11,335)	(17,290)	(11,729)	(18,113)	(58,467)
Income (loss) from continuing operations	69,416	96,866	57,436	(1,108)	222,610
Income from discontinued operations, net of tax	595	723	24,720	505	26,543
Net income (loss)	$ 70,011	$ 97,589	$ 82,156	$ (603)	$ 249,153
Net income (loss) basic share of common stock:					
Income (loss) from continuing operations	$ .43	$ .59	$ .35	($ .01)	$ 1.36
Income from discontinued operations	.00	.00	.15	.00	.16
Net income (loss) per basic share of common stock	$ .43	$ .60	$ .50	($ .00)	$ 1.53
Net income (loss) per diluted share of common stock:					
Income (loss) from continuing operations	$ .42	$ .58	$ .35	($ .01)	$ 1.35
Income from discontinued operations	.00	.00	.15	.00	.16
Net income (loss) per diluted share of common stock	$ .42	$ .59	$ .50	($ .00)	$ 1.51
Weighted average shares outstanding:					
Basic	162,893	163,365	163,506	163,342	163,279
Diluted	165,095	165,776	165,703	165,227	165,435
Cash dividends per share of common stock	$ .10	$ .11	$ .11	$ .11	$ .43

2004	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Operating revenues	$ 513,653	$ 547,311	$ 499,788	$ 606,691	$ 2,167,443
Costs and expenses	(399,028)	(400,971)	(392,075)	(444,050)	(1,636,124)
Depreciation and amortization of intangibles	(15,592)	(16,198)	(17,271)	(19,660)	(68,721)
Gains (losses) on disposal of property, plant and equipment	(138)	(89)	(340)	(2,256)	(2,823)
Hurricane recoveries (losses), net			(2,423)	(231)	(2,654)
Gain on sale of production facility		11,148			11,148
Interest expense	(7,395)	(8,272)	(7,149)	(8,062)	(30,878)
Equity in earnings of JOAs and other joint ventures	15,049	20,675	20,706	25,023	81,453
Interest and dividend income	1,227	303	118	1,721	3,369
Other investment results, net of expenses	14,674				14,674
Miscellaneous, net	203	(200)	121	810	934
Provision for income taxes	(44,497)	(54,934)	(37,231)	(57,307)	(193,969)
Minority interests	(8,242)	(11,661)	(9,272)	(13,894)	(43,069)
Income from continuing operations	69,914	87,112	54,972	88,785	300,783
Income (loss) from discontinued operations, net of tax	605	(688)	622	2,489	3,028
Net income	$ 70,519	$ 86,424	$ 55,594	$ 91,274	$ 303,811
Net income per basic share of common stock:					
Income from continuing operations	$ .43	$ .54	$ .34	$ .55	$ 1.85
Income (loss) from discontinued operations	.00	(.00)	.00	.02	.02
Net income per basic share of common stock	$ .44	$ .53	$ .34	$ .56	$ 1.87
Net income per diluted share of common stock:					
Income from continuing operations	$ .43	$ .53	$ .33	$ .54	$ 1.82
Income (loss) from discontinued operations	.00	(.00)	.00	.02	.02
Net income per diluted share of common stock	$ .43	$ .52	$ .34	$ .55	$ 1.84
Weighted average shares outstanding:					
Basic	161,670	162,272	162,519	162,654	162,279
Diluted	164,368	165,162	165,187	164,950	164,917
Cash dividends per share of common stock	$ .0875	$ .10	$ .10	$ .10	$ .3875

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

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Valuation and Qualifying Accounts
for the Years Ended December 31, 2005, 2004 and 2003 **Schedule II**

Column A (in thousands) Classification	Column B Balance Beginning of Period	Column C Additions Charged to Revenues, Costs, Expenses	Column D Deductions Amounts Charged Off-Net	Column E Increase (Decrease) Recorded Acquisitions (Divestitures)	Column F Balance End of Period
Allowance for Doubtful Accounts Receivable					
Year Ended December 31:					
2005	$20,527	$ 9,784	$ 12,229	$ 381	$18,463
2004	14,852	12,039	6,445	81	20,527
2003	18,092	1,575	4,815		14,852
Reserve for Merchandise Returns					
Year Ended December 31:					
2005	$ 9,112	$ 65,514	$ 68,471		$ 6,155
2004	7,747	64,686	63,321		9,112
2003	5,824	70,296	68,373		7,747
Accrual for Severance Costs					
Year Ended December 31:					
2005	$ 2,185	$ 371	377		$ 2,179
2004	1,847	338			2,185
2003		1,847			1,847

The E. W. Scripps Company

Index to Exhibits

Exhibit Number	Description of Item	Page	Exhibit No Incorporated
3.01	Articles of Incorporation	(10)	3(i)
3.02	Amended and Restated Code of Regulations	(13)	3.02
4.01	Class A Common Share Certificate	(2)	4
4.02B	Form of Indenture: 6.625% notes due in 2007	(3)	4.1
4.02C	Form of Indenture: 5.75% notes due in 2012	(3)	4.1
4.02D	Form of Indenture: 4.25% notes due in 2009	(8)	4.1
4.02E	Form of Indenture: 3.75% notes due in 2008	(8)	4.1
4.02F	Form of Indenture: 4.30% notes due in 2010	(8)	4.1
4.03B	Form of Debt Securities: 6.625% notes due in 2007	(3)	4.2
4.03C	Form of Debt Securities: 5.75% notes due in 2012	(3)	4.2
4.03D	Form of Debt Securities: 4.25% notes due in 2009	(8)	4.2
4.03E	Form of Debt Securities: 3.75% notes due in 2008	(8)	4.2
4.03F	Form of Debt Securities: 4.30% notes due in 2010	(8)	4.2
10.01	Amended and Restated Joint Operating Agreement, dated January 1, 1979 among Journal Publishing Company, New Mexico State Tribune Company and Albuquerque Publishing Company, as amended	(1)	10.01
10.03	Joint Operating Agreement, dated September 23, 1977, between the Cincinnati Enquirer, Inc. and the Company, as amended	(1)	10.03
10.04	Joint Operating Agreement Among The Denver Post Corporation, Eastern Colorado Production Facilities, Inc., Denver Post Production Facilities LLC and The Denver Publishing Company dated as May 11, 2000, as amended	(7)	10.04
10.08	Amended and Restated 1997 Long-Term Incentive Plan	(13)	10.01
10.09	Form of Executive Officer Nonqualified Stock Option Agreement	(13)	10.03A
10.10	Form of Independent Director Nonqualified Stock Option Agreement	(13)	10.03B
10.11	Form of Performance-Based Restricted Share Agreement	(13)	10.03C
10.12	Form of Restricted Share Agreement (Non-performance Based)	(16)	10.02C
10.13	Executive Bonus Plan, as amended April 14, 2005	(13)	10.04
10.14	Consulting agreement between the Company and Alan Horton	(14)	99.01
10.15	Special Retirement Supplement Agreement between the Company and Alan Horton	(14)	99.02
10.16	Consulting agreement between the Company and Frank Gardner		
10.17	Special Retirement Supplement Agreement between the Company and Frank Gardner		
10.21	Merger Agreement Between Summit America Television, Inc. and The E. W. Scripps Company	(9)	10.21

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The E. W. Scripps Company

Index to Exhibits (continued)

Exhibit Number	Description of Item	Page	Exhibit No Incorporated
10.22	Agreement and Plan or Merger and Reorganization between The E.W. Scripps Company, Green Monster Acquisition Corp., and Shopzilla, Inc.	(16)	10.22
10.40	5-Year Competitive Advance and Revolving Credit Facility Agreement	(11)	10.40
10.41	364-Day Competitive Advance and Revolving Credit Agreement		
10.55	Board Representation Agreement, dated March 14, 1986, between The Edward W. Scripps Trust and John P. Scripps	(1)	10.44
10.56	Shareholder Agreement, dated March 14, 1986, between the Company and the Shareholders of John P. Scripps Newspapers	(1)	10.45
10.57	Scripps Family Agreement dated October 15, 1992	(4)	1
10.59	Non-Employee Directors' Stock Option Plan	(5)	4A
10.61	1997 Deferred Compensation and Stock Plan for Directors	(6)	10.61
10.63	Employment Agreement between the Company and Kenneth W. Lowe	(9)	10.63
10.64	Employment Agreement between the Company and John F. Lansing, as amended November 12, 2005		
10.74	Amended and Restated Scripps Supplemental Executive Retirement Plan	(12)	10.64
10.75	Scripps Senior Executive Change in Control Plan	(12)	10.65
10.76	Scripps Executive Deferred Compensation Plan	(12)	10.66
12	Computation of Ratio of Earnings to Fixed Charges for the Three Years Ended December 31, 2005		
14	Code of Ethics for CEO and Senior Financial Officers	(15)	14
21	Subsidiaries of the Company		
23	Consent of Independent Registered Public Accounting Firm		
31(a)	Section 302 Certifications		
31(b)	Section 302 Certifications		
32(a)	Section 906 Certifications		
32(b)	Section 906 Certifications		

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

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

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

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

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

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

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

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

(9) Incorporated by reference to The E. W. Scripps Company Annual Report on Form 10-K for the year ended December 31, 2003.

(10) Incorporated by reference to The E. W. Scripps Company Current Report on Form 8-K dated July 15, 2004.

(11) Incorporated by reference to The E. W. Scripps Company Current Report on Form 8-K dated July 30, 2004.

(12) Incorporated by reference to The E. W. Scripps Company Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004.

(13) Incorporated by reference to The E. W. Scripps Company Current Report on Form 8-K dated February 9, 2005.

(14) Incorporated by reference to The E. W. Scripps Company Current Report on Form 8-K dated December 16, 2004.

(15) Incorporated by reference to The E. W. Scripps Company Annual Report on Form 10-K for the year ended December 31, 2004.

(16) Incorporated by reference to The E. W. Scripps Company Quarterly Report on Form 10-Q for the quarterly period ended June 30 2005.

(17) Incorporated by reference to The E. W. Scripps Company Current Report on Form 8-K dated February 22, 2006.

Exhibit 10.16

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") is entered effective as of the 1st day of January, 2006, by and between **THE E.W. SCRIPPS COMPANY** ("**Company**"), an Ohio corporation with its principal place of business located at 312 Walnut Street, Suite 2800, Cincinnati, OH 45202 and **PAUL FRANK GARDNER** ("**Consultant**") whose address is 5435 Hobbit Road, Cincinnati, OH 45243. In consideration of the mutual promises and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company and Consultant (collectively referred to herein as the "Parties") agree to be legally bound as follows:

I. STATEMENT OF SERVICES.

A. Consultant will serve as an independent consultant for Company and shall provide Company and its subsidiaries and affiliates (collectively, the "Scripps Companies") with business advice and such other consulting services, as may requested from time to time by the Company, related to the operations and business activities of the Scripps Companies (the "Services").

B. Consultant shall devote such time as may be necessary to provide the Services in a professional and timely manner, but it is anticipated by the Parties that Consultant will devote no less than approximately forty (40) hours per month rendering the Services.

C. Consultant covenants to use his reasonable best efforts to perform the Services: (i) according to the requirements set forth herein, and (ii) in a highly professional and workmanlike manner. Consultant acknowledges that the quality of the Services performed hereunder is a matter of prime importance.

D. Consultant shall provide the Services at the direction of the President & Chief Executive Officer of the Company, or his designee, and shall not make any disclosures or representations to third parties concerning Company, its operations and business activities or the Services Consultant is providing Company, except as specifically set forth hereunder.

II. COMPENSATION.

In consideration for all the Services performed by Consultant hereunder, Company agrees to pay Consultant and Consultant accepts a fee of Two Hundred and Fifty Thousand Dollars ($250,000.00) per year for the Term of this Agreement, payable on a semi-monthly basis beginning, with the first payment to be issued on or about January 13, 2006 and the last payment to be issued on or about January 15, 2008. Except as specified below, in no event shall the aggregate amount payable to Consultant for Services rendered hereunder exceed the amount set forth above. Any and all payments to Consultant which exceed the aforementioned aggregate amount shall be specified in an addendum to this Agreement or separate agreement executed by both Parties.

III. TERM/ TERMINATION.

A. This Agreement shall be effective as of January 1, 2006 and continue through December 31, 2007.

B. Consultant may terminate this Agreement with or without cause at any time prior to the expiration of the Term hereof by providing Company with at least thirty (30) days advance written notice. If such termination is without cause, Company shall be obligated to pay Consultant only those fees due and owing to Consultant as of the effective date of termination.

C. Company may terminate this Agreement with or with or without cause at any time prior to its expiration of the Term hereof by providing Consultant with at least thirty (30) days advance written notice. If such termination is without cause, Company shall be obligated to pay Consultant a lump sum equal to the remaining balance that would have otherwise been paid to Consultant through the end of the Term pursuant to Section II above. Such lump sum will be paid to Consultant within thirty (30) days following the effective date of termination.

IV. REIMBURSEMENT OF EXPENSES

Company shall reimburse Consultant for reasonable and verifiable travel and mail charges, including regular, overnight and express mail, incurred by Consultant in performing any of the Services under this Agreement, provided that such expenses are authorized by the President & Chief Executive Officer of the Company, or his designee, before the expenses are incurred. Company shall reimburse Consultant upon receipt of satisfactory documentation evidencing such expenses. All other expenses incurred by Consultant shall be borne solely by Consultant.

V. REPRESENTATIONS AND WARRANTIES.

A. Each party represents and warrants to the other:

1. that it has full legal right, power and authority to enter into and perform its obligations hereunder;
2. that it has not entered into, nor will it enter into, any contract or other agreement which would conflict with, prohibit or interfere with the full performance of its obligations hereunder or with the full enjoyment by the other party of the rights granted herein; and
3. that Company shall not be obligated to make any payments or to pay any other consideration to Consultant or to any third party, except as expressly specified in this Agreement.

B. Consultant represents that he is authorized to and possesses all of the necessary skills, licenses and certifications, if any, to perform the Services required hereunder.

VI. INDEMNIFICATION/LIMITATION OF LIABILITY.

A. Consultant will at all times indemnify, defend and hold harmless Company (including its parents, subsidiaries and affiliates, and the officers, directors, shareholders, employees and agents thereof) its successors and assigns from and against any and all claims, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees) and judgments, resulting from or arising out of or in any way related to: (i) actions of the Consultant not approved or authorized by Company, or otherwise outside the scope of this Agreement, (ii) any breach or misrepresentation by Consultant of any representation, warranty or agreement made herein, or (iii) Consultant's gross negligence, willful misconduct, or fraudulent behavior.

B. Company will at all times indemnify, defend and hold harmless Consultant from and against any and all claims, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees) and judgments, resulting from or arising out of or in any way related to the Services rendered by Consultant under this Agreement, so long as Consultant acted in good faith and the actions of the Consultant were within those contemplated under this Agreement.

C. Notwithstanding anything to the contrary contained herein, Company shall not under any circumstances be liable for consequential, incidental, punitive, special, exemplary or indirect damages, or lost profits in connection with claims made by any party, regardless of the form of action, or whether in contract or tort.

VII. RELATIONSHIP OF THE PARTIES.

A. The parties agree and acknowledge that (i) Consultant shall perform the Services hereunder as an independent contractor, and not as an employee of Company for purposes of Section 3121 of the Internal Revenue Code of 1986, as amended, and all corresponding provisions in the laws of any state or other jurisdiction, and (ii) Company and Consultant are not, and shall not be construed as, joint venturers, partners, agents or employees of each other.

B. Neither party shall have the power to legally bind or obligate the other party except as specifically set forth in this Agreement. There shall be no liability on the part of one party hereto for debts incurred by the other unless agreed to in writing by an authorized representative of each party.

VIII. ASSIGNMENT.

Company may sell, transfer, assign, or otherwise dispose of its rights under this Agreement, in whole or in part, including, without limitation, the Services of Consultant in any or all capacities set forth herein, to any person, entity, firm, or corporation. In the event of such a sale, transfer or disposition, Consultant shall continue to perform its duties hereunder according to the terms hereof for such buyer, assignee or transferee. As a service contract premised on the specialized expertise of Consultant, Consultant shall neither assign nor delegate any rights or duties arising under this Agreement without Company's prior written consent.

IX. CONFIDENTIALITY AND NONCOMPETITION.

A. Consultant agrees that Consultant will keep strictly confidential and will not disclose the subject and terms of this Agreement to anyone without the prior written consent of Company, except to his attorney or tax or financial advisor, each of whom shall be subject to this confidentiality provision.

B. Consultant acknowledges and agrees that in the course of his providing the Services under this Agreement, Consultant may have access to and become acquainted with "Confidential Information," as defined below, concerning Company and its business and operations, and may be provided with unique access to Company's business affiliates/partners, customers, business strategies, financial and technical information, suppliers, and other confidential business information not generally known to the public. In consideration of the compensation set forth in Section II of this Agreement, Consultant hereby agrees that Consultant shall not misuse, misappropriate, or disclose such information, directly or indirectly, to any other person, or use such information in any way except for the contemplated purposes provided herein, as authorized in writing by Company or as may be required under applicable law. Furthermore, Consultant agrees that it will not make use for Consultant's own benefit or for the benefit of any person, firm, business or entity (other than Company and related entities) of any "Confidential Information" or knowledge, business affiliate/partner lists, customer lists or any other data of or pertaining to Company or related entities, its business or financial affairs or its services not generally known within Company or related entities' trade and which may be acquired by Consultant at any time during the term of the Agreement with Company. Consultant shall not communicate or divulge any such "Confidential Information," knowledge, business affiliate/partner lists, customer lists, or other data to any person, firm, business or entity other than Company or persons, firms, or entities designated by Company in writing. "Confidential Information" means proprietary commercial information not generally known within Company's trade or its related entities' business operations, products, services, personnel and organization, including information relating to business affiliates/partners, customers, research, development, accounting, marketing, applications, selling, servicing, finance, business systems, computer systems, software, software systems, and techniques and also including all information disclosed to Consultant, or to which Consultant had access at any time during its employment, which Company has a reasonable basis to believe to be "Confidential Information" or which is treated by Company and/or its related entities as being confidential information. Consultant shall, upon request, return to Company any and all documented Confidential Information (and copies thereof) provided by Company, including written summaries of such Confidential Information created by Consultant.

C. Consultant acknowledges and agrees that he shall neither directly nor indirectly disclose to any third party the Confidential Information disclosed by Company hereunder or any portion thereof, nor permit any third party to have access to such Confidential Information, nor use such Confidential Information for any purpose other than to provide the Services to Company.

D. Consultant shall not, during and for the period of 180 days following the expiration hereof, become employed by or provide consultant services to a competitor of the Company without first seeking and obtaining the written approval of the Company.

E. Consultant understands and agrees that a breach of any of the terms or conditions of this Section IX will require Consultant to immediately repay any and all payments made to him by Company pursuant to this Agreement and forfeit any future payments under this Agreement. Company reserves all of its rights to pursue all other appropriate remedies to which it is entitled under the law.

X. <u>SEVERABILITY</u>.

In the event any provision of this Agreement shall be determined by a court of competent jurisdiction to be prohibited, invalid or ineffective, the same shall not affect or invalidate the remainder of this Agreement, which may be enforced accordingly.

XI. <u>TAXES</u>.

The parties agree that Company will not withhold on behalf of Consultant, federal, state or local income or other taxes (including FICA), and that the payment of same will be Consultant's sole responsibility. Consultant is responsible for paying for all fees, licenses and insurance that Consultant is required to maintain throughout the term of this Agreement, as set forth by law. Consultant recognizes and agrees that as an independent contractor, Consultant is not entitled to collect workers' compensation or unemployment insurance from Company or its insurance carriers.

XII. <u>BENEFITS</u>.

The parties agree that Consultant is not entitled to any of the benefits provided to employees at Company, including, but not limited to, participation in Company 's retirement program, health or dental insurance program, stock program, etc.

XIII. <u>FORCE MAJEURE</u>.

If the performance of this Agreement is prevented, suspended, or postponed during the Term hereof by reason of any fire, casualty, lockout, labor strike, riot, war, act of God, or by ordinance, law, order or decree of any legally constituted authority, then in any such events, either party may elect to terminate this Agreement and in such event, the parties will be released from all further obligations whatsoever hereunder.

XIV. <u>EXCLUSIVITY</u>.

Consultant warrants that, during the Term of this Agreement, Consultant shall not enter into any contractual arrangement or otherwise provide services similar to the services provided herein, with any reasonable, potential or actual third party transaction partner of Company known by Consultant or any third party which is the subject of Consultant's services herein, without informing Company of such agreement or services.

XV. <u>OWNERSHIP; WORK MADE FOR HIRE</u>.

Consultant hereby agrees and acknowledges that any inventions, material or work created or generated hereunder for Company shall belong exclusively to Company and shall be deemed a "work-made-for-hire" as defined in the Copyright Act of 1976, as amended. To the extent that any such material is not a "work-made-for-hire" within the meaning of such statute, Consultant hereby grants, transfers and assigns all of its right, title and interest in and to such inventions, material or work to Company throughout the world and in perpetuity. Consultant agrees to execute all documents necessary to evidence and/ or perfect these rights.

XVI. <u>NO WAIVER; AMENDMENTS</u>.

Failure of either party to require strict performance of any of the provisions hereof shall not waive or diminish that party's right thereafter to demand strict compliance with that provision or any other provision of this Agreement. No waiver of any rights hereunder shall be effective unless expressed in writing. No waiver of any right hereunder shall be effective to waive any other rights. This Agreement may not be altered, modified or waived, in whole or in part, except in a writing executed by Company and Consultant, which refers to this Agreement.

XVII. <u>NOTICES</u>.

A. Any notice or other communication required or permitted hereunder shall be in writing and sent by registered or certified mail, postage prepaid, or by telex, to the parties at their respective addresses specified below or to such changed address as either party shall have communicated to the other, in writing.

B. Any notices or communications to either party hereunder shall be deemed given when placed in the United States mail or, if sent via a different courier, when received by the party.

Notice to Company:	A.B. Cruz III, Esq. Senior Vice President & General Counsel The E.W. Scripps Company 312 Walnut Street, Suite 2800 Cincinnati, OH 45202 Fax: 513-977-5166
w/ copy to:	Ms. Jennifer Weber Senior Vice President, Human Resources The E.W. Scripps Company 312 Walnut Street, Suite 2800 Cincinnati, OH 45202 Fax: 513-977-3720
To Consultant:	Mr. Paul Frank Gardner 5435 Hobbit Road Cincinnati, OH 45243

XVIII. <u>DEFAULT</u>.

In the event of Consultant's failure or refusal to perform its obligations hereunder, Company may, at its option and in addition to other remedies Company may have in law or in equity, terminate this Agreement or demand that Consultant refund a portion of the any advance payments made hereunder as of the effective date of termination, based upon the number of hours expended by Consultant and the work product generated hereunder.

XIX. <u>ENTIRE AGREEMENT</u>.

A. This Agreement contains the complete and exclusive statement of the agreement between the parties and supersedes all prior agreements, understandings, communications and proposals, oral or written, between the parties relating to the subject matter of this Agreement.

B. This Agreement may not be modified or amended except in writing executed by Company and Consultant which refers to this Agreement.

XX. <u>GOVERNING LAW</u>.

This Agreement shall in all respects be interpreted, enforced and construed in accordance with the laws of the State of Ohio, without regard to the applicable conflict of laws principles thereof. The State of Ohio shall be the sole venue for any legal action or suit relating to this Agreement, and Consultant consents to jurisdiction in the State of Ohio waiving any claim of lack of jurisdiction or forum inconvenience with respect to the State of Ohio.

XXI. <u>REFERENCES</u>.

For the purposes of this Agreement, the rights and protections herein granted and all references to Company shall include its parents, subsidiaries and affiliate companies.

XXII. <u>BINDING NATURE</u>.

This Agreement will not be binding on Company unless and until this Agreement has been signed by Consultant and a fully executed Agreement has been returned to Company.

XXIII. <u>SURVIVAL</u>.

The terms and conditions of Section V, “Representations and Warranties,” Section VI, “Indemnification/Limitation of Liability,” Section IX, “Confidentiality and Noncompetition,” and Section XV, “Ownership; Work-Made-For-Hire” shall survive the expiration or early termination of this Agreement.

XXIV. <u>COUNTERPARTS</u>.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed by manual or facsimile signature, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement effective as of the date first written above.

THE E.W. SCRIPPS COMPANY	**PAUL FRANK GARDNER**
By: ____________________	____________________
Its: ____________________	Date: ____________________
Date: ____________________	

Special Retirement Supplement Agreement Exhibit 10.17

December 22, 2005

Mr. Frank Gardner
5435 Hobbit Road
Cincinnati, OH 45243

Re: Your Retirement

Dear Frank:

Again, congratulations on your well-deserved retirement! This letter simply summarizes the terms of your retirement, which will become effective December 31, 2005.

As was recently reviewed with you, upon your retirement, you will be entitled to the customary retirement benefits provided under the company's benefit plans in which you currently participate. In accordance with the company's long-term incentive plan, all of your unvested equity awards will immediately vest upon your retirement, with your stock options remaining exercisable for the remainder of their respective terms. Your performance-based restricted share award for 2005 will be determined by the compensation committee and paid to you by no later than March 15, 2006.

In addition to the foregoing, you will receive a pension supplement of $450,000 and a payment of $550,000 in lieu of the compensation forfeited due to your early retirement. These two payments will be made no later than January 31, 2006. Finally, we are delighted that you have agreed to provide business consulting services to the company and its operating divisions pursuant to a two-year agreement beginning January 1, 2006 at a retainer amount of $250,000 per year. The form of such consulting agreement is attached hereto.

On behalf of all your many friends and colleagues here at Scripps, I thank you for your many years of dedicated service and countless contributions to the company. We wish you the very best in retirement.

Sincerely,

/s/ Kenneth W. Lowe
Kenneth W. Lowe

Acknowledged & Understood:

/s/ Frank Gardner
Frank Gardner

Attachment

cc: Joe NeCastro
A. B. Cruz III
Jennifer Weber

Exhibit 10.41

364-DAY COMPETITIVE ADVANCE AND
REVOLVING CREDIT FACILITY AGREEMENT

Dated as of March 13, 2006

among

THE E.W. SCRIPPS COMPANY,

as Borrower,

THE BANKS NAMED HEREIN,

JPMORGAN CHASE BANK, N.A.,

as Administrative Agent, and

J.P. MORGAN SECURITIES INC.,

as Sole Lead Arranger and
Sole Bookrunner

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364-DAY COMPETITIVE ADVANCE AND REVOLVING CREDIT FACILITY AGREEMENT dated as of March 13, 2006, among THE E.W. SCRIPPS COMPANY, an Ohio corporation (the "Borrower"), the banks listed in Schedule 2.01 (the "Banks"), JPMORGAN CHASE BANK, N.A., a New York banking corporation, as agent for the Banks (in such capacity, the "Agent").

The Borrower has requested the Banks to extend credit to the Borrower in order to enable it to borrow on a standby revolving credit basis on and after the date hereof and at any time and from time to time prior to the Maturity Date (as herein defined) a principal amount not in excess of $100,000,000 at any time outstanding. The Borrower has also requested the Banks to provide a procedure pursuant to which the Borrower may invite the Banks to bid on an uncommitted basis on short-term borrowings by the Borrower. The proceeds of such borrowings are to be used for general corporate purposes. The Banks are willing to extend such credit to the Borrower on the terms and subject to the conditions herein set forth.

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

"Alternate Base Rate" shall mean, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Base CD Rate in effect on such day plus 1% and (c) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof, "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by the Agent as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as effective. "Base CD Rate" shall mean the sum of (a) the product of (i) the Three-Month Secondary CD Rate and (ii) Statutory

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

“Applicable Percentage” shall mean on any date, with respect to the Facility Fee or the Loans comprising any Eurodollar Standby Borrowing, the applicable percentage set forth:

FEE AND SPREAD TABLE

Facility Fee	LIBOR Spread
0.04%	0.16%

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

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

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

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

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

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

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

"Closing Date" shall mean March 13, 2006.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"dollars" or "$" shall mean lawful money of the United States of America.

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

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

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

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

"Eurodollar Loan" shall mean any Eurodollar Competitive Loan or Eurodollar Standby Loan.

"Eurodollar Standby Borrowing" shall mean a Borrowing comprised of Eurodollar Standby Loans.

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

"Event of Default" shall have the meaning assigned to such term in Article VII.

"Five-Year Credit Agreement" shall mean the 5 Year Competitive Advance and Revolving Credit Facility Agreement dated as of July 30, 2004, among the Borrower, the banks named therein and JP Morgan Chase Bank, N.A.

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

"Fee Letter" shall mean the letter agreement dated March 2, 2006, between the Borrower and the Agent, providing for the payment of certain fees or other amounts in connection with the credit facilities established by this Agreement.

"Fees" shall mean the Facility Fee and the Administrative Fees.

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

"Fixed Rate Borrowing" shall mean a Borrowing comprised of Fixed Rate Loans.

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

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

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

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

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

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

"Interest Period" shall mean (a) as to any Eurodollar Borrowing, the period commencing on the date of such Borrowing or on the last day of the immediately preceding Interest Period applicable to such Borrowing, as the case may be, and ending either on the day that is 7 days later or on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months (or, if agreed to by all Banks, 9 months) thereafter, as the Borrower may elect, (b) as to any ABR Borrowing, the period commencing on the date of such Borrowing and ending on the date 90 days thereafter or, if earlier, on the Maturity Date or the date of prepayment of such Borrowing and (c) as to any

Fixed Rate Borrowing, the period commencing on the date of such Borrowing and ending on the date specified in the Competitive Bids in which the offer to make the Fixed Rate Loans comprising such Borrowing were extended, which shall not be earlier than seven days after the date of such Borrowing or later than 360 days after the date of such Borrowing; provided, however, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of Eurodollar Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period.

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

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

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

"Loan Documents" shall mean this Agreement and the Fee Letter.

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

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

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

“Maturity Date” shall mean March 12, 2007.

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

“Participant” shall have the meaning set forth in Section 9.04.

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

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

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

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

“Register” shall have the meaning given such term in Section 9.04(b)(iv).

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

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

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

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

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

“Required Banks” shall mean, at any time, Banks having Commitments representing at least 51% of the Total Commitment or, for purposes of acceleration pursuant to clause (ii) of Article VII, Banks holding Loans representing at least 51% of the aggregate principal amount of the Loans outstanding.

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

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

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

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

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

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

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

"Subsidiary" shall mean any subsidiary of the Borrower.

"Total Commitment" shall mean at any time the aggregate amount of the Banks' Commitments, as in effect at such time.

"Transactions" shall have the meaning assigned to such term in Section 3.02.

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

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

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

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

Section 1.02. Terms Generally. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided, however, that, for purposes of determining compliance with any covenant set forth in Article VI, such terms shall be construed in accordance with GAAP as in effect on the date of this Agreement applied on a basis consistent with the application used in preparing the Borrower’s audited financial statements referred to in Section 3.05.

ARTICLE II

THE CREDITS

Section 2.01. Commitments. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Bank agrees, severally and not jointly, to make Standby Loans to the Borrower, at any time and from time to time on and after the date hereof and until the earlier of the Maturity Date and the termination of the Commitment of such Bank as provided in this Agreement, in an aggregate principal amount at any time outstanding not to exceed such Bank’s Commitment minus the amount by which the Competitive Loans outstanding at such time shall be deemed to have used such Commitment pursuant to Section 2.16, subject, however, to the conditions that (a) at no time shall (i) the sum of (x) the outstanding aggregate principal amount of all Standby Loans made by all Banks plus (y) the outstanding aggregate principal amount of all Competitive Loans made by all Banks exceed (ii) the Total Commitment and (b) at all times the outstanding aggregate principal amount of all Standby Loans made by each Bank shall equal the product of (i) the percentage which its Commitment represents of the Total Commitment times (ii) the outstanding aggregate principal amount of all Standby Loans made pursuant to Section 2.04. Each Bank’s Commitment is set forth opposite its respective name in Schedule 2.01. Such Commitments may be terminated or reduced from time to time pursuant to Section 2.11.

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

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

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

(c) Subject to Section 2.05, each Bank shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to the Agent in New York, New York, not later than 12:00 noon, New York City time, and the Agent shall by 3:00 p.m., New York City time, wire transfer the amounts so received to the general deposit account of the Borrower at Mellon Bank (or other general deposit account designated by the Borrower in writing) or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Banks. Competitive Loans shall be made by the Bank or Banks whose Competitive Bids therefor are accepted pursuant to Section 2.03 in the amounts so accepted and Standby Loans shall be made by the Banks pro rata in accordance with Section 2.16. Unless the Agent shall have received notice from a Bank prior to the date of any Borrowing that such Bank will not make available to the Agent such Bank’s portion of such Borrowing, the Agent may assume that such Bank has made such portion available to the Agent on the date of such Borrowing in accordance with this paragraph (c) and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have made such portion available to the Agent, such Bank and the Borrower severally agree (without duplication) to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent at (i) in the case of the Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Bank, the Federal Funds Effective Rate. If such Bank shall repay to the Agent such corresponding amount, such amount shall constitute such Bank's Loan as part of such Borrowing for purposes of this Agreement.

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

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

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

Days before a proposed Competitive Borrowing, and (II) in the case of Fixed Rate Loans, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that failure by any Bank to give such notice shall not cause such Bank to be obligated to make any Competitive Loan as part of such Competitive Borrowing. A Competitive Bid submitted by a Bank pursuant to this paragraph (b) shall be irrevocable.

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

(d) The Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph (c) above. The Borrower shall notify the Agent by telephone, confirmed by telecopier in the form of a Competitive Bid Accept/Reject Letter in the form of Exhibit A-4, whether and to what extent it has decided to accept or reject any of or all the bids referred to in paragraph (c) above, (x) in the case of a Eurodollar Competitive Borrowing, not later than 10:00 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (y) in the case of a Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that (i) the failure by the Borrower to give such notice shall be deemed to be a rejection of all the bids referred to in paragraph (c) above, (ii) the Borrower shall not accept a bid made at a particular Competitive Bid Rate if the Borrower has decided to reject an unrestricted bid made at a lower Competitive Bid Rate, (iii) the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the principal amount specified in the Competitive Bid Request, (iv) if the Borrower shall accept a bid or bids made at a particular Competitive Bid Rate but the amount of such bid or bids shall cause the total amount of bids to be accepted by the Borrower to exceed the amount specified in the Competitive Bid Request, then the Borrower shall accept a portion of such bid or bids in an amount equal to the amount specified in the Competitive Bid Request less the amount of all other Competitive Bids accepted with respect to such Competitive Bid Request, which acceptance, in the case of multiple bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such bid at such Competitive Bid Rate, and (v) except pursuant to clause (iv) above, no bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of $5,000,000 and an integral multiple of $1,000,000; provided, further, however, that if a Competitive Loan must be in an amount less than $5,000,000 because of the provisions of clause (iv) above, such Competitive Loan may be for a minimum of $1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple bids at a particular Competitive Bid Rate pursuant to clause (iv) the amounts shall be rounded to integral multiples of $1,000,000 in a manner which shall be in the discretion of the Borrower. A notice given by the Borrower pursuant to this paragraph (d) shall be irrevocable.

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

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

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

(h) All Notices required by this Section 2.03 shall be given in accordance with Section 9.01.

Section 2.04. Standby Borrowing Procedure. In order to request a Standby Borrowing, the Borrower shall hand deliver or telecopy to the Agent in the form of Exhibit A-5 (a) in the case of a Eurodollar Standby Borrowing, not later than 10:00 a.m., New York City time, three Business Days before a proposed borrowing and (b) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the day of a proposed borrowing. No Fixed Rate Loan shall be requested or made pursuant to a Standby Borrowing Request. Such notice shall be irrevocable and shall in each case specify (i) whether the Borrowing then being requested is to be a Eurodollar Standby Borrowing or an ABR Borrowing; (ii) the date of such Standby Borrowing (which shall be a Business Day) and the amount thereof; and (iii) if such Borrowing is to be a Eurodollar Standby Borrowing, the Interest Period with respect thereto. If no election as to the Type of Standby Borrowing is specified in any such notice, then the requested Standby Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any Eurodollar Standby Borrowing is specified in such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. If the Borrower shall not have given notice in accordance with this Section 2.04 of its election to refinance a Standby Borrowing prior to the end of the Interest Period in effect for such Borrowing, then the Borrower shall (unless such Borrowing is repaid at the end of such Interest Period) be deemed to have given notice of an election to refinance such Borrowing with an ABR Borrowing. The Agent shall promptly advise the Banks of any notice given pursuant to this Section 2.04 and of each Bank's portion of the requested Borrowing.

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

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

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

(c) The Borrower agrees to pay, in immediately available funds, to the Agent for the account of each Bank a fee (the "Utilization Fee") based upon the average daily amount of the outstanding Standby Loans of such Bank at a rate per annum equal to 0.05%, when and for as long as the aggregate outstanding principal amount of Standby Loans exceeds 50% of the aggregate Commitments as in effect at such time. The Utilization Fee shall be payable quarterly in arrears on the last day of each March, June, September and December, commencing on the first of such dates to occur after the date hereof, and on the Maturity Date (or such earlier date on which the Commitments shall terminate and the Loans and all interest, fees and other amounts in respect thereof shall have been paid in full).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 2.12. Prepayment. (a) The Borrower shall have the right at any time and from time to time to prepay any Standby Borrowing, in whole or in part, upon giving written or telecopy notice (or telephone notice promptly confirmed by written or telecopy notice) to the Agent: (i) before 10:00 a.m., New York City time, three Business Days prior to prepayment, in the case of Eurodollar Loans and (ii) before 10:00 a.m., New York City time, one Business Day prior to prepayment, in the case of ABR Loans; provided, however, that each partial prepayment shall be in an amount which is an integral multiple of $1,000,000 and not less than $10,000,000. The Borrower shall not have the right to prepay any Competitive Borrowing.

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

(c) Each notice of prepayment shall specify the prepayment date and the principal amount of each Borrowing (or portion thereof) to be prepaid, shall be irrevocable and shall commit the Borrower to prepay such Borrowing (or portion thereof) by the amount stated therein on the date stated therein. All prepayments under this Section 2.12 shall be subject to Section 2.15 but otherwise without premium or penalty. All prepayments under this Section 2.12 shall be accomplished by accrued interest on the principal amount being prepaid to the date of payment.

Section 2.13. Reserve Requirements; Change in Circumstances. (a) Notwithstanding any other provision herein, if after the date of this Agreement any change in applicable law or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof (whether or not having the force of law) shall change the basis of taxation of payments to any Bank of the principal of or interest on any Eurodollar Loan or Fixed Rate Loan made by such Bank or any Fees or other amounts payable hereunder (other than changes in respect of taxes imposed on the overall net income of such Bank by the jurisdiction in which such Bank has its principal office or by any political subdivision or taxing authority therein), or shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by such Bank, or shall impose on such Bank or the London interbank market any other condition affecting this Agreement or any Eurodollar Loan or Fixed Rate Loan made by such Bank, and the result of any of the foregoing shall be to increase the cost to such Bank of making or maintaining any Eurodollar Loan or Fixed Rate Loan or to reduce the amount of any sum received or receivable by such Bank hereunder (whether of principal, interest or otherwise) by an amount deemed by such Bank to be material, then the Borrower will pay to such Bank within 30 days of demand such additional costs incurred or reduction suffered. Notwithstanding the foregoing, no Bank shall be entitled to request compensation under this paragraph with respect to any Competitive Loan if it shall have been aware of the change giving rise to such request at the time of submission of the Competitive Bid pursuant to which such Competitive Loan shall have been made.

(b) If any Bank shall have determined that the applicability of any law, rule, regulation or guideline adopted pursuant to or arising out of the July 1988 report of the Basle Committee on Banking Regulations and Supervisory Practices entitled “International Convergence of Capital Measurement and Capital Standards”, or the adoption after the date hereof of any other law, rule, regulation or guideline regarding capital adequacy, or any change in any of the foregoing or in the interpretation or administration of any of the foregoing by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or any lending office of such Bank) or any Bank’s holding company with any request or directive regarding capital adequacy (whether or not having the focus of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Bank’s capital or on the capital of such Bank's holding company, if any, as a consequence of this Agreement or the Loans made by such Bank pursuant hereto to a level below that which such Bank or such Bank's holding company could have achieved but for such applicability, adoption, change or compliance (taking into consideration such Bank's policies and the policies of such Bank's holding company with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank or such Bank's holding company for any such reduction suffered. It is acknowledged that the Facility Fee provided for in this Agreement has been determined on the understanding that the Banks will not be required to maintain capital against their Commitments under currently applicable law, rules, regulations and regulatory guidelines. In the event the Banks shall be advised by bank regulatory authorities responsible for interpreting or administering such applicable laws, rules, regulations and guidelines or shall otherwise determine, on the basis of applicable laws, rules, regulations, guidelines or other requests or statements (whether or not having the force of law) of such bank regulatory authorities, that such understanding is incorrect, it is agreed that the Banks will be entitled to make claims under this paragraph based upon prevailing market requirements for commitments under comparable credit facilities against which capital is required to be maintained.

(c) Notwithstanding any other provision of this Section 2.13, no Bank shall demand compensation for any increased cost or reduction referred to in paragraph (a) or (b) above if it shall not at the time be the general policy or practice of such Bank to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any.

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

(e) Failure on the part of any Bank to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any period shall not constitute a waiver of such Bank's right to demand compensation with respect to any other period; provided that if any Bank fails to make such demand within 90 days after it obtains knowledge of the event giving rise to the demand such Bank shall, with respect to amounts payable pursuant to this Section 2.13 resulting from such event, only be entitled to payment under this Section 2.13 for such costs incurred or reduction in amounts or return on capital from and after the date 90 days prior to the date that such Bank does make such demand. The protection of this Section shall be available to each Bank regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed.

Section 2.14. Change in Legality. (a) Notwithstanding any other provision herein, if any change in any law or regulation or in the interpretation thereof by any governmental authority charged with the administration or interpretation thereof shall make it unlawful for any Bank to make or maintain any Eurodollar Loan or to give effect to its obligations as contemplated hereby with respect to any Eurodollar Loan, then, by written or telecopy notice to the Borrower and to the Agent, such Bank may:

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

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

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

(b) For purposes of this Section 2.14, a notice to the Borrower by any Bank shall be effective as to each Eurodollar Loan, if lawful, on the last day of the Interest Period currently applicable to such Eurodollar Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

(c) Each Bank agrees that, upon the occurrence of any event giving rise to the operation of paragraph (a) of this Section 2.14 with respect to such Bank, it shall have a duty to endeavor in good faith to mitigate the adverse effects that may arise as a consequence of such event to the extent that such mitigation will not, in the reasonable judgment of such Bank, entail any cost or disadvantage to such Bank that such Bank is not reimbursed or compensated for by the Borrower.

Section 2.15. Indemnity. The Borrower shall indemnify each Bank against any loss or expense which such Bank may sustain or incur as a consequence of (a) any failure by the Borrower to fulfill on the date of any borrowing hereunder the applicable conditions set forth in Article IV, (b) any failure by the Borrower to borrow or to refinance or continue any Loan hereunder after irrevocable notice of such borrowing, refinancing or continuation has been given pursuant to Section 2.03 or 2.04, (c) any payment, prepayment or conversion of a Eurodollar Loan or Fixed Rate Loan required by any other provision of this Agreement or otherwise made or deemed made on a date other than the last day of the Interest Period applicable thereto, (d) any default in payment or prepayment of the principal amount of any Loan or any part thereof or interest accrued thereon, as and when due and payable (at the due date thereof, whether by scheduled maturity, acceleration, irrevocable notice of prepayment or otherwise) or (e) the occurrence of any Event of Default, including, in each such case, any loss or reasonable expense sustained or incurred or to be sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Loan or any part thereof as a Eurodollar Loan or Fixed Rate Loan. Such loss or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by such Bank, of (i) its cost of obtaining the funds for the Loan being paid, prepaid, converted or not borrowed (assumed to be the LIBO Rate or, in the case of a Fixed Rate Loan, the fixed rate of interest applicable thereto) for the period from the date of such payment, prepayment or failure to borrow to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for such Loan which would have commenced on the date of such failure) over (ii) the amount of interest (as reasonably determined by such Bank) that would be realized by such Bank in reemploying the funds so paid, prepaid or not borrowed for the remainder of such period or Interest Period, as the case may be. A certificate of any Bank setting forth any amount or amounts which such Bank is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error.

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

Section 2.16. Pro Rata Treatment. Except as required under Section 2.14, each Standby Borrowing, each payment or prepayment of principal of any Standby Borrowing, each payment of interest on the Standby Loans, each payment of the Facility Fees, each reduction of the Commitments and each refinancing of any Borrowing with a Standby Borrowing of any Type, shall be allocated pro rata among the Banks in accordance with their respective Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Standby Loans). Each payment of principal of any Competitive borrowing shall be allocated pro rata among the Banks participating in such Borrowing in accordance with the respective principal amounts of their outstanding Competitive Loans comprising such Borrowing. Each payment of interest on any Competitive Borrowing shall be allocated pro rata among the Banks participating in such Borrowing in accordance with the respective amounts of accrued and unpaid interest on their outstanding Competitive Loans comprising such Borrowing. For purposes of determining the available Commitments of the Banks at any time, each outstanding Competitive Borrowing shall be deemed to have utilized the Commitments of the Banks (including those Banks which shall not have made Loans as part of such Competitive Borrowing) pro rata in accordance with such respective Commitments. Each Bank agrees that in computing such Bank’s portion of any Borrowing to be made hereunder, the Agent may, in its discretion, round each Bank’s percentage of such Borrowing to the next higher or lower whole dollar amount.

Section 2.17. Sharing of Setoffs. Each Bank agrees that if it shall, through the exercise of a right of banker’s lien, setoff or counterclaim against the Borrower, or pursuant to, a secured claim under Section 506 of title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim received by such Bank under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Standby Loan or Loans as a result of which the unpaid principal portion of the Standby Loans shall be proportionately less than the unpaid principal portion of the Standby Loans of any other Bank, it shall be deemed simultaneously to have purchased from such other Bank at face value, and shall promptly pay to such other Bank the purchase price for, a participation in the Standby Loans of such other Bank, so that the aggregate unpaid principal amount of the Standby Loans and participations in the Standby Loans held by each Bank shall be in the same proportion to the aggregate unpaid principal amount of all Standby Loans then outstanding as the principal amount of its Standby Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Standby Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; provided, however, that, if any such purchase or purchases or adjustment shall be made pursuant to this Section 2.17 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustments restored without interest. The Borrower expressly consents to the foregoing arrangements and agrees that any Bank holding a participation in a Standby Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower to such Bank by reason thereof as fully as if such Bank had made a Standby Loan directly to the Borrower in the amount of such participation.

Section 2.18. Payments. The Borrower shall initiate each payment (including principal of or interest on any Borrowing or any Fees or other amounts) hereunder and under any other Loan Document, without set-off, counterclaim or deduction of any kind, not later than 12:00 (noon), New York City time, on the date when due in dollars to the Agent at its offices at 270 Park Avenue, New York, New York, in immediately available funds.

Section 2.19. Taxes. (a) Any and all payments by the Borrower hereunder shall be made, in accordance with Section 2.18, free and clear of and without deduction for any and all current or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding (i) income taxes imposed on the net income of the Agent or any Bank (or any transferee or assignee thereof, including a participation holder (any such entity a "Transferee")) and (ii) franchise taxes imposed on the net income of the Agent or any Bank (or Transferee), in each case by the jurisdiction under the laws of which the Agent or such Bank (or Transferee) is organized or has its principal place of business or any political subdivision thereof (all such nonexcluded taxes, levies, imposts, deductions, charges, withholdings and liabilities, collectively or individually, "Taxes"). If the Borrower shall be required to deduct any Taxes from or in respect of any sum payable hereunder to any Bank (or any Transferee) or the Agent, (i) the sum payable shall be increased by the amount (an "additional amount") necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.19) such Bank (or Transferee) or the Agent (as the case may be) shall receive an amount equal to the sum it would have received had no such deduction been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

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

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

(d) If a Bank (or Transferee) or the Agent shall become aware that it is entitled to claim a refund from a Governmental Authority in respect of Taxes or Other Taxes as to which it has been indemnified by the Borrower, or with respect to which the Borrower has paid additional amounts, pursuant to this Section 2.19, it shall promptly notify the borrower of the availability of such refund claim and shall, within 30 days after receipt of a request by the Borrower, make a claim to such Governmental Authority for such refund at the Borrower's expense. If a Bank (or Transferee) or the Agent receives a refund (including pursuant to a claim for refund made pursuant to the preceding sentence) in respect of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.19, it shall within 30 days from the date of such receipt pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.19 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of such Bank (or Transferee) or the Agent and without interest (other than interest paid by the relevant Governmental Authority with respect to such refund); provided, however, that the Borrower, upon the request of such Bank (or Transferee) or the Agent, agrees to repay the amount paid over to the Borrower (plus penalties, interest or other charges) to such Bank (or Transferee) or the Agent in the event such Bank (or Transferee) or the Agent is required to repay such refund to such Governmental Authority.

(e) As soon as practicable after the date of any payment of Taxes or Other Taxes by the Borrower to the relevant Governmental Authority, the Borrower will deliver to the Agent, at its address referred to in Section 9.01, the original or a certified copy of a receipt issued by such Governmental Authority evidencing payment thereof.

(f) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 2.19 shall survive the payment in full of the principal of and interest on all Loans made hereunder.

(g) Each Bank (or Transferee) that is organized under the laws of a jurisdiction other than the United States, any State thereof or the District of Columbia (a "Non-U.S. Bank") shall deliver to the Borrower and the Agent two copies of either United States Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non-U.S. Bank claiming exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8BEN, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Bank delivers a Form W-8BEN, a certificate representing that such Non-U.S. Bank is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S.

Bank claiming complete exemption from, or reduced rate of, U.S. Federal withholding tax on payments by the Borrower under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-U.S. Bank on or before the date it becomes a party to this Agreement (or, in the case of a Transferee that is a participation holder, on or before the date such participation holder becomes a Transferee hereunder) and on or before the date, if any, such Non-U.S. Bank changes its applicable lending office by designating a different lending office (a "New Lending Office"). In addition, each Non-U.S. Bank shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Bank. Notwithstanding any other provision of this Section 2.19(g), a Non-U.S. Bank shall not be required to deliver any form pursuant to this Section 2.19(g) that such Non-U.S. Bank is not legally able to deliver.

(h) The Borrower shall not be required to indemnify any Non-U.S. Bank, or to pay any additional amounts to any Non-U.S. Bank, in respect of United States Federal withholding tax pursuant to paragraph (a) or (c) above to the extent that (i) the obligation to withhold amounts with respect to United States Federal withholding tax existed on the date such Non-U.S. Bank became a party to this Agreement (or, in the case of a Transferee that is a participation holder, on the date such participation holder became a Transferee hereunder) or, with respect to payments to a New Lending Office, the date such Non-U.S. Bank designated such New Lending Office with respect to a Loan; provided, however, that this clause (i) of this subsection 2.19(h) shall not apply to any Transferee or New Lending Office that becomes a Transferee or New Lending Office as a result of an assignment, participation, transfer or designation made at the request of the Borrower; and provided, further, however, that this clause (i) of this subsection 2.19(h) shall not apply to the extent the indemnity payment or additional amounts any Transferee, or Bank (or Transferee) through a New Lending Office, would be entitled to receive (without regard to this clause (i) of this subsection 2.19(h)) do not exceed the indemnity payment or additional amounts that the person making the assignment, participation or transfer to such Transferee, or Bank (or Transferee) making the designation of such New Lending Office, would have been entitled to receive in the absence of such assignment, participation, transfer or designation or (ii) the obligation to pay such additional amounts would not have arisen but for a failure by such Non-U.S. Bank to comply with the provisions of paragraph (g) above.

(i) Any Bank (or Transferee) claiming any additional amounts payable under this Section 2.19 shall (A) to the extent legally able to do so, upon written request from the Borrower, file any certificate or document if such filing would avoid the need for or reduce the amount of any such additional amounts which may thereafter accrue, and the Borrower shall not be obligated to pay such additional amounts if, after the Borrower's request, any Bank (or Transferee) could have filed such certificate or document and failed to do so; or (B) consistent with legal and regulatory restrictions, use reasonable efforts to change the jurisdiction of its applicable lending office if the making of such change would avoid the need for or reduce the amount of any additional amounts which may thereafter accrue and would not, in the sole determination of such Bank (or Transferee), be otherwise disadvantageous to such Bank (or Transferee).

(j) Nothing contained in this Section 2.19 shall require any Bank (or Transferee) or the Agent to make available any of its tax returns (or any other information that it deems to be confidential or proprietary).

Section 2.20. Mandatory Assignment; Commitment Termination. In the event any Bank delivers to the Agent or the Borrower, as appropriate, a certificate in accordance with Section 2.13(c) or a notice in accordance with Section 2.10 or 2.14, or the Borrower is required to pay any additional amounts or other payments in accordance with Section 2.19, the Borrower may, at its own expense, and in its sole discretion (a) require such Bank to transfer and assign in whole or in part, without recourse (in accordance with Section 9.04), all or part of its interests, rights and obligations under this Agreement (other than outstanding Competitive Loans) to an assignee which shall assume such assigned obligations (which assignee may be another Bank, if a Bank accepts such assignment); provided that (i) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority and (ii) the Borrower or such assignee shall have paid to the assigning Bank in immediately available funds the principal of and interest accrued to the date of such payment on the Loans made by it hereunder and all other amounts owed to it hereunder or (b) terminate the Commitment of such Bank and prepay all outstanding Loans (other than Competitive Loans) of such Bank; provided that (x) such termination of the Commitment of such Bank and prepayment of Loans does not conflict with any law, rule or regulation or order of any court or Governmental Authority and (y) the Borrower shall have paid to such Bank in immediately available funds the principal of, accrued interest and accrued fees to the date of such payment on the Loans (other than Competitive Loans) made by it hereunder and all other amounts owed to it hereunder.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

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

Section 3.01. Organization; Powers. The Borrower and each Subsidiary of the Borrower (a) is a corporation or other entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite corporate or other entity power and authority to own its property and assets and to carry on its business as now conducted, (c) is qualified to do business in every jurisdiction where such qualification is required, except where the failure so to qualify would not be reasonably likely to have a Material Adverse Effect, and (d) in the case of the Borrower, has the corporate power and authority to execute, deliver and perform its obligations under each of the Loan Documents to which it is a party and each other agreement or instrument contemplated thereby to which it is or will be a party and to borrow hereunder.

Section 3.02. Authorization. The execution, delivery and performance by the Borrower of this Agreement and the execution, delivery and performance of each of the other Loan Documents and the borrowings hereunder (collectively, the “Transactions”) (a) have been duly authorized by all requisite corporate and, if required, stockholder action and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws (or code of regulations) of the

Borrower or any Subsidiary, (B) any order of any Governmental Authority or (C) any provision of any indenture, agreement or other instrument to which the Borrower or any Subsidiary is a party or by which any of them or any of their property is or may be bound, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any such indenture, agreement or other instrument and (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by the Borrower or any Subsidiary, except for any such violation, conflict, creation or imposition which does not impair the Borrower's ability to enter into and perform the Transactions or would not be reasonably likely to have a Material Adverse Effect or materially impair the position of the Banks with respect to any other creditors of the Borrower.

Section 3.03. Enforceability. This Agreement has been duly executed and delivered by the Borrower and constitutes, and each other Loan document when executed and delivered by the Borrower will constitute, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity.

Section 3.04. Governmental Approvals. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required by the Borrower in connection with the Transactions, except such as have been made or obtained and are in full force and effect.

Section 3.05. Financial Statements. The Borrower has heretofore furnished to the Banks the consolidated balance sheet and consolidated statements of income, retained earnings and cash flows of the Borrower and its consolidated subsidiaries (a) as of and for the fiscal year ended December 31, 2004, audited by and accompanied by the opinion of Deloitte & Touche LLP, independent public accountants, and (b) as of and for the fiscal quarter and the portion of the fiscal year ended September 30, 2005, certified by the chief financial officer of the Borrower. Such financial statements (subject, in the case of such interim statements, to normal year-end audit adjustments) present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated subsidiaries as of such dates and for such periods. Such balance sheets and the notes thereto disclose, in accordance with GAAP, all material liabilities, direct or contingent, of the Borrower and its consolidated subsidiaries as of the dates thereof. Such financial statements were prepared in accordance with GAAP applied on a consistent basis.

Section 3.06. No Material Adverse Change. There has been no change in the business, assets, operations or condition, financial or otherwise, of the Borrower and its Subsidiaries since December 31, 2004 that would constitute a Material Adverse Effect which is not reflected in the financial statements referred to in Section 3.05(b).

Section 3.07. Title to Properties; Possession Under Leases. (a) Each of the Borrower and its Subsidiaries has good and marketable title to, or valid leasehold interests in , all its properties and assets, except for defects in title that would not, in the aggregate, be reasonably likely to have a Material Adverse Effect. All material properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 6.02.

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

Section 3.08. Stock of Borrower. More than 51% of the outstanding Common Voting Shares, par value $.01, of the Borrower are owned legally, beneficially and of record by the Trust or the beneficiaries thereof.

Section 3.09. Litigation; Compliance with Laws. (a) Except as set forth in Schedule 3.09 or otherwise disclosed to the Banks in writing, there are not any actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any Subsidiary or any business, property or rights of any such person (i) which involve any Loan Document or the Transactions or (ii) as to which there is a reasonable possibility of an adverse determination and which, if adversely determined, would, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect.

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

Section 3.10. Agreements. (a) None of the Borrower nor any of its Subsidiaries is a party to any agreement or instrument or subject to any corporate restriction that has resulted or would be reasonably likely to result in a Material Adverse Effect.

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

Section 3.11. Federal Reserve Regulations. (a) None of the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

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

Section 3.12. Investment Company Act; Public Utility Holding Company Act. None of the Borrower nor any Subsidiary is (a) an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a “holding company” as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

Section 3.13. Use of Proceeds. The Borrower will use the proceeds of the Loans only for the purposes specified in the preamble to this Agreement.

Section 3.14. Tax Returns. Each of the Borrower and its Subsidiaries has filed or caused to be filed all Federal, state and local tax returns required to have been filed by it and has paid or caused to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, except taxes that are being contested in good faith by appropriate proceedings and for which the Borrower shall have set aside on its books adequate reserves.

Section 3.15. No Material Misstatements. No material information, report, financial statement, exhibit or schedule furnished by the Borrower in writing to the Agent or any Bank in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto contained, contains or will contain any material misstatement of fact or omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not misleading.

Section 3.16. Employee Benefit Plans. The Borrower and each of its ERISA Affiliates is in compliance with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder, except for violations which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect. No Reportable Event has occurred in respect of any plan of the Borrower or any ERISA Affiliate that would be reasonably likely to have a Material Adverse Effect. The present value of all benefit liabilities under each Plan (based on those assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed by more than $20,000,000 the value of the assets of such Plan, and the present value of all benefit liabilities of all underfunded Plans (based on those assumptions used to fund each such Plan) did not, as of the last annual valuation dates applicable thereto, exceed $40,000,000. Neither the Borrower nor any ERISA Affiliate has incurred any Withdrawal Liability that materially adversely affects the financial condition of the Borrower and its ERISA Affiliates taken as a whole. Neither the Borrower nor any ERISA Affiliate has received any notification that any Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and no Multiemployer Plan is reasonably expected to be in reorganization or to be terminated, where such reorganization or termination has resulted or would reasonably be expected to result in the contributions required to be made to such Plan that would materially and adversely affect the financial condition of the Borrower and its ERISA Affiliates taken as a whole.

Section 3.17. Environmental and Safety Matters. Except as set forth in Schedule 3.17 or otherwise previously disclosed to the Banks in writing, each of the Borrower and each of its Subsidiaries has complied with all Federal, state, local and other statutes, ordinances, orders, judgments, rulings and regulations relating to environmental pollution or to environmental regulation or control or to employee health or safety, except for violations which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect. Except as set forth in Schedule 3.17 or otherwise previously disclosed to the Banks in writing, none of the Borrower or any of its Subsidiaries has received notice of any failure so to comply. Except as set forth in Schedule 3.17 or otherwise previously disclosed to the Banks in writing, the Borrower's and its Subsidiaries' plants do not manage any hazardous wastes, hazardous substances, hazardous materials, toxic substances, toxic pollutants, or substances similarly denominated, as those terms or similar terms are used in the Resource Conservation and Recovery Act, the Comprehensive Environmental Response Compensation and Liability Act, the Hazardous Materials Transportation Act, the Toxic Substance Control Act, the Clean Air Act, the Clean Water Act or any other applicable law relating to environmental pollution or employee health and safety, in violation in any material respect of any law or any regulations promulgated pursuant thereto, except for violations which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect. Except as set forth in Schedule 3.17 or otherwise previously disclosed to the Banks in writing, none of the Borrower nor any of its Subsidiaries is aware of any events, conditions or circumstances involving environmental pollution or contamination or employee health or safety that is reasonably expected to result in liability which would have a Material Adverse Effect.

ARTICLE IV

CONDITIONS OF LENDING

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

Section 4.01. All Borrowings. On the date of each Borrowing, including each Borrowing in which Loans are refinanced with new Loans as contemplated by Section 2.05:

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

(b) The representations and warranties set forth in Article III hereof (except, subject to Section 4.02(e), the representations set forth in Section 3.06) shall be true and correct in all material respects on and as of the date of such Borrowing with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.

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

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date of such Borrowing as to the matters specified in paragraphs (b) and (c) of this Section 4.01.

Section 4.02. First Borrowing. On the Closing Date:

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

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

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

(d) The Agent shall have received a certificate from the Borrower, dated the Closing Date and signed by a Financial Officer thereof, confirming compliance with the conditions precedent set forth in paragraphs (b) and (c) of Section 4.01.

(e) The representations and warranties set forth in Section 3.06 shall be true and correct in all material respects.

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

ARTICLE V

AFFIRMATIVE COVENANTS

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

Section 5.01. Existence; Businesses and Properties. (a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise expressly permitted under Section 6.04 and except with respect to the Subsidiaries of the Borrower where such failure would not reasonably be likely to have a Material Adverse Effect.

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

Section 5.02. Insurance. (a) Keep its insurable properties adequately insured at all times by financially sound and reputable insurers; (b) maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses, including public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it, and (c) maintain such other insurance as may be required by law; provided, however, that, in lieu of or supplementing any such insurance described in (a) or (b) above, it may adopt such other plan or method of protection conforming to its self-insurance practices existing on the date hereof, including the creation of a “captive” insurance company.

Section 5.03. Obligations and Taxes. Except to the extent the failure to do so would not, in the aggregate, be reasonably likely to have a Material Adverse Effect, pay its Indebtedness and other obligations promptly and in accordance with their terms and pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might give rise to a Lien upon such properties or any part thereof; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Borrower shall have set aside on its books adequate reserves with respect thereto.

Section 5.04. Financial Statements, Reports, etc. Furnish to the Agent and each Bank (it being understood that any such financial statements or reports furnished to the Agent and the Banks pursuant to the five-year Credit Agreement shall be deemed also to be furnished hereunder):

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

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

(c) concurrently with any delivery of financial statements under (a) or (b) above, a certificate of a Financial Officer of the Borrower opining on or certifying such statements (i) certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (ii) setting forth computations in reasonable detail satisfactory to the Agent demonstrating compliance with the covenants contained in Sections 6.01(a) and (b)(v), 6.03 and 6.05;

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

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

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

Section 5.05. Litigation and Other Notices. Furnish to the Agent and each Bank prompt written notice of the following (it being understood that any such notices furnished to the

Agent and the Banks pursuant to the Five-Year Credit Agreement shall be deemed also to be furnished hereunder):

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

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

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

Section 5.06. ERISA. (a) Comply with the applicable provisions of ERISA and the Code except to the extent of such noncompliance which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect and (b) furnish to the Agent (i) as soon as possible after, and in any event with 30 days after any Responsible Officer of the Borrower or any ERISA Affiliate knows or has reason to know that any Reportable Event has occurred that alone or together with any other Reportable Event could reasonably be expected to result in liability of the Borrower to the PBGC in an aggregate amount exceeding $10,000,000, a statement of a Financial Officer setting forth details as to such Reportable Event and the action proposed to be taken with respect thereto, together with a copy of the notice, if any, of such Reportable Event given to the PBGC, (ii) promptly after receipt thereof, a copy of any notice that the Borrower or any ERISA Affiliate may receive from the PBGC relating to the intention of the PBGC to terminate any Plan or Plans (other than a Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414 or to appoint a trustee to administer any such Plan, (iii) within 10 days after the due date for filing with the PBGC pursuant to Section 412(n) of the Code of a notice of failure to make a required installment or other payment with respect to a Plan, a statement of a Financial Officer setting forth details as to such failure and the action proposed to be taken with respect thereto, together with a copy of such notice given to the PBGC and (iv) promptly and in any event within 30 days after receipt thereof by the Borrower or any ERISA Affiliate from the sponsor of a Multiemployer Plan, a copy of each notice received by the Borrower, or any ERISA Affiliate concerning (A) the imposition of Withdrawal Liability or (B) a determination that a Multiemployer Plan is, or is expected to be, terminated or in reorganization, in each case within the meaning of Title IV of ERISA.

Section 5.07. Maintaining Records; Access to Properties and Inspections. Maintain all financial records in accordance with GAAP and permit any representatives designated by any Bank to visit and inspect the financial records and the properties of the Borrower or any Subsidiary upon reasonable prior notice at reasonable times and as often as reasonably requested (provided that such Bank shall make reasonable efforts not to interfere unreasonably with the business of the Borrower or any Subsidiary) and to make extracts from and copies of such financial records, and permit any representatives designated by any Bank to discuss the affairs, finances and condition of the Borrower or any Subsidiary with the officers thereof and independent accountants therefor; provided that each person obtaining such information shall hold all such information in strict confidence in accordance with the restrictions set forth in Section 9.16.

Section 5.08. Use of Proceeds. Use the proceeds of the Loans only for the purposes set forth in the preamble to this Agreement.

Section 5.09. Filings. Make all material filings required to be made by it with any Governmental Authority.

ARTICLE VI

NEGATIVE COVENANTS

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

Section 6.01. Indebtedness. (a) Permit the ratio of Consolidated Indebtedness of the Borrower to Consolidated Cash Flow of the Borrower at the end of and for the most recently ended four consecutive calendar quarters at any time to be greater than 5.0 to 1.0.

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

(i) Indebtedness existing on the date hereof as set forth in Schedule 6.01 hereto, and additional Indebtedness incurred pursuant to commitments by persons to lend to any Subsidiary but only to the extent such commitments are available and unused as of the date hereof as set forth in Schedule 6.01 hereto;

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

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

(iv) other Indebtedness exclusive of the Indebtedness permitted by clauses (i) through (iii) above in an aggregate amount at any time outstanding which, when added to the aggregate Indebtedness secured by Liens permitted by Section 6.02(k) and to the aggregate amount incurred by the Borrower and any of the Subsidiaries pursuant to Section 6.03(ii) herein, shall not exceed 15% of the Consolidated Stockholders’ Equity of the Borrower at such time.

Section 6.02. Liens. Create, incur, assume or permit to exist any Lien on any property or assets (including stock or other securities of any person, including any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except:

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

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

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

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

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

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

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

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

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

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

(k) the Borrower and any Subsidiary may incur Liens not otherwise permitted by this covenant securing Indebtedness in an aggregate amount at any time outstanding which, when added to the aggregate amount incurred by Subsidiaries under Section 6.01(b)(iv) and to the aggregate amount incurred by the Borrower and the Subsidiaries under Section 6.03(ii) does not exceed 15% of Consolidated Stockholders' Equity of the Borrower at such time;

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

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

Section 6.03. Sale and Lease-Back Transactions. Enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred, except that (i) any Subsidiary may enter into such an arrangement for the sale or transfer of its property to another Subsidiary or to the Borrower and (ii) the Borrower and the Subsidiaries may enter into any such arrangements provided that the aggregate sale price of all property subject to such arrangements (other than arrangements described in clause (i) above), when added to the aggregate amount of Indebtedness incurred by Subsidiaries under Section 6.01(b)(v) and to the aggregate amount of Indebtedness secured by Liens permitted by Section 6.02(k), shall not exceed 15% of the Consolidated Stockholders' Equity of the Borrower at such time.

Section 6.04. Mergers, Consolidations and Sales of Assets. Merge into or consolidate with any other person, or permit any other person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) or purchase, lease or otherwise acquire (in one transaction or a series of transactions) all or substantially all of the assets of any other person, except that if at the time thereof and immediately after giving effect thereto no Event of Default or Default shall have occurred and be continuing, (a) the Borrower or a Subsidiary may merge with another corporation in a transaction in which the surviving entity is the Borrower or such Subsidiary, respectively, and, in the case of a Subsidiary, the surviving entity is a wholly owned Subsidiary, (b) any Subsidiary may merge into the Borrower or another Subsidiary; or (c) the Borrower or a Subsidiary may purchase, lease or otherwise acquire any assets of any other person.

Section 6.05. Fiscal Year. Change its fiscal year.

ARTICLE VII

EVENTS OF DEFAULT

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

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

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

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

(d) default shall be made in the due observance or performance by the Borrower or any Subsidiary of any covenant, condition or agreement contained in Section 5.01(a) or 5.05(a) or in Article VI;

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

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

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

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

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

(j) a Reportable Event or Reportable Events, or a failure to make a required installment or other payment (within the meaning of Section 412(n)(l) of the Code), shall have occurred with respect to any Plan or Plans that reasonably could be expected to result in liability of the Borrower to the PBGC or to a Plan in an aggregate amount exceeding $10,000,000 and, within 30 days after the reporting of any such Reportable Event to the Agent or after the receipt by the Agent of the statement required pursuant to Section 5.06, the Agent shall have notified the Borrower in writing that (i) the Required Banks have made a determination that, on the basis of such Reportable Event or Reportable Events or the failure to make a required payment, there are reasonable grounds (A) for the termination of such Plan or Plans by the PBGC, (B) for the appointment by the appropriate United States District Court of a trustee to administer such Plan or Plans or (C) for the imposition of a lien in favor of a Plan and (ii) as a result thereof an Event of Default exists hereunder; or a trustee shall be appointed by a United States District Court to administer any such Plan or Plans; or the PBGC shall institute proceedings to terminate any Plan or Plans; or

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

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

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

then, and in every such event (other than an event with respect to the Borrower described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event, the Agent, at the request of the Required Banks, shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event with respect to the Borrower described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding.

ARTICLE VIII

THE AGENT

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

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

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

Subject to the appointment and acceptance of a successor Agent as provided below, the Agent may resign at any time by notifying the Banks and the Borrower. Upon any such resignation, the Required Banks shall have the right to appoint a successor. If no successor shall have been so appointed by the Required Banks and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent having a combined capital and surplus of at least $500,000,000 or an Affiliate of any such bank. Upon the acceptance of any appointment as Agent hereunder by a successor bank, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent and the retiring Agent shall be discharged from its duties and obligations hereunder. After the Agent's resignation hereunder, the provisions of this Article and Section 9.05 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

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

Each Bank agrees (i) to reimburse the Agent, on demand, (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), in the amount of its pro rata share (based on its Commitment hereunder) of any expenses incurred for the benefit of the Banks by the Agent, including counsel fees and compensation of agents and employees paid for services rendered on behalf of the Banks, which shall not have been reimbursed by the Borrower and (ii) to indemnify and hold harmless the Agent and any of its directors, officers, employees or agents, on demand, in the amount of such pro rata share, from and against any and all liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against it in its capacity as the Agent or any of them in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted by it or any of them under this Agreement or any other Loan Document, to the extent the same shall not have been reimbursed by the Borrower; provided that no Bank shall be liable to the Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or wilful misconduct of the Agent or any of its directors, officers, employees or agents.

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

Anything herein to the contrary notwithstanding, the Sole Bookrunner and Sole Lead Arranger listed on the cover page hereof shall not have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable and if any, as the Agent or a Bank hereunder.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Notices. Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

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

(b) if to the Agent, to JPMorgan Chase Bank, N.A., Loan & Agency Services, 1111 Fannin, Floor 10/46, Houston, Texas 77002, Attention of Pearl Esparza (Telecopy No. 713 -750-2358), with copies to JPMorgan Chase Bank, N.A., 270 Park Avenue, New York, New York 10017, Attention of Padmini Persaud (Telecopy No. 212-270-4164)]; and

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

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by telecopy, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01.

Section 9.02. Survival of Agreement. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other material instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Banks and shall survive the making by the Banks of the Loans, regardless of any investigation made by the Banks or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Commitments have not been terminated.

Section 9.03. Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower and the Agent and when the Agent shall have received copies hereof which, when taken together, bear the signatures of each Bank, and thereafter shall be binding upon and inure to the benefit of the Borrower, the Agent and each Bank and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior consent of all the Banks.

Section 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Bank (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Bank may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Banks) any legal or equitable right, remedy or claim under or by reason of this Agreement.

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

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

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

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

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

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

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

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

(E) in the case of an assignment to a CLO (as defined below), the assigning Bank shall retain the sole right to approve any amendment, modification or waiver of any provision of this Agreement, provided that the Assignment and Acceptance between such Bank and such CLO may provide that such Bank will not, without the consent of such CLO, agree to any amendment, modification or waiver described in the first proviso to Section 9.08(b) that affects such CLO.

For the purposes of this Section 9.04(b), the terms "Approved Fund" and "CLO" have the following meanings:

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

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

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Bank under this Agreement, and the assigning Bank thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.15, 2.19 and 9.05). Any assignment or transfer by a Bank of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Bank of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

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

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

(c) (i) Any Bank may, without the consent of the Borrower or the Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Bank's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Bank's obligations under this Agreement shall remain unchanged, (B) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Bank sells such a participation shall provide that such Bank shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Bank will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.08(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.15 and 2.19 to the same extent as if it were a Bank and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.06 as though it were a Bank, provided such Participant agrees to be subject to Section 2.17 as though it were a Bank.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.13 or 2.19 than the applicable Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Non-U.S. Bank if it were a Bank shall not be entitled to the benefits of Section 2.19 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.19(g) as though it were a Bank.

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

Section 9.05. Expenses; Indemnity. (a) The Borrower agrees to pay all out-of-pocket expenses incurred by the Agent in connection with the preparation of this Agreement and the other Loan Documents or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby contemplated shall be consummated) or incurred by the Agent or any Bank in connection with the enforcement or protection of their rights in connection with this Agreement and the other Loan Documents or in connection with the Loans made hereunder, including the reasonable fees, charges and disbursements of Simpson Thacher & Bartlett LLP, counsel for the Agent, and, in connection with any such enforcement or protection, the reasonable fees, charges and disbursements of any other counsel for the Agent or any Bank. The Borrower further agrees that it shall indemnify the Banks from and hold them harmless against any documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement or any of the other Loan Documents.

(b) The Borrower agrees to indemnify the Agent, each Bank and each of their respective directors, officers, employees and agents (each such person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions and the other transactions contemplated thereby, (ii) the use of the proceeds of the Loans or (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (A) in the case of the Agent or any Bank, any unexcused breach by the Agent or such Bank of any of its obligations under this Agreement or (b) the gross negligence or wilful misconduct of such Indemnitee.

(c) The provisions of this Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Agent or any Bank. All amounts due under this Section 9.05 shall be payable on written demand therefor.

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

Section 9.06. Rights of Setoff. If an Event of Default shall have occurred and be continuing, each Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement and other Loan Documents held by such Bank, irrespective of whether or not such Bank shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured. The rights of each Bank under this Section are in addition to other rights and remedies (including other rights of Setoff) which such Bank may have.

Section 9.07. APPLICABLE LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

Section 9.08. Waivers; Amendment. (a) No failure or delay of the Agent or any Bank in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agent and the Banks hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies which they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower, and the Required Banks; provided, however, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of or any scheduled principal payment date or date for the payment of any interest on any Loan, or waive or excuse any such payment of or any part thereof, or decrease the rate of interest on any Loan, without the prior written consent of each Bank affected thereby, (ii) change or extend the Commitment or decrease the Facility Fees of any Bank without the prior written consent of such Bank, or (iii) amend or modify the provisions of Section 2.16, the provisions of this Section, or the definition of “Required Banks”, without the prior written consent of each Bank; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Agent hereunder without the prior written consent of the Agent.

Section 9.09. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the applicable interest rate, together with all fees and charges which are treated as interest under applicable law (collectively the “Charges”), as provided for herein or in any other document executed in connection herewith, or otherwise contracted for, charged, received, taken or reserved by any Bank, shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by such Bank in accordance with applicable law, the rate of interest payable hereunder, together with all Charges payable to such Bank, shall be limited to the Maximum Rate.

Section 9.10. Entire Agreement. This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

Section 9.11. Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement or any of the other Loan Documents. Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the other Loan Documents, as applicable, by, among other things, the mutual waivers and certifications in this Section 9.11.

Section 9.12. Severability. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible so that of the invalid, illegal or unenforceable provisions.

Section 9.13. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract, and shall become effective as provided in Section 9.03.

Section 9.14. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

Section 9.15. Jurisdiction; Consent to Service of Process. (a) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdiction by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Bank may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against the Borrower or its properties in the courts of any jurisdiction.

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

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.16. Confidentiality. (a) Each Bank agrees to keep confidential (and to cause its respective officers, directors, employees, agents and representatives to keep confidential) the Information (as defined below), except that any Bank shall be permitted to disclose Information (i) to such of its officers, directors, employees, agents and representatives (including outside counsel) as need to know such Information; (ii) to the extent required by applicable laws and regulations or by any subpoena or similar legal process, or requested by any bank regulatory authority (provided that such Bank shall, except (A) as prohibited by law and (B) for Information requested by any such bank regulatory authority, promptly notify Borrower of the circumstances and content of each such disclosure and shall request confidential treatment of any information so disclosed); (iii) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Agreement, (B) becomes available to such Bank on a non-confidential basis from a source other than the Borrower or its Affiliates or (C) was available to such Bank on a non-confidential basis prior to its disclosure to such Bank by the Borrower or its Affiliates; or (iv) to the extent the Borrower shall have consented to such disclosure in writing. As used in this Section 9.16, as to any Bank, “Information” shall mean any financial statements, materials, documents and other information that the Borrower or any of its Affiliates may have furnished or made available or may hereafter furnish or make available to the Agent or any Bank in connection with this Agreement or any other materials prepared by any such person from any of the foregoing.

Section 9.17. USA Patriot Act. Each Bank which is subject to Section 326 of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Act”), hereby notifies the Borrower that, pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Bank to identify the Borrower in accordance with the Act.

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

THE E. W. SCRIPPS COMPANY, as Borrower,

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

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

By ______________________________
Name:
Title:

J.P. MORGAN SECURITIES INC.

By ______________________________
Name:
Title:

SUNTRUST BANK

By: ________________________________
Name:
Title:

WACHOVIA BANK, N.A.

By: ______________________________

Name:

Title:

U.S. BANK N.A.

By: ______________________________
Name:
Title:

EXHIBIT A-1

FORM OF COMPETITIVE BID REQUEST

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

[Date]

Attention: Pearl Esparza

Dear Sirs:

The undersigned, The E.W. Scripps Company (the "Borrower"), refers to the 364-Day Competitive Advance and Revolving Credit Facility Agreement dated as of March 13, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among the Borrower, the Banks named therein and JPMorgan Chase Bank, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives you notice pursuant to Section 2.03(a) of the Credit Agreement that it requests a Competitive Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Competitive Borrowing is requested to be made:

(A) Date of Competitive Borrowing (which is a Business Day) ______________________________

(B) Principal Amount of Competitive Borrowing[1] ______________________________

(C) Interest rate basis[2] ______________________________

(D) Interest Period and the last day thereof[3] ______________________________

---

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

2 Eurodollar Loan or Fixed Rate Loan.

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

Upon acceptance of any or all of the Loans offered by the Banks in response to this request, the Borrower shall be deemed to have represented and warranted that the conditions to lending specified in Section 4.01(b) and (c) of the Credit Agreement have been satisfied.

Very truly yours,

By ____________________________

Title: [Responsible Officer]

EXHIBIT A-2

FORM OF NOTICE OF COMPETITIVE BID REQUEST

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

[Date]

Attention:

Dear Sirs:

Reference is made to the 364-Day Competitive Advance and Revolving Credit Facility Agreement dated as of March 13, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among The E.W. Scripps Company (the "Borrower"), the Banks named therein and JPMorgan Chase Bank, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower made a Competitive Bid Request on , 20 , pursuant to Section 2.03(a) of the Credit Agreement, and in that connection you are invited to submit a Competitive Bid by [Date]/[Time].[1] Your Competitive Bid must comply with Section 2.03(b) of the Credit Agreement and the terms set forth below on which the Competitive Bid Request was made:

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

Very truly yours,

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

By ___________________________
Title:

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

EXHIBIT A-3

FORM OF COMPETITIVE BID

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

[Date]

Attention: Pearl Esparza

Dear Sirs:

The undersigned, [Name of Bank], refers to the 364-Day Competitive Advance and Revolving Credit Facility Agreement dated as of March 13, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among The E.W. Scripps Company (the "Borrower"), the Banks named therein and JPMorgan Chase Bank, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The undersigned hereby makes a Competitive Bid pursuant to Section 2.03(b) of the Credit Agreement, in response to the Competitive Bid Request made by the Borrower on   , 20   , and in that connection sets forth below the terms on which such Competitive Bid is made:

(A) Principal Amount[1] ___________________________

(B) Competitive Bid Rate[2] ___________________________

(C) Interest Period and last day thereof ___________________________

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

Very truly yours,

[NAME OF BANK],

By ___________________________
Title:

---

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

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

EXHIBIT A-4

FORM OF COMPETITIVE BID ACCEPT/REJECT LETTER

[Date]

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

Dear Sirs:

The undersigned, E.W. Scripps Company (the "Borrower"), refers to the 364-dat Competitive Advance and Revolving Credit Facility Agreement dated as of March 13, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among the Borrower, the Banks named therein and JPMorgan Chase Bank, N.A., as Agent.

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

Principal Amount	Fixed Rate/Margin	Bank
$	[%]/[+/-. %]	
$		

We hereby reject the following bids:

Principal Amount	Fixed Rate/Margin	Bank
$	[%]/[+/-. %]	
$		

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

Very truly yours,

By ________________________________
Title: [Responsible Officer]

EXHIBIT A-5

FORM OF STANDBY BORROWING REQUEST

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

[Date]

Dear Sirs:

The undersigned, E.W. Scripps Company (the "Borrower"), refers to the 364-Day Competitive Advance and Revolving Credit Facility Agreement dated as of March 13, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among the Borrower, the Banks named therein and JPMorgan Chase Bank, N.A., as Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives you notice pursuant to Section 2.04 of the Credit Agreement that it requests a Standby Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Standby Borrowing is requested to be made:

(A) Date of Standby Borrowing (which is a Business Day)	____________________________
(B) Principal Amount of Standby Borrowing[1]	____________________________
(C) Interest rate basis[2]	____________________________
(D) Interest Period and the last day thereof[3]	____________________________

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

[2] Eurodollar Loan or ABR Loan.

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

Upon acceptance of any or all of the Loans made by the Banks in response to this request, the Borrower shall be deemed to have represented and warranted that the conditions to lending specified in Section 4.01(b) and (c) of the Credit Agreement have been satisfied.

Very truly yours,

By ____
Title: [Responsible Officer]

EXHIBIT B

[FORM OF]

ADMINISTRATIVE QUESTIONNAIRE

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

FAX Number: 713-750-2358

<u>LEGAL NAME TO APPEAR IN DOCUMENTATION:</u>

____

<u>GENERAL INFORMATION—DOMESTIC LENDING OFFICE:</u>

Institution Name: ____

Street Address: ____

City, State, Zip Code: ____

<u>GENERAL INFORMATION—LIBOR LENDING OFFICE:</u>

Institution Name: ____

Street Address: ____

City, State, Zip Code: ____

<u>CONTACTS/NOTIFICATION METHODS:</u>
CREDIT CONTACTS:

Primary Contact: ____

Street Address: ____

City, State, Zip Code: ____

Phone Number: ____

FAX Number: ____

Backup Contact: ____

Street Address: ____

City, State, Zip Code: ____

Phone Number: ____

FAX Number: ____

TAX WITHHOLDING:

Non Resident Alien ______ Y* ______ N

* Form 4224 Enclosed
Tax ID Number __________

CONTACTS/NOTIFICATION METHODS:

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

Contact: ____

Street Address: ____

City, State, Zip Code: ____

Phone Number: ____

FAX Number: ____

PAYMENT INSTRUCTIONS:

Name of Bank where funds are to be transferred:

____

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

____

Name of Account, if applicable:

____

Account Number: ____

Additional Information: ____

MAILINGS:

Please specify who should receive financial information:

Name: ____

Street Address: ____

City, State, Zip Code: ____

It is very important that *all* of the above information is accurately filled in and returned promptly. If there is someone other than yourself who should receive this questionnaire, please notify us of their name and FAX number and we will FAX them a copy of the questionnaire. If you have any questions, please call Pearl Esparza of JPMorgan Chase Bank, N.A., at 713-750-7923.

EXHIBIT C

[FORM OF]

ASSIGNMENT AND ACCEPTANCE

Reference is made to the 364-Day Competitive Advance and Revolving Credit Facility Agreement dated as of March 13, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the "Credit Agreement"), among The E.W. Scripps Company (the "Borrower"), the Banks named therein and JPMorgan Chase Bank, N.A., as Agent. Terms defined in the Credit Agreement are used herein with the same meanings.

1. The Assignor hereby sells and assigns, without recourse, to the Assignee, and the Assignee hereby purchases and assumes, without recourse, from the Assignor, effective as of the Effective Date set forth on the reverse hereof, the interests set forth on the reverse hereof (the "Assigned Interest") in the Assignor's rights and obligations under the Credit Agreement, including, without limitation, the interests set forth on the reverse hereof in the Commitment of the Assignor on the Effective Date and the Competitive Loans and Standby Loans owing to the Assignor which are outstanding on the Effective Date, together with unpaid interest accrued on the assigned Loans to the Effective Date and the amount, if any, set forth on the reverse hereof of the Fees accrued to the Effective Date for the account of the Assignor. Each of the Assignor and the Assignee hereby makes and agrees to be bound by all the representations, warranties and agreements set forth in Section 9.04(c) of the Credit Agreement, a copy of which has been received by each such party. From and after the Effective Date (i) the Assignee shall be a party to and be bound by the provisions of the Credit Agreement and, to the extent of the interests assigned by this Assignment and Acceptance, have the rights and obligations of a Bank thereunder and under the Loan Documents and (ii) the Assignor shall, to the extent of the interests assigned by this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

2. This Assignment and Acceptance is being delivered to the Agent together with (i) if the Assignee is organized under the laws of a jurisdiction outside the United States, the forms specified in Section 2.19(g) of the Credit Agreement, duly completed and executed by such Assignee, (ii) if the Assignee is not already a Bank under the Credit Agreement, an Administrative Questionnaire in the form of Exhibit D to the Credit Agreement and (iii) a processing and recordation fee of $3,500.

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

Date of Assignment:

Legal Name of Assignor:

Legal Name of Assignee:

Assignee's Address for Notices:

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

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

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

________________________, as Assignor

By: ______________________________
Name:
Title:

________________________, as Assignee

By: ______________________________
Name:
Title:

Accepted

JPMORGAN CHASE BANK, N.A., as agent

By: ______________________________
Name:
Title:

E.W. SCRIPPS COMPANY, as Borrower

By: ______________________________
Name:
Title:

EXHIBIT D

[LETTERHEAD OF

BAKER & HOSTETLER]

March 13, 2006

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

Ladies and Gentlemen:

We have acted as counsel for The E.W. Scripps Company, an Ohio corporation (the “Company”), in connection with the 364-Day Competitive Advance and Revolving Credit Facility Agreement, dated as of March 13, 2006 (as it may hereafter be amended, modified, extended or restated from time to time, the “Credit Agreement”), among the Company, the Banks named therein and JPMorgan Chase Bank, N.A., as Agent (the “Agent”). This opinion is provided pursuant to Section 4.02(a) of the Credit Agreement. All terms used and not otherwise defined herein shall have the same meanings given such terms in the Credit Agreement.

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

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

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

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

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

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

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

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

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

6. (A) To the best of our knowledge, except as set forth in Schedule 3.09 of the Credit Agreement, there are no actions, suits, or proceedings at law or in equity or by or before any governmental instrumentality or other agency now pending or threatened, to which the Company is a party or of which any property of the Company is the subject, as to which there is a significant likelihood of an adverse determination and which could, individually or in the

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

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

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

Very truly yours,

SCHEDULE 2-01

COMMITMENTS

	Commitment
JPMORGAN CHASE BANK, N.A.	$ 25,000,000
SUNTRUST BANK	$ 25,000,000
WACHOVIA BANK, N.A.	$ 25,000,000
U.S. BANK N.A.	$ 25,000,000
	$100,000,000

Exhibit 10.64

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into on December 1, 2003, to be effective as of January 1, 2004, between Scripps Networks, Inc., a Delaware corporation (the "Company"), and John F. Lansing ("Executive").

W I T N E S S E T H:

WHEREAS, the Company and Executive desire to enter into this Employment Agreement to insure the Company of the services of Executive, to provide for compensation and other benefits to be paid and provided by the Company to Executive in connection therewith, and to set forth the rights and duties of the parties in connection therewith; and

WHEREAS, certain capitalized terms used herein are defined in Paragraph 11 of this Employment Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereby agree as follows:

1. Employment.

(a) The Company hereby employs Executive as Executive Vice President, and Executive hereby accepts such employment, on the terms and conditions set forth herein. During the Term of this Agreement, Executive shall have the aforesaid title and shall devote his entire business time and all reasonable efforts to his employment and perform diligently such duties as are customarily performed by an executive vice president of companies the size and structure of the Company, together with such other duties as may be reasonably required from time to time by the President of the Company, which duties shall be consistent with his position as set forth above. Such duties shall include, without limitation, responsibility for the programming content of the Company's cable networks and interactive web-based services and for the marketing of such networks and such services. The presidents of such networks and services will report directly to Executive.

(b) Executive shall not, without the prior written consent of the Company, directly or indirectly, during the Term of this Agreement, other than in the performance of duties naturally inherent to the businesses of the Company and in furtherance thereof, render services of a business, professional or commercial nature to any other person or firm, whether for compensation or otherwise; provided, however, that so long as it does not materially interfere with his full-time employment hereunder, Executive may serve as a director, trustee or officer of, or otherwise participate in, educational, welfare, social, religious, civic or trade organizations.

(c) Executive shall report directly to the President of the Company.

(d) Executive shall serve as a member of the Company's executive management committee.

2. Term.

The term of this Agreement (the "Term") shall begin on January 1, 2004, and shall continue until December 31, 2008 (the "Expiration Date").

3. Compensation.

(a) Annual Salary. For all services he may render to the Company during the Term, the Company shall pay to Executive an annual salary of four hundred ninety thousand dollars ($490,000). Executive's annual salary may be increased as determined by the Company in conjunction with his annual performance review conducted pursuant to the guidelines and procedures used in the annual performance reviews of senior executives of the Company, but in any event such salary shall not be less than $490,000 in any year of the Term. Salary payable by the Company to Executive under this Paragraph 3(a) shall be payable in those installments customarily used in payment of salaries to the Company's executives (but in no event less frequently than monthly).

(b) Bonus. For each year of the Term, Executive shall participate in the Company's executive bonus plan with a target bonus opportunity of no less than 40% of his annual salary under Paragraph 3(a) hereof for such year. Executive's target bonus opportunity may be increased for any such year, as determined by the Company in conjunction with his annual performance review, but in any event such target bonus opportunity shall not be less than 40% of his annual salary as set forth in Paragraph 3(a) for such year. Any bonus payable shall be based on Executive's attainment, within the range of the minimum and maximum performance objectives, of assigned strategic goals established for him for such year by the President. The Company shall pay to Executive any bonus he earns under this Paragraph 3(b) at or about the time that it pays bonuses to other executives participating in the plan.

4. Benefits; Business Expenses; Relocation. Executive shall be entitled, subject to the terms and conditions of the appropriate plans, to all benefits provided to senior level executives in accordance with the Company's policies from time to time in effect. Upon delivery of proper documentation therefor, Executive shall be reimbursed for all travel, hotel and other business expenses when incurred on Company business. The Company will provide relocation assistance to Executive, in accordance with its policies for corporate level executives, to enable Executive and his family to move to the Knoxville, Tennessee area. From January 1, 2004 through June 30, 2004, the Company will provide temporary housing in Knoxville, Tennessee, for Executive and his family on terms to be mutually agreed upon.

5. Death or Permanent Disability.

(a) Death. In the event of Executive's death during the Term, Executive's employment hereunder shall terminate and Executive shall be entitled to no further compensation or other payments or benefits under this Employment Agreement, except as to any unpaid salary earned and any benefits accrued and earned by him hereunder, in each case up to and including the date of his death, any bonus that otherwise would have been paid to him under Paragraph 3(b) hereof for the year in which his death occurred, prorated for the portion of such year that Executive served up to and including the date of his death, and any amount payable to Executive pursuant to the Company's standard group life benefits.

(b) Disability. If Executive's permanent disability shall be deemed to have occurred under any Company-wide employee disability plan during the Term, Executive's employment hereunder shall terminate and Executive shall be entitled to no further compensation or other payments or benefits under this Employment Agreement, except as to any unpaid salary earned and any benefits accrued and earned by him hereunder, in each case up to and including the date of his disability, any bonus that otherwise would have been paid to him under Paragraph 3(b) hereof for the year in which his disability occurred, prorated for the portion of such year that Executive served up to and including the date of his disability, and any amount payable to Executive pursuant to such disability plan.

6. Termination.

(a) The employment of Executive under this Employment Agreement and the Term:

(i) shall be terminated automatically upon the death or permanent disability of Executive subject to the obligations of the Company as set forth in Paragraph 5 hereof, or

(ii) may be terminated for Cause at any time by the Company, with any such termination not being in limitation of any other right or remedy the Company may have under this Employment Agreement or at law (for purposes of this Employment Agreement, the term "Cause" meaning:

(A) Executive's commission of a felony or an act or series of acts that in any case results in material injury to the business or reputation of the Company, or Executive's willful failure to perform his duties under this Employment Agreement, which failure has not been cured in all material respects within twenty (20) days after the Company gives notice thereof to Executive; or

(B) Executive's breach of any material provision of this Employment Agreement, which breach has not been cured in all material respects within twenty (20) days after the Company gives notice thereof to Executive); or

(iii) may be terminated at any time by the Company without Cause with thirty (30) days' advance notice to Executive; or

(iv) may be terminated at any time by Executive with thirty (30) days' advance notice to the Company;

(v) may be terminated by Executive for Good Reason if the Company fails to cure the event constituting Good Reason within thirty (30) days of written notice of such event from Executive, provided that Executive has given notice of the event forming the basis of Good Reason within forty-five (45) days after he has knowledge thereof;

(vi) may be terminated by Executive pursuant to Paragraph 7(g) prior to a Change in Control; or

(vii) shall terminate automatically at 11:59 p.m. on the Expiration Date.

(b) Upon any termination of this Employment Agreement, Executive shall be deemed terminated from all offices held by Executive in the Company. Notwithstanding anything to the contrary in Paragraph 6(a), the term "Cause" shall not include any act or series of acts taken by Executive in good faith on behalf of the Company, provided that such act or series of acts was within his authority as Executive, did not constitute a breach of any fiduciary duty and was not taken again following his receipt of written direction to cease such act or acts from the President of the Company.

(c) (i) If Executive's employment with the Company is terminated by the Company without Cause or by Executive for Good Reason, in each case other than within one year following a Change in Control, the Company shall pay to Executive an amount equal to three (3) times the per annum rate of salary in effect under Paragraph 3(a) at the time of such termination, payable not later than the thirtieth (30^{th}) day following such termination. In such event, Executive shall be entitled to no further compensation or other payments or benefits under this Employment Agreement, except as to any unpaid salary earned or any benefits accrued and earned by him hereunder, in each case up to and including the date of such termination.

(ii) If Executive's employment with the Company is terminated by the Company without Cause or by Executive for Good Reason, in either case within one year following a

Change in Control, Executive shall be entitled to the Change in Control payments provided for in Paragraph 7, and, in such event, shall be entitled to no further compensation or other payments or benefits under this Employment Agreement, except as to any unpaid salary earned or any benefits accrued and earned by him hereunder, in each case up to and including the date of such termination.

(d) If Executive's employment with the Company is terminated by the Company for Cause or by Executive for any reason other than Good Reason, Executive shall be entitled to no further compensation or other payments or benefits under this Employment Agreement, except as to any unpaid salary earned or any benefits accrued and earned by him hereunder, in each case up to and including the effective date of such termination.

(e) In the event of termination for any reason set forth in subparagraph (a) of this Paragraph 6, Executive's employment with the Company for all purposes shall be deemed to have terminated as of the effective date of such termination hereunder, irrespective of whether the Company has a continuing obligation under this Employment Agreement to make payments or provide benefits to Executive after such effective date.

7. Change in Control Payments and Related Provisions.

(a) If within one year following a Change in Control Executive's employment with the Company is terminated by the Company without Cause or by Executive for Good Reason, the Company shall pay to Executive a cash amount equal to two times the sum of (i) Executive's salary under Paragraph 3(a) in effect on the date of such Change in Control and (ii) his target bonus under Paragraph 3(b) as in effect on the date of such Change in Control ((i) and (ii) together, the "CIC Compensation"), payable not later than the thirtieth day following the date of such Change of Control.

(b) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined (as hereafter provided) that any payment, benefit or distribution to or for Executive's benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement or similar right (individually and collectively, a "Payment"), would be subject, but for the application of this Paragraph 7, to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986 (the "Code") (or any successor provision thereto) ("Excise Tax"), by reason of being considered "contingent on a change in ownership or control" of the Company within the meaning of Section 280G of the Code (or any successor provision thereto), Executive shall be entitled to receive an additional payment or payments (a "Gross-Up Payment") in an amount such that, after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(c) All determinations and calculations required to be made under this Paragraph 7, including whether an Excise Tax is payable by Executive and if so the amount of such Excise Tax, or whether a Gross-Up Payment is required and if so the amount of such Gross-Up Payment, shall be made by a nationally-recognized accounting firm (the "Firm") (which may be the Company's or Parent's independent auditor) selected by the Company in its sole discretion. The Firm shall submit its determination and detailed supporting calculations to Executive and the Company as promptly as practicable. If the Firm determines that any Excise Tax is payable by Executive and that a Gross-Up Payment is required, the Company shall pay Executive the required Gross-Up Payment within thirty (30) days of receipt of such determination and calculations. If the Firm determines that no Excise Tax is payable by Executive, it shall, at the same time it makes such determination, furnish Executive with an opinion that Executive has substantial authority not to report any Excise Tax on Executive's federal income tax return. Any determination by the Firm hereunder shall be binding upon Executive and the Company. As a result of the uncertainty in the application of Section 4999 of the Internal Revenue Code of 1986 (or any successor provision thereto) at the time of the initial determination by the Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (an "Underpayment"). If Executive thereafter is required to make a payment of any Excise Tax, the Firm shall determine the amount of the Underpayment (if any) that has occurred and submit its determination and detailed supporting calculations to Executive and the Company as promptly as possible. Any such Underpayment shall be promptly paid by the Company to Executive, or for Executive's benefit, within thirty (30) days of receipt of such determination and calculations.

(d) Executive and the Company shall each provide the Firm access to and copies of any books, records or documents in the possession of the Company or Executive, as the case may be, reasonably requested by the Firm, and shall each otherwise cooperate with the Firm in connection with the preparation and issuance of the determinations contemplated by this Paragraph 7.

(e) The fees and expenses of the Firm for services in connection with the determinations and calculations contemplated by this Paragraph 7 shall be borne by the Company.

(f) All federal, state and local income or other tax returns filed by Executive and the Company shall be prepared and filed on a basis consistent with the Firm's determinations and calculations hereunder.

(g) If Parent, an Affiliate of Parent, or the Company enters into a binding agreement, the consummation of which will result in a Change in Control of the Company, Executive may terminate this Employment Agreement and his employment hereunder effective no later than the date of the closing of the transaction constituting such Change in Control, provided he gives the Company written notice of his election to terminate under this Paragraph within thirty (30) days of the execution of such binding agreement (but, in any event, no later than one day prior to the closing of such transaction). In the event of such a termination, (i) Executive will be entitled to receive no compensation or other payments or benefits under this Employment Agreement, except as to any unpaid salary earned or any benefits accrued and earned by him hereunder, in each case up to and including the effective date of such termination, and any bonus that otherwise would have been paid to him under Paragraph 3(b) hereof for the year in which such termination occurred, prorated for the portion of such year that Executive served up to and including the effective date of such termination, and (ii) if Parent has an opening for Executive and the Chief Executive Officer of Parent offers Executive employment, Parent will pay Executive $100,000 as a signing bonus within thirty (30) days of Executive's commencement of such employment and the Chief Executive Officer will make his best reasonable efforts to have Executive elected as an officer of Parent at the first meeting of Parent's Board of Directors following such commencement.

8. Certain Covenants

(a) Executive acknowledges the Company's reliance on and expectation of Executive's continued commitment to performance of his duties and responsibilities during the Term. In light of such reliance and expectation on the part of the Company, if the Company terminates Executive for Cause, Executive shall not, directly or indirectly, do or suffer any of the following for one year after such termination:

(i) own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any other corporation, partnership, proprietorship, firm, association or other business entity, or otherwise engage in any business, which is engaged in a cable network business or interactive web-based service business substantially similar to that of the Company (a "Competing Entity"); provided, however, that the ownership of not more than one percent (1%) of any class of publicly traded securities of any entity shall not be deemed a violation of this covenant; and provided further, however, that Executive may be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with a Competing Entity's division or subsidiary that is engaged primarily in the broadcast television business;

(ii) solicit the employment of, assist in soliciting employment of, or otherwise solicit the association in business with any person or entity of, any employee or officer of the Parent, the Company or any Affiliate; or

(iii) induce any person who is an employee, officer or agent of the Parent, the Company or any Affiliate to terminate said relationship.

(b) Notwithstanding anything to the contrary in the foregoing, if Executive terminates his employment and this Employment Agreement for any reason other than Good Reason, Executive shall not, directly or indirectly, do or suffer any of the activities delineated in Paragraph 8(a)(i), (ii) or (iii) for a period not to exceed twelve (12) months from the date of such termination so long as the Company pays him on a monthly basis an amount equal to one-twelfth ($^{1}/_{12}$) of the annual salary that Executive was receiving pursuant to Paragraph 3(a) hereof at the time of such termination.

(c) Executive expressly agrees and understands that the remedy at law for any breach by him of this Paragraph 8 may be inadequate and that the damages flowing from such breach are not readily susceptible to being measured in monetary terms. Accordingly, it is acknowledged that, upon adequate proof of Executive's violation of any provision of this Paragraph 8, the Company shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach and may withhold any amounts owed to Executive pursuant to this Agreement. Nothing in this Paragraph 8 shall be deemed to limit the Company's remedies at law or in equity for any breach by Executive of any of the provisions of this Paragraph 8 which may be pursued or availed by the Company.

(d) In the event Executive shall violate any legally enforceable provision of this Paragraph 8 as to which there is a specific time period during which he is prohibited from taking certain actions or from engaging in certain activities, as set forth in such provision, then, in such event, such violation shall toll the running of such time period from the date of such violation until such violation shall cease.

(e) Executive has carefully considered the nature and extent of the restrictions upon him and the rights and remedies conferred upon the Company under this Paragraph 8, and hereby acknowledges and agrees that the same are reasonable in time and territory, are designed to eliminate competition which otherwise would be unfair to the Company, do not stifle the inherent skill and experience of Executive, would not operate as a bar to Executive's sole means of support, are fully required to protect the legitimate interests of the Company and do not confer a benefit upon the Company disproportionate to the detriment to Executive.

(f) All copyrightable material originated and developed by Executive pursuant to this Agreement (the "Works") shall constitute "works made for hire," as that phrase is defined in Sections 101 and 201 of the Copyright Act of 1976 (Title 17, United States Code), and the Company shall be considered the author and shall be the copyright owner of all such Works. Executive shall execute such documents and do such other acts as may be reasonably necessary to further evidence or effectuate the Company's rights in and to the Works. If any of the Works does not qualify for treatment as a "work made for hire" or if Executive retains any interest in any components of the Works for any other reason except a specific written agreement to the contrary, Executive hereby grants, assigns and transfers to the Company all worldwide right, title, and interest in and to the Works, including, but not limited to, all United States and international copyrights and all other intellectual property rights in the Works, and all subsidiary rights therein, free and clear of any and all claims for royalties or other compensation except as stated in this Agreement.

9. Stock Options. Executive shall be eligible to receive grants of stock options under the Parent's 1997 Long Term Incentive Plan (the "LTIP"). Any grants of options thereunder to Executive will be pursuant to terms and conditions approved by the Compensation Committee of the Board of Directors of Parent and reflected in the LTIP or the option agreement between Parent and Executive. The number of shares subject to options that the Company may recommend be granted to Executive from year-to-year during the Term will depend on factors determined by the Board and the President and Chief Executive Officer of Parent.

10. Withholding Taxes. All payments to Executive hereunder shall be subject to withholding on account of federal, state and local taxes as required by law.

11. Definitions. When used herein, the following terms shall have the following meanings:

(a) “Affiliate” shall mean any Person controlling, under common control with, or controlled by the Parent.

(b) “Beneficial Ownership” shall have the meaning provided in Rule 13d-3 promulgated under the Securities Exchange Act of 1934.

(c) “Change in Control” means the acquisition by any “Person”, other than Parent or its Affiliates, of Beneficial Ownership of securities of the Company having at least 50% of the voting power of the Company’s then outstanding securities or the sale by the Company of all or substantially all of its assets.

(d) “Good Reason” means any of the following:

(i) The reduction of Executive’s annual salary or bonus opportunity below the amount of annual salary or bonus opportunity in effect under Paragraph 3 of this Employment Agreement immediately prior to a Change in Control;

(ii) the assignment to Executive of any duties materially inconsistent with, or a material diminution of, Executive’s duties, offices, or responsibilities from those of Executive with the Company, or any removal of Executive from or any failure to reelect or reappoint Executive to any of such offices, except in connection with the termination of Executive’s employment for permanent disability, Retirement or Cause or as a result of Executive’s death; or

(iii) the material breach of this Agreement by the Company when the Company does not have Cause to terminate Executive.

(e) “Parent” means The E.W. Scripps Company, an Ohio corporation.

(f) “Person” shall have the meaning provided in Section 3(a)(9) of the Securities Exchange Act of 1934, and as used in Sections 13(d) and 14(d) thereof, and shall include a “group” (as defined in Section 13(d) of such Act).

(g) “Retirement” shall mean voluntary, late, normal or early retirement under a pension plan in which Executive participates, sponsored by the Company or the Parent, or as otherwise defined or determined by the Board of Directors of the Company with respect to senior executives of the Company generally.

12. No Conflicting Agreements. Executive represents and warrants that to the best of his knowledge he is not a party to any agreement, contract or understanding, whether employment or otherwise, which would restrict or prohibit him from undertaking or performing employment in accordance with the terms and conditions of this Employment Agreement.

13. Severable Provisions. The provisions of this Employment Agreement are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions and any partially unenforceable provision to the extent enforceable in any jurisdiction nevertheless shall be binding and enforceable.

14. Binding Agreement. The rights and obligations of the Company under this Employment Agreement shall inure to the benefit of, and shall be binding on, the Company and its successors and assigns, and the rights and obligations (other than obligations to perform services) of Executive under this Employment Agreement shall inure to the benefit of, and shall be binding upon, Executive and his heirs, personal representatives and successors and assigns. No modification, termination or attempted waiver shall be valid unless in writing and signed by the party against whom the same is sought to be enforced.

15. Arbitration. Any controversy or claim arising out of or relating to this Employment Agreement, or the breach thereof, shall be settled by arbitration in accordance with the Rules of the American Arbitration Association then pertaining in the City of Cincinnati, Ohio, and judgment upon the award rendered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof. The arbitrator or arbitrators shall be deemed to possess the powers to issue mandatory orders and restraining orders in connection with such arbitration; provided, however, that nothing in this

Paragraph 15 shall be construed so as to deny the Company the right and power to seek and obtain injunctive relief in a court of equity for any breach or threatened breach by Executive of any of his covenants contained in Paragraph 8 hereof. The arbitrator shall award attorneys' fees and costs of arbitration to the prevailing party. The parties shall share equally the fees and other expenses of the arbitrator(s).

16. Notices. Notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by certified mail, postage prepaid, addressed to the intended recipient at the address set forth below, or at such other address as such intended recipient hereafter may have designated most recently to the other party hereto with specific reference to this Paragraph 16.

If to the Company:	c/o The E.W. Scripps Company 312 Walnut Street 28th Floor Cincinnati, Ohio 45202 Attn: Gregory L. Ebel, Vice President/Human Resources
with a copy to:	William Appleton, Esq. Baker & Hostetler LLP 312 Walnut Street, Suite 2650 Cincinnati, Ohio 45202
If to Executive:	John F. Lansing c/o Scripps Networks, Inc. 9721 Sherrill Blvd. Knoxville, Tennessee 37932

17. Waiver. The failure of either party to enforce any provision of this Employment Agreement shall not in any way be construed as a waiver of any such provision as to any future violations thereof, nor prevent that party thereafter from enforcing each and every other provision of this Employment Agreement. The rights granted the parties herein are cumulative and the waiver of any single remedy shall not constitute a waiver of such party's right to assert all other legal remedies available to it under the circumstances.

18. Prior Agreements; Resignation. This Employment Agreement supersedes all prior agreements and understandings between the parties or affiliates thereof. All obligations and liabilities of

each party hereto in favor of the other party hereto relating to employment matters arising prior to the date hereof have been fully satisfied, paid or discharged. Executive hereby resigns as Senior Vice President/Broadcasting of Parent effective January 1, 2004.

19. Captions and Paragraph Headings. Captions and paragraph headings used herein are for convenience and are not a part of this Employment Agreement and shall not be used in construing it.

20. Governing Law. This Employment Agreement shall be governed by and construed according to the laws of the State of Ohio.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on the day and year first set forth above.

SCRIPPS NETWORKS, INC.

By: ______________________
Name: ______________________
Its: ______________________

____
John F. Lansing

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT ("Amendment") is entered into as of the 9th day of December 2005, by and between JOHN F. LANSING ("Executive") and SCRIPPS NETWORKS, INC., a Delaware corporation ("Company").

RECITALS

WHEREAS, Executive and Company previously entered into that certain Employment Agreement dated as of December 1, 2003 ("Employment Agreement"), pursuant to which Company had been employed Executive as Executive Vice President.

WHEREAS, on or about January 3, 2005, Executive and Company modified by mutual agreement certain of the terms contained in the Employment Agreement, and now mutually desire and agree hereby to memorialize such modifications, while agreeing that all other terms of the Employment Agreement are to remain unchanged.

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the premises, mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. The Recitals set forth above are hereby incorporated herein by reference.

2. All capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the Employment Agreement.

3. The Employment Agreement is hereby amended as follows:

(a) Paragraph 1.(a) shall be deleted in its entirety and replaced with the following:

"Effective January 3, 2005, the Company shall employ Executive as "President of Scripps Networks" and Executive hereby accepts such employment, on the terms and conditions set forth herein. During the Term of this Agreement, Executive shall have the aforesaid title and shall devote his entire business time and all reasonable efforts to his employment and perform diligently such duties as are customarily performed by similarly situated executives of companies within the cable television industry of similar size and structure of the Company, together with such other duties as may be reasonably required from time to time by the President & Chief Executive Officer of the Parent, which duties shall be consistent with his position as set forth above."

(b) Paragraph 3.(a) shall be deleted in its entirety and replaced with the following:

"Annual Salary. For all services he may render to the Company hereunder beginning January 3, 2005 and through calendar year 2005, the Company shall pay to Executive an annual salary of five hundred fifty thousand dollars ($550,000). Thereafter, Executive's annual salary may be increased as determined by the Company in conjunction with his annual performance review conducted pursuant to the guidelines and procedures used in the annual performance reviews of senior executives of the Company, but in any event such annual salary shall not be less than $550,000. Salary payable by the Company to Executive under this Paragraph 3(a) shall be payable in those installments customarily used in payment of salaries to the Company's executives (but in no event less frequently than monthly)."

(c) Paragraph 3.(b) shall be deleted in its entirety and replaced with the following:

"Bonus. For each year of the Term beginning with calendar year 2005, Executive shall participate in the Company's executive bonus plan with a target bonus opportunity of no less than 50% of his annual salary under Paragraph 3(a) hereof for such year. Executive's target bonus opportunity may be increased for any subsequent year, as determined by the Parent, in conjunction with his annual performance review, but in any event such target bonus opportunity shall not be less than 50% of his annual salary as set forth in Paragraph 3(a) for such year. Any bonus payable shall be based on Executive's attainment, within the range of the minimum and maximum performance objectives, of assigned strategic goals established for him for such year by the President and Chief Executive Officer of the Parent. The Company shall pay to Executive any bonus he earns under this Paragraph 3(b) at or about the time that it pays bonuses to other executives participating in the plan."

(d) Paragraph 3.(c) shall be deleted in its entirety and replaced with the following:

"Executive shall report directly to the President and Chief Executive Officer of the Parent."

(e) Paragraph 6.(b) shall be deleted in its entirety and replaced with the following:

"Upon any termination of this Employment Agreement, Executive shall be deemed terminated from all offices held by Executive in the Company. Notwithstanding anything to the contrary in Paragraph 6(a), the term "Cause" shall not include any act or series of acts taken by Executive in good faith on behalf of the Company, provided that such act or series of acts was within his authority as Executive, did not constitute a breach of any fiduciary duty and was not taken again following his receipt of written direction to cease such act or acts from the President and Chief Executive Officer of the Parent."

(f) Paragraph 16 shall be deleted in its entirety and replaced with the following:

"Notices. Notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by certified mail, postage prepaid, addressed to the intended recipient at the address set forth below, or at such other address as such intended recipient hereafter may have designated most recently to the other party hereto with specific reference to this Paragraph 15.

If to the Company:	c/o The E. W. Scripps Company 28th Floor 312 Walnut Street Cincinnati, Ohio 45202 Attn: President & CEO
with a copy to:	The E. W. Scripps Company 28th Floor 312 Walnut Street Cincinnati, Ohio 45202 Attn: Jennifer Weber, SVP, Human Resources A.B. Cruz III, SVP & General Counsel
If to Executive:	John F. Lansing c/o Scripps Networks, Inc. 9721 Sherrill Blvd. Knoxville, Tennessee 37932"

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first set forth above.

SCRIPPS NETWORKS, INC.

By: ____________________

Name: ____________________

Its: ____________________

____

JOHN F. LANSING

ACKNOWLEGED:

THE E.W. SCRIPPS COMPANY

By: ____________________

Name: ____________________

Its: ____________________

Computation of Ratio of Earnings to Fixed Charges **Exhibit 12**

(in thousands)	Years ended December 31, 2005	2004	2003
Earnings as Defined:			
Earnings from operations before income taxes after eliminating undistributed earnings of 20%- to 50%-owned affiliates	$ 493,385	$ 546,699	$ 427,577
Fixed charges excluding capitalized interest and preferred stock dividends of majority-owned subsidiary companies	47,841	39,009	38,226
Earnings as defined	$ 541,226	$ 585,708	$ 465,803
Fixed Charges as Defined:			
Interest expense, including amortization of debt issue costs	$ 38,791	$ 30,878	$ 31,593
Interest capitalized		600	491
Portion of rental expense representative of the interest factor	9,050	8,131	6,633
Preferred stock dividends of majority-owned subsidiary companies	80	80	80
Fixed charges as defined	$ 47,921	$ 39,689	$ 38,797
Ratio of Earnings to Fixed Charges	11.29	14.76	12.01

Material Subsidiaries of the Company **Exhibit 21**

Name of Subsidiary	Jurisdiction of Incorporation
BRV, Inc. *(The (Kitsap) Sun, Redding Record Searchlight, Ventura County Newspapers)*	California
Boulder Publishing Company *(Daily Camera)*	Colorado
Channel 7 of Detroit, Inc., *(WXYZ)*	Michigan
Collier County Publishing Company *(Naples Daily News)*	Florida
D.I.Y. Insurance Company	South Carolina
Denver Publishing Company *(Rocky Mountain News)*	Colorado
Great American Country, Inc.	Colorado
Evansville Courier Company, Inc., approximately 90%-owned *(The Evansville Courier, The Henderson Gleaner)*	Indiana
Independent Publishing Company *(Anderson Independent-Mail)*	South Carolina
Knoxville News-Sentinel Company	Delaware
Memphis Publishing Company, approximately 90%-owned *(The Commercial Appeal)*	Delaware
New Mexico State Tribune Company *(The Albuquerque Tribune)*	New Mexico
Scripps Texas Newspapers L.P. *(Corpus Christi Caller-Times, Abilene Reporter-News, Wichita Falls Times Record News, San Angelo Standard-Times)*	Delaware
Scripps Howard Broadcasting Company, *(WMAR, Baltimore; WCPO, Cincinnati; WEWS, Cleveland; KSHB, Kansas City; KMCI, Lawrence; KNXV, Phoenix, KJRH, Tulsa; WPTV, West Palm Beach)*	Ohio
Scripps Networks, Inc., *(Home & Garden Television; DIY - Do It Yourself Network; The Television Food Network, G.P., approximately 70%-owned; Fine Living Network, LLC, approximately 90%-owned)*	Delaware
Scripps Howard Publishing Co. *(Scripps Howard News Service)*	Delaware
Scripps Ventures, LLC	Delaware
Scripps Treasure Coast Publishing Company *(Ft. Pierce Tribune, Jupiter Courier, Stuart News, Vero Beach Press Journal)*	Florida
Scripps Shop At Home, Inc.	Tennessee
Shop At Home Network, LLC	Tennessee
Shopzilla, Inc.	California
Tampa Bay Television, Inc., *(WFTS)*	Delaware
United Feature Syndicate, Inc., *(United Media, Newspaper Enterprise Association)*	New York

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statements Nos. 33-59701, 333-14847, 333-27623, 333-40767, 333-89824, 333-120185 and 333-125302 of The E. W. Scripps Company and subsidiaries on Form S-8 and Registration Statement No. 333-100390 of The E. W. Scripps Company and subsidiaries on Form S-3 of our reports dated March 14, 2006, relating to the financial statements and financial statement schedule of The E. W. Scripps Company and subsidiaries, and management's report on the effectiveness of internal control over financial reporting appearing in the Annual Report on Form 10-K of The E. W. Scripps Company and subsidiaries for the year ended December 31, 2005.

Cincinnati, Ohio
March 14, 2006

Certifications

I, Kenneth W. Lowe, certify that:

1. I have reviewed this annual report on Form 10-K of The E. W. Scripps Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f)) and 15d-15(f) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Date: March 15, 2006

BY:

/s/ Kenneth W. Lowe
Kenneth W. Lowe
President and Chief Executive Officer

Certifications

I, Joseph G. NeCastro, certify that:

1. I have reviewed this annual report on Form 10-K of The E. W. Scripps Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f)) and 15d-15(f) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: March 15, 2006

BY:

/s/ Joseph G. NeCastro

Joseph G. NeCastro
Senior Vice President and Chief Financial Officer

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002

I, Kenneth W. Lowe, President and Chief Executive Officer of The E. W. Scripps Company (the "Company"), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report on Form 10-K of the Company for the year ended December 31, 2005 (the "Report"), which this certification accompanies, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kenneth W. Lowe

Kenneth W. Lowe
President and Chief Executive Officer
March 15, 2006

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002

I, Joseph G. NeCastro, Senior Vice President and Chief Financial Officer of The E. W. Scripps Company (the “Company”), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report on Form 10-K of the Company for the year ended December 31, 2005 (the “Report”), which this certification accompanies, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph G. NeCastro

Joseph G. NeCastro
Senior Vice President and Chief Financial Officer
March 15, 2006