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

FORM 10-Q

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

For the quarterly period ended March 31, 2005

OR

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

For the transition period from ______ to ______

Commission File Number 0-16914

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

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

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

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

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

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☒ No ☐

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of April 30, 2005 there were 127,022,055 of the Registrant's Class A Common Shares outstanding and 36,668,226 of the Registrant's Common Voting Shares outstanding.

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REPORT ON FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2005

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PART I

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

ITEM 1. FINANCIAL STATEMENTS

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

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

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

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

PART II

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 2. CHANGES IN SECURITIES, USE OF PROCEEDS AND PURCHASES OF EQUITY SECURITIES

There were no changes in the rights of security holders during the quarter for which this report is filed.

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

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. We did not repurchase any of our shares in the first quarter of 2005. 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.

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ITEM 3. DEFAULTS UPON SENIOR SECURITIES

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

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

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

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibits

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

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE E. W. SCRIPPS COMPANY

Dated: May 10, 2005

BY: /s/ Joseph G. NeCastro

Joseph G. NeCastro
Senior Vice President and Chief Financial Officer

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THE E. W. SCRIPPS COMPANY

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CONSOLIDATED BALANCE SHEETS

(in thousands)	March 31, 2005 (Unaudited)	As of December 31, 2004	March 31, 2004 (Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 23,170	$ 12,279	$ 21,389
Short-term investments	4,269	8,637	47,500
Accounts and notes receivable (less allowances - $20,254, $20,527, $16,353)	404,278	404,852	328,096
Programs and program licenses	143,786	139,082	133,133
Inventories	35,578	40,773	30,308
Deferred income taxes	18,346	17,634	22,023
Miscellaneous	17,488	20,041	22,381
Total current assets	646,915	643,298	604,830
Investments	230,496	234,030	239,636
Property, plant and equipment	489,523	496,241	483,386
Goodwill and other intangible assets:			
Goodwill	1,359,036	1,358,976	1,174,431
Other intangible assets	254,082	255,859	62,694
Total goodwill and other intangible assets	1,613,118	1,614,835	1,237,125
Other assets:			
Programs and program licenses (less current portion)	165,050	169,452	161,066
Unamortized network distribution incentives	188,382	193,830	210,375
Note receivable from Summit America			45,125
Prepaid pension	28,223	32,179	8,342
Miscellaneous	39,185	40,984	41,751
Total other assets	420,840	436,445	466,659
TOTAL ASSETS	$3,400,892	$3,424,849	$3,031,636

See notes to consolidated financial statements.

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CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)	March 31, 2005 (Unaudited)	As of December 31, 2004	March 31, 2004 (Unaudited)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 98,062	$ 106,484	$ 90,420
Customer deposits and unearned revenue	53,501	52,689	52,510
Accrued liabilities:			
Employee compensation and benefits	47,655	64,482	49,979
Network distribution incentives	36,561	42,468	53,212
Miscellaneous	100,123	72,413	89,398
Other current liabilities	24,853	36,810	19,778
Total current liabilities	360,755	375,346	355,297
Deferred income taxes	259,715	264,419	187,256
Long-term debt (less current portion)	453,137	532,686	458,099
Other liabilities and minority interests (less current portion)	169,224	156,277	146,547
Shareholders' equity:			
Preferred stock, $.01 par - authorized: 25,000,000 shares; none outstanding			
Common stock, $.01 par:			
Class A - authorized: 240,000,000 shares; issued and outstanding: 126,735,127, 126,521,832; and 125,721,984 shares	1,267	1,265	1,257
Voting - authorized: 60,000,000 shares; issued and outstanding: 36,668,226, 36,668,226 and 36,738,226 shares	367	367	367
Total	1,634	1,632	1,624
Additional paid-in capital	328,991	320,359	297,748
Retained earnings	1,840,906	1,787,221	1,602,841
Accumulated other comprehensive income (loss), net of income taxes:			
Unrealized gains on securities available for sale	5,491	7,912	5,405
Pension liability adjustments	(18,495)	(18,495)	(14,713)
Foreign currency translation adjustment	1,220	1,582	968
Stock compensation	(1,686)	(4,090)	(9,436)
Total shareholders' equity	2,158,061	2,096,121	1,884,437
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$3,400,892	$3,424,849	$3,031,636

See notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(in thousands, except per share data)	Three months ended March 31, 2005	Three months ended March 31, 2004
Operating Revenues:		
Advertising	$374,056	$335,331
Merchandise	97,826	70,735
Network affiliate fees, net	41,975	33,877
Circulation	33,789	35,226
Licensing	21,108	21,511
Other	16,307	16,976
Total operating revenues	585,061	513,656
Costs and Expenses:		
Employee compensation and benefits (exclusive of JOA editorial compensation costs)	147,155	137,944
Programs and program licenses	54,175	49,863
Costs of merchandise sold	67,416	48,294
Newsprint and ink	20,819	20,082
JOA editorial costs and expenses	9,627	9,651
Other costs and expenses	154,700	133,826
Total costs and expenses	453,892	399,660
Depreciation, Amortization, and Losses:		
Depreciation	15,352	14,936
Amortization of intangible assets	1,845	663
Losses on disposal of property, plant and equipment	137	138
Net depreciation, amortization and losses	17,334	15,737
Operating income	113,835	98,259
Interest expense	(7,372)	(7,395)
Equity in earnings of JOAs and other joint ventures	19,740	16,663
Interest and dividend income	208	1,227
Other investment results, net of expenses		14,674
Miscellaneous, net	332	203
Income before income taxes and minority interests	126,743	123,631
Provision for income taxes	45,397	44,870
Income before minority interests	81,346	78,761
Minority interests	11,335	8,242
Net income	$ 70,011	$ 70,519
Net income per share of common stock:		
Basic	$ .43	$ .44
Diluted	.42	.43

See notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)	Three months ended March 31, 2005	Three months ended March 31, 2004
Cash Flows from Operating Activities:		
Net income	$ 70,011	$ 70,519
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	17,197	15,599
Investment gains, net of deferred income tax		(9,521)
Other effects of deferred income taxes	(4,104)	(1,665)
Tax benefits of stock compensation plans	1,486	3,229
Dividends received greater (less) than equity in earnings of JOAs and other joint ventures	(1,087)	7,296
Stock and deferred compensation plans	3,886	3,414
Minority interests in income of subsidiary companies	11,335	8,242
Affiliate fees billed greater than amounts recognized as revenue	4,283	5,435
Network launch incentive payments	(5,079)	(5,672)
Payments for programming less (greater) than program cost amortization	(3,815)	(7,290)
Other changes in certain working capital accounts, net	20,937	27,958
Miscellaneous, net	1,122	(64)
Net operating activities	116,172	117,480
Cash Flows from Investing Activities:		
Purchase of subsidiary companies and long-term investments	(565)	
Additions to property, plant and equipment	(8,409)	(19,776)
Decrease (increase) in short-term investments	4,368	(47,500)
Sale of long-term investments	2,071	13,886
Miscellaneous, net	(45)	(133)
Net investing activities	(2,580)	(53,523)
Cash Flows from Financing Activities:		
Payments on long-term debt	(78,758)	(51,844)
Dividends paid	(16,326)	(14,200)
Dividends paid to minority interests	(363)	(363)
Proceeds from employee stock options	6,780	12,442
Miscellaneous, net	(14,034)	(6,830)
Net financing activities	(102,701)	(60,795)
Increase in cash and cash equivalents	10,891	3,162
Cash and cash equivalents:		
Beginning of year	12,279	18,227
End of period	$ 23,170	$ 21,389
Supplemental Cash Flow Disclosures:		
Interest paid, excluding amounts capitalized	$ 7,718	$ 7,275
Income taxes paid	15,986	14,418

See notes to consolidated financial statements.

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

(in thousands, except share data)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Stock Compensation	Total Shareholders' Equity
As of December 31, 2003	$1,619	$277,569	$1,546,522	$ 1,715	$ (4,894)	$1,822,531
Comprehensive income:						
Net income			70,519			70,519
Unrealized gains (losses), net of tax of $870				(1,616)		(1,616)
Adjustment for losses (gains) in income, net of tax of $4,533				(8,418)		(8,418)
Change in unrealized gains (losses)				(10,034)		(10,034)
Currency translation, net of tax of $39				(21)		(21)
Total			70,519	(10,055)		60,464
Dividends: declared and paid - $.0875 per share			(14,200)			(14,200)
Compensation plans, net: 568,276 shares issued; 44,186 shares repurchased	5	16,950			(4,542)	12,413
Tax benefits of compensation plans		3,229				3,229
As of March 31, 2004	$1,624	$297,748	$1,602,841	$ (8,340)	$ (9,436)	$1,884,437
As of December 31, 2004	$1,632	$320,359	$1,787,221	$ (9,001)	$ (4,090)	$2,096,121
Comprehensive income:						
Net income			70,011			70,011
Unrealized gains (losses), net of tax of $1,651				(3,064)		(3,064)
Adjustment for losses (gains) in income, net of tax of ($347)				643		643
Change in unrealized gains (losses)				(2,421)		(2,421)
Currency translation, net of tax of $32				(362)		(362)
Total			70,011	(2,783)		67,228
Dividends: declared and paid - $.10 per share			(16,326)			(16,326)
Compensation plans, net: 251,201 shares issued; 35,406 shares repurchased; 2,500 shares forfeited	2	7,146			2,404	9,552
Tax benefits of compensation plans		1,486				1,486
As of March 31, 2005	$1,634	$328,991	$1,840,906	$ (11,784)	$ (1,686)	$2,158,061

See notes to consolidated financial statements.

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CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The information disclosed in the notes to consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2004, has not changed materially. Financial information as of December 31, 2004, included in these financial statements has been derived from the audited consolidated financial statements included in that report. In management's opinion all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the interim periods have been made.

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

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

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 on-line network 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 19 markets in the U.S. Four of our newspapers are operated pursuant to the terms of joint operating agreements. See Note 6. Each of those newspapers maintains an independent editorial operation and receives a share of the operating profits of the combined newspaper operations. 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 60 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 53 million full-time equivalent households and can be viewed in more than 147 television markets, including 91 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. In 2004, we acquired Summit America Television ("Summit America") which owned a minority interest in Shop At Home and owned and operated five television stations that exclusively broadcast Shop At Home programming. Substantially all of Shop At Home's revenues are earned from the sale of merchandise.

Financial information for each of our four business segments is presented in Note 16. 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 90% of homes receiving HGTV and Food Network. The loss of distribution by any of these cable and satellite television systems could adversely affect our business. While no assurance can be given regarding renewal of our distribution contracts, we have 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 21% and 17% of total merchandise costs incurred during the first quarter of 2005. Our business could be adversely affected if these vendors ceased supplying merchandise.

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

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

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

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

Stock Split – On July 29, 2004, our Board of Directors authorized a two-for-one split of our shares of common stock in the form of a 100 percent stock dividend. As a result of the stock split, our shareholders received one additional share of our common stock for each share of common stock held at the close of business on August 31, 2004. All share and per share amounts in our consolidated financial statements and related notes have been retroactively adjusted to reflect the stock split for all periods presented.

Stock-Based Compensation - We have a stock-based compensation plan, which is described more fully in our Annual Report on Form 10-K for the year ended December 31, 2004. We measure compensation expense using the intrinsic-value based method of Accounting Principles Board Opinion 25 - Accounting for Stock Issued to Employees, and its related interpretations (collectively "APB 25"). Under that method, total compensation is measured by the difference between the fair value of the underlying shares on the measurement date and the price the employee pays 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. Total compensation is charged to expense over the vesting period.

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 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, or immediately if the options are fully vested.

Awards 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. 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.

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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 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 on 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.

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

	Three months ended March 31,	
	2005	2004
Weighted-average fair value of options granted	$ 11.52	$ 11.75
Assumptions used to determine fair value:		
Dividend yield	0.8%	0.8%
Expected volatility	22.24%	19.6%
Risk-free rate of return	3.81%	3.5%
Expected life of options	5.38 years	6.5 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 options granted using the Black-Scholes model. In 2005, we began estimating the value of these options using a lattice-based binomial model. The use of a lattice-based binomial model did not materially impact the fair value of options granted or the pro-forma expense reported for stock option grants.

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

The following table illustrates the effect on net income and earnings per share if we had applied the fair value recognition provisions of Financial Accounting Standard No. (“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:

	Three months ended March 31,	
(in thousands, except per share data)	2005	2004
Net income as reported	$70,011	$70,519
Add stock-based compensation included in reported income, net of related income tax effects:		
Restricted stock and performance awards	1,486	697
Stock option modifications	757	
Deduct stock-based compensation determined under fair value based method, net of related income tax effects:		
Restricted stock and performance awards	(1,486)	(697)
Stock option grants	(4,268)	(3,609)
Stock option modifications	(561)	
Pro forma net income	$65,939	$66,910
Net income per share of common stock		
Basic earnings per share:		
As reported	$ 0.43	$ 0.44
Additional stock-based compensation, net of income tax effects	(0.03)	(0.02)
Pro forma basic earnings per share	$ 0.40	$ 0.41
Diluted earnings per share:		
As reported	$ 0.42	$ 0.43
Additional stock-based compensation, net of income tax effects	(0.03)	(0.02)
Pro forma diluted earnings per share	$ 0.40	$ 0.41

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 or disability. 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 of 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 is included in the preceding table.

We will be required to account for options using the fair value provisions of FAS 123, as amended, beginning in January of 2006. Compensation expense recognized after January of 2006 related to the Plan modifications will be based upon the fair-value based methods of FAS 123, as amended, rather than the intrinsic-value based methods of APB 25.

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

(in thousands)	Three months ended March 31, 2005	2004
Basic weighted-average shares outstanding	162,893	161,670
Effect of dilutive securities:		
Unvested restricted stock held by employees	277	368
Stock options held by employees and directors	1,925	2,330
Diluted weighted-average shares outstanding	165,095	164,368

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

2. ACCOUNTING CHANGES AND RECENTLY ISSUED ACCOUNTING STANDARDS

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. FAS 123-R requires all share-based payments to employees 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. FAS 123-R permits companies to adopt the new standard using either a modified prospective transition method or a modified retrospective transition method. Using the modified prospective transition method, compensation expense would be recorded for all unvested awards at the beginning of the first quarter of FAS 123-R adoption. Using the modified retrospective method, companies are permitted to restate financial statements of previous periods based on proforma disclosures made in accordance with the original provisions of FAS 123. As recently revised by the Security and Exchange Commission on April 14, 2005, FAS 123-R will be effective for us beginning January 1, 2006. We are currently evaluating the requirements of this standard but 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 number of options ultimately granted.

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 Statement 109.

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 will be effective for us no later than December 31, 2005. The application of this Interpretation is not expected to have a material effect on our consolidated financial statements.

3. ACQUISITIONS

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 provides us with a recognized cable network brand that has secured distribution into 37 million homes.

Pro-forma results are not presented for the Summit America and GAC acquisitions because the combined results of operations would not be significantly different from the reported amounts.

4. INVESTMENT GAINS

Other investment results in the first quarter of 2004 represent realized gains from the sale of certain investments, including Digital Theater Systems. Net income was increased by $9.5 million, $.06 per share.

5. INCOME TAXES

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

Food Network is operated under the terms of a general partnership agreement. Fine Living and Shop At Home are 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)	Three months ended March 31, 2005	2004
Income allocated to Scripps	$116,025	$116,014
Income of pass-through entities allocated to non-controlling interests	10,718	7,617
Income before income taxes	$126,743	$123,631

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

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Information regarding our expected effective income tax rate for the full year of 2005 and the actual effective income tax rate for the full year of 2004 is as follows:

	2005	2004
Statutory rate	35.0%	35.0%
Effect of:		
State and local income taxes, net of federal income tax benefit	3.3	3.4
Income of pass-through entities allocated to non-controlling interests	(3.0)	(2.6)
Miscellaneous	0.3	0.3
Effective income tax rate	35.6%	36.1%

The provision for income taxes consisted of the following:

(in thousands)	Three months ended March 31,	
	2005	2004
Current:		
Federal (net of $700 tax benefits from loss carryforwards in 2005)	$40,152	$30,139
State and local	7,494	6,525
Foreign	369	1,437
Total	48,015	38,101
Tax benefits of compensation plans allocated to additional paid-in-capital	1,486	3,229
Total current income tax provision	49,501	41,330
Deferred:		
Federal	(5,924)	(2,371)
Other	484	469
Total	(5,440)	(1,902)
Deferred tax allocated to other comprehensive income	1,336	5,442
Total deferred income tax provision	(4,104)	3,540
Provision for income taxes	$45,397	$44,870

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

(in thousands)	March 31, 2005	As of December 31, 2004	March 31, 2004
Temporary differences:			
Property, plant and equipment	$ 58,206	$ 59,586	$ 44,678
Goodwill and other intangible assets	202,897	197,809	141,024
Network distribution incentives	5,750	5,773	5,714
Investments, primarily gains and losses not yet recognized for tax purposes	63,149	63,908	32,215
Accrued expenses not deductible until paid	(9,476)	(9,169)	(10,043)
Deferred compensation and retiree benefits not deductible until paid	(21,472)	(19,576)	(26,946)
Other temporary differences, net	(4,188)	(4,164)	(11,072)
Total temporary differences	294,866	294,167	175,570
Tax basis capital loss carryforwards	(16,905)	(9,286)	
Federal net operating loss carryforwards	(27,578)	(28,278)	
State net operating loss carryforwards	(16,852)	(17,229)	(14,586)
Valuation allowance for state deferred tax assets	7,838	7,411	4,249
Net deferred tax liability	$241,369	$ 246,785	$165,233

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. Federal tax law 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 March 31, 2005, such tax-basis capital loss carryforwards totaled $46.5 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, Summit America had federal net operating loss carryforwards totaling $88.8 million which expire between 2020 and 2024. These federal net operating loss carryforwards totaled $78.8 million at March 31, 2005. We expect to be able to fully utilize the carryforwards on our federal income tax returns.

At the date of acquisition Summit America had state tax loss carryforwards totaling $48.4 million. Total state net operating loss carryforwards, including those of certain of our other subsidiary companies, were $514 million at March 31, 2005. Our state tax loss carryforwards expire between 2005 and 2023. Because separate state income tax returns are filed, we are not able to use state tax losses of a subsidiary company to offset state taxable income of another subsidiary company.

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.

6. JOINT OPERATING AGREEMENTS

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

The table below provides certain information about our JOAs.

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

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

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

7. INVESTMENTS

Investments consisted of the following:

(in thousands, except share data)	March 31, 2005	As of December 31, 2004	March 31, 2004
Securities available for sale (at market value):			
Time Warner (2,017,000 common shares)	$ 35,395	$ 39,227	$ 34,004
Other available-for-sale securities	4,394	4,673	6,149
Total available-for-sale securities	39,789	43,900	40,153
Denver JOA	164,854	164,996	175,364
FOX Sports Net South and other joint ventures	18,998	17,852	12,492
Summit America preferred stock, at cost plus accrued dividends			3,285
Other equity securities	6,855	7,282	8,342
Total investments	$230,496	$ 234,030	$239,636
Unrealized gains (losses) on securities available for sale	$ 8,446	$ 12,171	$ 8,312
Note receivable from Summit America, at initial fair value plus accreted discount			$ 45,125

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 March 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 markets, so they do not have readily determinable fair values. We estimate the fair values of the other securities approximate their carrying values at March 31, 2005. There can be no assurance we would realize the carrying values of these securities upon their sale.

In connection with the October 2002 acquisition of the controlling interest in Shop At Home, we purchased $3.0 million of Summit America 6.0% redeemable preferred stock. At Summit America's option, dividends were deferred until the mandatory redemption of the preferred stock in 2005. We also loaned Summit America $47.5 million, to be repaid in 2005, at 6% interest. The note was recorded at fair value as of the date of acquisition of Shop At Home. The difference between the face value of the note and the fair value at the date of acquisition was accreted to income over the term of the note. In connection with our acquisition of Summit America, we agreed to assume Summit America's obligations to us under the note and redeemable preferred stock.

8. PROPERTY, PLANT AND EQUIPMENT

Property,plant and equipment consisted of the following:

(in thousands)	March 31, 2005	As of December 31, 2004	March 31, 2004
Land and improvements	$ 58,336	$ 58,336	$ 56,162
Buildings and improvements	262,814	262,201	252,672
Equipment	657,698	650,875	632,069
Total	978,848	971,412	940,903
Accumulated depreciation	489,325	475,171	457,517
Net property, plant and equipment	$489,523	$ 496,241	$483,386

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9. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets consisted of the following:

(in thousands)	March 31, 2005	As of December 31, 2004	March 31, 2004
Goodwill	$1,359,036	$1,358,976	$1,174,431
Other intangible assets:			
Amortizable intangible assets:			
Carrying amount:			
Acquired network distribution	32,914	32,914	4,757
Broadcast television network affiliation relationships	26,748	26,748	
Customer lists	5,870	5,870	5,753
Other	12,365	12,365	7,525
Total carrying amount	77,897	77,897	18,035
Accumulated amortization:			
Acquired network distribution	(4,545)	(3,991)	(3,116)
Broadcast television network affiliation relationships	(549)	(277)	
Customer lists	(3,685)	(2,977)	(2,859)
Other	(6,485)	(6,242)	(5,027)
Total accumulated amortization	(15,264)	(13,487)	(11,002)
Total amortizable intangible assets	62,633	64,410	7,033
Other indefinite-lived intangible assets:			
Broadcast television network affiliation relationships			26,748
FCC licenses	189,222	189,222	25,622
Other	2,087	2,087	3,122
Total other indefinite-lived intangible assets	191,309	191,309	55,492
Pension liability adjustments	140	140	169
Total other intangible assets	254,082	255,859	62,694
Total goodwill and other intangible assets	$1,613,118	$1,614,835	$1,237,125

Broadcast television network affiliation relationships represent the value assigned to an acquired broadcast television station's relationship with a national television network. Broadcast television stations affiliated with national television networks typically have greater profit margins than independent television stations, primarily due to audience recognition of the television station as a network affiliate. National network affiliation agreements are generally renewable upon the mutual decision of the broadcast television station and the network. Our affiliated broadcast television stations have always maintained affiliation with one of the primary national broadcast television networks. Accordingly, these assets were classified as indefinite-lived intangible assets upon adoption of FAS 142 on January 1, 2002.

In accordance with FAS 142, we perform an annual impairment review of our indefinite-lived intangible assets and also assess whether our indefinite-lived intangible assets continue to have indefinite lives. In the fourth quarter of 2004, we determined that our broadcast television network affiliation relationships and the Shop At Home trade name no longer have indefinite lives. Accordingly, 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 name on a straight-line basis over a 10 year remaining useful life.

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

(in thousands)	Scripps Networks	Newspapers	Broadcast Television	Shop At Home	Licensing and Other	Total
Goodwill:						
Balance as of December 31, 2003	$141,201	$783,710	$219,367	$ 30,135	$ 18	$1,174,431
Balance as of March 31, 2004	$141,201	$783,710	$219,367	$ 30,135	$ 18	$1,174,431
Balance as of December 31, 2004	$254,689	$783,710	$219,367	$101,192	$ 18	$1,358,976
Adjustment of GAC purchase price allocation	60					60
Balance as of March 31, 2005	$254,749	$783,710	$219,367	$101,192	$ 18	$1,359,036
Amortizable intangible assets:						
Balance as of December 31, 2003	$ 1,110	$ 3,333	$ 999	$ 2,186		$ 7,628
Other additions		68				68
Amortization	(147)	(173)	(19)	(324)		(663)
Balance as of March 31, 2004	$ 963	$ 3,228	$ 980	$ 1,862		$ 7,033
Balance as of December 31, 2004	$ 29,762	$ 2,907	$ 27,441	$ 4,300		$ 64,410
Other additions		68				68
Amortization	(834)	(172)	(290)	(549)		(1,845)
Balance as of March 31, 2005	$ 28,928	$ 2,803	$ 27,151	$ 3,751		$ 62,633
Other indefinite-lived intangible assets:						
Balance as of December 31, 2003	$ 919	$ 1,153	$ 52,370	$ 1,050		$ 55,492
Balance as of March 31, 2004	$ 919	$ 1,153	$ 52,370	$ 1,050		$ 55,492
Balance as of December 31, 2004	$ 919	$ 1,168	$ 25,622	$163,600		$ 191,309
Balance as of March 31, 2005	$ 919	$ 1,168	$ 25,622	$163,600		$ 191,309

Estimated amortization expense of intangible assets for each of the next five years is expected to be $4.0 million for the remainder of 2005, $4.4 million in 2006, $4.3 million in 2007, $4.3 million in 2008, $4.2 million in 2009, $4.2 million in 2010 and $37.2 million in later years.

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10. PROGRAMS AND PROGRAM LICENSES

Programs and program licenses consisted of the following:

(in thousands)	March 31, 2005	As of December 31, 2004	March 31, 2004
Cost of programs available for broadcast	$815,956	$ 784,404	$709,082
Accumulated amortization	561,227	525,257	470,799
Total	254,729	259,147	238,283
Progress payments on programs not yet available for broadcast	54,107	49,387	55,916
Total programs and program licenses	$308,836	$ 308,534	$294,199

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 $273 million at March 31, 2005. If the programs are not produced, our obligations would generally expire without obligation.

Progress payments on programs not yet available for broadcast and the cost of programs and program licenses capitalized totaled $43.8 million in 2005 and $45.2 million in 2004.

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
Remainder of 2005	$ 99,297	$ 27,102	$126,399
2006	79,963	81,847	161,810
2007	44,004	64,063	108,067
2008	24,859	49,928	74,787
2009	6,505	50,351	56,856
2010	99	44,516	44,615
Later years	2	9,182	9,184
Total	$ 254,729	$ 326,989	$581,718

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.

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11. UNAMORTIZED NETWORK DISTRIBUTION INCENTIVES

Unamortized network distribution incentives consisted of the following:

(in thousands)	March 31, 2005	As of December 31, 2004	March 31, 2004
Network launch incentives	$316,778	$ 317,816	$322,874
Accumulated amortization	156,561	151,070	137,725
Net book value	160,217	166,746	185,149
Unbilled affiliate fees	28,165	27,084	25,226
Total unamortized network distribution incentives	$188,382	$ 193,830	$210,375

We capitalized network launch incentives in the first quarter totaling $1.2 million in 2005 and $0.4 million in 2004.

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.

	Three months ended March 31,	
(in thousands)	2005	2004
Amortization of network launch incentives	$5,364	$ 6,375

Estimated amortization for the next five years is as follows:	
Remainder of 2005	$ 22,938
2006	28,785
2007	21,754
2008	24,265
2009	26,263
2010	17,365
Later years	18,847
Total	$160,217

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

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12. LONG-TERM DEBT

Long-term debt consisted of the following:

(in thousands)	March 31, 2005	As of December 31, 2004	March 31, 2004
Variable-rate credit facilities, including commercial paper	$ 4,033	$ 82,766	
$100 million, 6.625% notes, due in 2007	99,964	99,960	$ 99,949
$50 million, 3.75% notes, due in 2008	50,000	50,000	50,000
$100 million, 4.25% notes, due in 2009	99,551	99,527	99,454
$200 million, 5.75% notes, due in 2012	199,091	199,060	198,965
Other notes	1,614	1,638	8,662
Total face value of long-term debt less discounts	454,253	532,951	457,030
Fair market value of interest rate swap	(1,116)	(265)	1,069
Total long-term debt	$453,137	$ 532,686	$458,099

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 2.7% at March 31, 2005 and 2.3% at December 31, 2004.

We have a U.S. shelf registration statement which allows us to borrow up to an additional $450 million as of March 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 3.3% at March 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 either other assets or other liabilities. The changes in the fair value of the interest rate swap agreements and the underlying fixed-rate obligation are recorded as equal and offsetting unrealized gains and losses in the 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 were 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.

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13. OTHER LIABILITIES AND MINORITY INTERESTS

Other liabilities and minority interests consisted of the following:

(in thousands)	March 31, 2005	As of December 31, 2004	March 31, 2004
Program rights payable	$ 27,330	$ 30,835	$ 30,416
Employee compensation and benefits	70,849	70,532	70,980
Network distribution incentives	38,392	44,309	71,692
Minority interests	84,601	73,629	40,333
Deferred gain on sale of WCPO production facility			7,649
Other	21,262	21,475	20,759
Total other liabilities and minority interests	242,434	240,780	241,829
Current portion of other liabilities	73,210	84,503	95,282
Other liabilities and minority interests (less current portion)	$169,224	$ 156,277	$146,547

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 become exercisable in 2006.

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

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.

In 2002, we sold our Cincinnati television station production facility to the City of Cincinnati for $7.8 million in cash. The gain on the sale of the facility of $7.6 million was deferred until our station relocated to its new production facility. Our station relocated to its new production facility in May 2004.

14. SUPPLEMENTAL CASH FLOW INFORMATION

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

(in thousands)	Three months ended March 31, 2005	2004
Other changes in certain working capital accounts, net:		
Accounts receivable	$ 574	$ 8,585
Prepaid and accrued pension expense	3,956	6,400
Inventories	5,195	(362)
Accounts payable	(5,165)	8,419
Accrued income taxes	32,029	23,533
Accrued employee compensation and benefits	(15,408)	(13,219)
Accrued interest	(588)	(377)
Other accrued liabilities	(1,696)	504
Other, net	2,040	(5,525)
Total	$ 20,937	$ 27,958

15. 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)	Three months ended March 31, 2005	2004
Service cost	$ 4,582	$ 4,627
Interest cost	5,675	5,446
Expected return on plan assets, net of expenses	(7,270)	(5,536)
Net amortization and deferral	776	1,390
Total for defined benefit plans	3,763	5,927
Multi-employer plans	5	123
SERP	1,008	956
Defined contribution plans	1,860	1,756
Total	$ 6,636	$ 8,762

We made required contributions of $0.1 million to our defined benefit plans in the first quarter of 2005. We anticipate contributing $0.9 million to fund the defined benefit plans during the remainder of fiscal 2005. We also contributed $0.5 million to fund current benefit payments for our non-qualified SERP plan during the first quarter of 2005. We anticipate contributing an additional $2.1 million to fund the SERP's benefit payments during the remainder of fiscal 2005.

16. SEGMENT INFORMATION

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

The accounting policies of each of our business segments are those described in Note 1 in our Annual Report on Form 10-K for the year ended December 31, 2004.

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, 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 using 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)	Three months ended March 31, 2005	2004
Segment operating revenues:		
Scripps Networks	$202,601	$158,769
Newspapers:		
Newspapers managed solely by us	182,172	178,473
Newspapers operated pursuant to JOAs	64	58
Total newspapers	182,236	178,531
Broadcast television	72,260	75,658
Shop At Home	102,144	73,979
Licensing and other media	25,820	26,719
Total operating revenues	$585,061	$513,656
Segment profit (loss):		
Scripps Networks	$ 80,941	$ 62,305
Newspapers:		
Newspapers managed solely by us	56,016	53,244
Newspapers operated pursuant to JOAs	8,008	5,852
Total newspapers	64,024	59,096
Broadcast television	16,279	17,227
Shop At Home	(3,423)	(3,621)
Licensing and other media	4,855	4,270
Corporate	(11,767)	(8,618)
Total segment profit	150,909	130,659
Depreciation and amortization of intangibles	(17,197)	(15,599)
Gains (losses) on disposal of property, plant and equipment	(137)	(138)
Interest expense	(7,372)	(7,395)
Interest and dividend income	208	1,227
Other investment results, net of expenses		14,674
Miscellaneous, net	332	203
Income before income taxes and minority interests	$126,743	$123,631
Depreciation:		
Scripps Networks	$ 3,222	$ 2,568
Newspapers:		
Newspapers managed solely by us	5,168	5,187
Newspapers operated pursuant to JOAs	307	297
Total newspapers	5,475	5,484
Broadcast television	4,557	4,518
Shop At Home	1,339	1,665
Licensing and other media	219	158
Corporate	540	543
Total depreciation	$ 15,352	$ 14,936
Amortization of intangibles:		
Scripps Networks	$ 834	$ 147
Newspapers:		
Newspapers managed solely by us	105	106
Newspapers operated pursuant to JOAs	67	67
Total newspapers	172	173
Broadcast television	290	19
Shop At Home	549	324

Total amortization of intangibles	$ 1,845	$ 663

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(*in thousands*)	Three months ended March 31, 2005	2004
Additions to property, plant and equipment:		
Scripps Networks	$ 2,856	$ 3,907
Newspapers:		
Newspapers managed solely by us	2,557	8,842
Newspapers operated pursuant to JOAs	203	110
Total newspapers	2,760	8,952
Broadcast television	888	4,923
Shop At Home	1,299	1,826
Licensing and other media	146	77
Corporate	460	91
Total additions to property, plant and equipment	$ 8,409	$ 19,776
Business acquisitions and other additions to long-lived assets:		
Scripps Networks	$ 44,143	$ 45,623
Newspapers	100	
Investments	465	
Total	$ 44,708	$ 45,623
Assets:		
Scripps Networks	$1,077,598	$ 885,405
Newspapers:		
Newspapers managed solely by us	1,100,104	1,093,101
Newspapers operated pursuant to JOAs	185,125	194,180
Total newspapers	1,285,229	1,287,281
Broadcast television	485,401	488,237
Shop At Home	367,890	158,231
Licensing and other media	27,166	25,308
Investments	46,541	49,538
Corporate	111,067	137,636
Total assets	$3,400,892	$3,031,636

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

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

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17. STOCK COMPENSATION PLANS

The following table presents information about stock options:

	Number of Shares	Weighted Average Exercise Price	Range of Exercise Prices
Options outstanding at December 31, 2003	10,347,790	$ 30.99	$ 9 - 47
Options granted during the period	1,938,800	48.99	48 - 50
Options exercised during the period	(432,658)	28.28	9 - 40
Options forfeited during the period	(85,866)	35.46	32 - 46
Options outstanding at March 31, 2004	11,768,066	$ 34.02	$ 9 - 50
Options outstanding at December 31, 2004	11,158,734	$ 35.27	$13 - 54
Options granted during the period	1,688,300	46.46	46
Options exercised during the period	(230,903)	29.34	17 - 46
Options outstanding at March 31, 2005	12,616,131	$ 36.88	$13 - 54

Substantially all options granted prior to 2002 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:

	Options Outstanding			Options Exercisable		
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	458,700	17 - 21	17.46	458,700	17 - 21	17.46
1998 - expire in 2008	599,400	20 - 27	23.64	599,400	20 - 27	23.64
1999 - expire in 2009	815,776	21 - 25	23.55	815,776	21 - 25	23.55
2000 - expire in 2010	1,309,132	22 - 30	24.73	1,309,132	22 - 30	24.73
2001 - expire in 2011	1,520,134	29 - 35	32.12	1,520,134	29 - 35	32.12
2002 - expire in 2012	1,951,091	36 - 39	37.66	1,932,289	36 - 39	37.66
2003 - expire in 2013	2,118,598	40 - 46	40.10	1,445,292	40 - 46	40.04
2004 - expire in 2014	2,145,200	46 - 54	49.27	658,827	49 - 50	49.00
2005 - expire in 2013	1,688,300	46	46.46			
Total options on number of shares	12,616,131	$13 - 54	$ 36.88	8,749,350	$13 - 50	$ 32.65

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Information related to awards of Class A Common Shares is presented below:

	Number of Shares	Price at Award Dates	
		Weighted Average	Range of Prices
Unvested shares at December 31, 2003	605,936	$ 35.04	$22 - 47
Shares awarded during the period	116,250	48.29	47 - 49
Shares vested during the period	(142,674)	34.33	26 - 39
Unvested shares at March 31, 2004	579,512	$ 37.81	$22 - 49
Unvested shares at December 31, 2004	453,954	$ 39.58	$23 - 53
Shares vested during the period	(111,865)	42.02	38 - 51
Shares forfeited during the period	(2,500)	47.28	47
Unvested shares at March 31, 2005	339,589	$ 38.60	$23 - 53

During 2004, 40,000 restricted stock awards were converted to RSUs. The RSUs vest in 2006.

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 measures are met. The shares earned vest between 2006 and 2008.

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

FORWARD-LOOKING STATEMENTS

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

EXECUTIVE OVERVIEW

We are a diverse media concern with interests in national television networks ("Scripps Networks"), newspaper publishing, broadcast television, television retailing ("Shop At Home"), interactive media and licensing and syndication. Scripps Networks includes five cable and satellite television programming services, Home & Garden Television ("HGTV"), Food Network, DIY Network ("DIY"), Fine Living and Great American Country ("GAC"). Our media businesses provide high quality news, information and entertainment content to readers and viewers. We have undergone a strategic transformation during the past 10 years, evolving from our historical role as a pioneer newspaper publisher and television broadcaster to one of the country's leading providers of content for a growing range of print, video and electronic media platforms. Scripps Networks revenue and segment profits surpassed our newspaper segment results in 2004.

To create new businesses or acquire businesses that are expected to significantly increase shareholder value, we operate our core media businesses to maximize sustainable cash flow and place a high priority on allocating capital. We have used a portion of the cash produced by our newspapers and broadcast television stations to develop HGTV, DIY and Fine Living and to acquire Food Network, Shop At Home and GAC. The expansion of Scripps Networks and the implementation of our commerce strategy at Shop At Home continue to be our company's top strategic priorities.

Scripps Networks has sustained a period of rapid growth. The Networks have successfully monetized ratings and viewership gains, especially at its two more established networks HGTV and Food Network. Shows such as Food Network's "Iron Chef America" and HGTV's "Design Remix" continue to resonate with viewers and raise the profile of our networks. The launch of "Iron Chef America" in January, for example, contributed significantly to the 17% increase in primetime household viewership at Food during the first quarter. Strong upfront advertising sales at HGTV and Food, combined with a healthy scatter advertising market, has resulted in a prolonged period of strong, double digit profit and revenue growth that the company projects will continue through 2005. Revenue from affiliate fees paid by cable and satellite system operators to carry the networks also has been increasing at a rapid pace as the networks gain popularity and as introductory carriage agreements with cable system operators expire and are renegotiated at higher rates. We also have continued developing video content for the growing number of on-demand services and providing creative, short-form programming to keep pace with the growth of broadband Internet services. HGTVPro.com, our on-line network that provides high-quality video content for professionals in the home construction industry, has already attracted more than 300,000 unique visitors.

In addition to the development of Scripps Networks, we are also investing capital to develop an innovative electronic commerce business at our Shop At Home Network. Our vision for Shop At Home is to provide a pure electronic commerce environment for products and services that, in part, parallel the consumer categories targeted by our national television networks. Shop At Home's merchandise revenues increased approximately 41% during the first quarter of 2005 compared with the first quarter of 2004. This increase in revenue reflects improvements we have made in both the quality and variety of products that we are offering to home shoppers. In addition, we are continuing to build commerce relationships between Shop At Home and our lifestyle networks. During the first quarter, we opened the DIY Store, an on-line commerce site operated by Shop At Home. The store provides a direct product link to consumers interested in popular do-it-yourself programming categories. We anticipate developing similar commerce links with our other lifestyle networks in the months ahead.

At our newspapers, improvements in our 2005 results are attributed to the newspapers successfully controlling expenses and capitalizing on a modest improvement in advertising sales. To maintain competitive positions in our newspapers markets, we have introduced a number of new product initiatives. Examples include new zoned sections in Memphis and a popular Spanish-language publication in Ventura County. We are continuing to achieve significant increases in advertising revenues for these types of publications in hopes of offsetting some of the declines in traditional advertising revenue streams.

At our broadcast television stations, revenue and profits were expectedly lower due to the absence of political advertising.

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 included in our Annual Report on Form 10-K describes the significant accounting policies we have selected for use in the preparation of our financial statements and related disclosures. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used or changes in estimates that are likely to occur could materially change the financial statements. We believe the accounting for Network Affiliate Fees, Investments, Goodwill and Other Indefinite-Lived Intangible Assets, Income Taxes and Pension Plans to be our most critical accounting policies and estimates. A detailed description of these accounting policies is included in the Critical Accounting Policies Section of Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2004. There have been no significant changes in those accounting policies.

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RESULTS OF OPERATIONS

The trends and underlying economic conditions affecting the operating performance and future prospects differ for each of our four business segments. Accordingly, we believe the 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-33 through F-43.

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

(in thousands)	2005	Year-to-Date Change	2004
Operating revenues	$ 585,061	13.9%	$ 513,656
Costs and expenses	(453,892)	(13.6)%	(399,660)
Depreciation and amortization of intangibles	(17,197)	(10.2)%	(15,599)
Gains (losses) on disposal of property, plant and equipment	(137)	0.7%	(138)
Operating income	113,835	15.9%	98,259
Interest expense	(7,372)	0.3%	(7,395)
Equity in earnings of JOAs and other joint ventures	19,740	18.5%	16,663
Interest and dividend income	208	(83.0)%	1,227
Other investment results, net of expenses			14,674
Miscellaneous, net	332	63.5%	203
Income before income taxes and minority interests	126,743	2.5%	123,631
Provision for income taxes	45,397	(1.2)%	44,870
Income before minority interests	81,346	3.3%	78,761
Minority interests	11,335		8,242
Net income	$ 70,011	(0.7)%	$ 70,519
Net income per diluted share of common stock	$ .42	(2.3)%	$ .43

The increase in operating revenues was primarily attributed to the continued growth in advertising and network affiliate fee revenues at our national television networks and increases in merchandise sales at Shop At Home. These increases in revenue were partially offset by declines in revenue at our broadcast television stations attributed to the absence of political advertising. The growth in advertising revenues at Scripps Networks was primarily driven by increased viewership of our national networks. The growth in affiliate fee revenues at Scripps Networks is attributed to scheduled rate increases, wider distribution of our networks, and the impact of reaching several renewal agreements with cable television operators during the second half of 2004.

Costs and expenses were impacted by the expanded hours of original programming and costs to promote our national networks, increases in costs of merchandise sold at Shop At Home and increased personnel and infrastructure costs incurred to support the growth at Shop At Home.

Depreciation and amortization increased primarily as a result of the acquisition of Summit America and Great American Country.

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 during the quarter due to higher average debt levels. The average balance of outstanding borrowings was $502 million in 2005 and $469 million in 2004. The weighted average interest rate on all borrowings was 5.0% in 2005 and 4.9% in 2004. The increase in interest on outstanding borrowings was more than offset by lower interest incurred on deferred compensation agreements.

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

Interest and dividend income in 2004 included interest income on the Summit America note receivable that was assumed during our second quarter 2004 acquisition of Summit America.

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, $.06 per share.

Information regarding our effective tax rate is a follows:

(in thousands)	2005	Year-to-Date Change	2004
Income before income taxes and minority interests as reported	$126,743	2.5%	$123,631
Income allocated to non-controlling interests	10,718		7,617
Income allocated to Scripps	$116,025		$116,014
Provision for income taxes	$ 45,397	1.2%	$ 44,870
Effective income tax rate as reported	35.8%		36.3%
Effective income tax rate on income allocated to Scripps	39.1%		38.7%

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

The income tax provision for interim periods is determined by applying the expected effective income tax rate for the full year to year-to-date income before income tax. Tax provisions are separately provided for certain discreet transactions in interim periods. To determine the annual effective income tax rate for the full year period we must estimate both the total income before income tax for the full year and the jurisdictions in which that income is subject to tax. We expect the effective tax rate will be between 35.5% and 36.0% for the full year of 2005.

Minority interest increased in the first quarter of 2005 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 the second quarter of 2005, we expect minority interest will be between $15 and $16 million.

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Business Segment Results - As discussed in Note 16 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 performance 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.

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)	2005	Year-to-Date Change	2004
Segment operating revenues:			
Scripps Networks	$202,601	27.6%	$158,769
Newspapers:			
Newspapers managed solely by us	182,172	2.1%	178,473
Newspapers operated pursuant to JOAs	64	10.3%	58
Total newspapers	182,236	2.1%	178,531
Broadcast television	72,260	(4.5)%	75,658
Shop At Home	102,144	38.1%	73,979
Licensing and other media	25,820	(3.4)%	26,719
Total operating revenues	$585,061	13.9%	$513,656
Segment profit (loss):			
Scripps Networks	$ 80,941	29.9%	$ 62,305
Newspapers:			
Newspapers managed solely by us	56,016	5.2%	53,244
Newspapers operated pursuant to JOAs	8,008	36.8%	5,852
Total newspapers	64,024	8.3%	59,096
Broadcast television	16,279	(5.5)%	17,227
Shop At Home	(3,423)	5.5%	(3,621)
Licensing and other media	4,855	13.7%	4,270
Corporate	(11,767)	(36.5)%	(8,618)
Total segment profit	150,909	15.5%	130,659
Depreciation and amortization of intangibles	(17,197)	(10.2)%	(15,599)
Gains (losses) on disposal of property, plant and equipment	(137)		(138)
Interest expense	(7,372)	0.3%	(7,395)
Interest and dividend income	208		1,227
Other investment results, net of expenses			14,674
Miscellaneous, net	332		203
Income before income taxes and minority interests	$126,743	2.5%	$123,631

Corporate expenses primarily increased in 2005 compared with 2004 due to employee separation related charges accrued during the quarter.

Discussions of the operating performance of each of our reportable business segments begin on page F-35.

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

A reconciliation of our 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)	2005	Year-to-Date Change	2004
Scripps Networks:			
Equity in earnings of joint ventures	$ 2,169	72.4%	$ 1,258
Newspapers:			
Equity in earnings of JOAs	17,571	13.8%	15,445
Equity in earnings (loss) of joint ventures			(40)
Total equity in earnings of JOAs and other joint ventures	$19,740	18.5%	$16,663

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)	2005	Year-to-Date Change	2004
Depreciation and amortization:			
Scripps Networks	$ 4,056	49.4%	$ 2,715
Newspapers:			
Newspapers managed solely by us	5,273	(0.4)%	5,293
Newspapers operated pursuant to JOAs	374	2.7%	364
Total newspapers	5,647	(0.2)%	5,657
Broadcast television	4,847	6.8%	4,537
Shop At Home	1,888	(5.1)%	1,989
Licensing and other media	219	38.6%	158
Corporate	540	(0.6)%	543
Total	$17,197	10.2%	$15,599
Interest and dividend income:			
Newspapers managed solely by us	$ 62	1.6%	$ 61
Newspapers operated pursuant to JOAs	3	(50.0)%	6
Total newspapers	65	(3.0)%	67
Summit America note			1,133
Other	143		27
Total interest and dividend income	$ 208	(83.0)%	$ 1,227

Scripps Networks - Scripps Networks includes our national lifestyle 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 on-line network, 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 launched HGTV in 1994. Food Network launched in 1993, and we acquired our controlling interest in 1997. We launched DIY in 1999 and Fine Living in the first quarter of 2002. We acquired GAC 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 90% of the homes that receive cable and satellite television programming. At the same time, there has been an expansion in the number of programming services seeking distribution on those systems, with the number of networks more than doubling since 1996.

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

Financial information for Scripps Networks is as follows:

(in thousands)	2005	Year-to-Date Change	2004
Operating revenues:			
HGTV	$104,418	22.7%	$ 85,098
Food Network	79,069	25.2%	63,142
DIY	9,426	38.8%	6,792
Fine Living	5,967	61.8%	3,688
GAC	3,381		
Other	340		49
Total segment operating revenues	$202,601	27.6%	$158,769
Direct contribution to segment profit (loss):			
HGTV	$ 63,548	25.7%	$ 50,563
Food Network	43,043	31.0%	32,854
DIY	1,347	32.6%	1,016
Fine Living	(633)	75.2%	(2,553)
GAC	(915)		
Other	(4,771)	(72.4)%	(2,768)
Total direct contribution to segment profit	101,619	28.4%	79,112
Shared expenses	22,847	26.5%	18,065
Total segment profit before joint ventures	78,772	29.0%	61,047
Equity in income (loss) of joint ventures:			
HGTV	599		259
Food Network	234		14
Fine Living	(51)		
FOX Sports Net South and other	1,387	40.8%	985
Total segment profit	$ 80,941	29.9%	$ 62,305
Homes reached in March *(1)*:			
HGTV	88,200	3.2%	85,500
Food Network	87,000	3.3%	84,200
DIY	32,000	14.3%	28,000
Fine Living	26,000	23.8%	21,000
GAC	37,400	41.1%	26,500

(1) Approximately 93 million homes in the United States receive cable or satellite television. Homes reached are according to the Nielsen Homevideo Index (“Nielsen”), with the exception of DIY and Fine Living which are not yet rated by Nielsen and represent comparable amounts calculated by us.

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

Operating results for Scripps Networks were as follows:

(in thousands)	2005	Year-to-Date Change	2004
Segment operating revenues:			
Advertising	$159,499	30.3%	$122,414
Network affiliate fees, net	41,975	23.9%	33,877
Other	1,127	(54.5)%	2,478
Total segment operating revenues	202,601	27.6%	158,769
Segment costs and expenses:			
Employee compensation and benefits	27,604	24.3%	22,216
Programs and program licenses	42,517	11.7%	38,079
Other segment costs and expenses	53,708	43.5%	37,427
Total segment costs and expenses	123,829	26.7%	97,722
Segment profit before joint ventures	78,772	29.0%	61,047
Equity in income of joint ventures	2,169	72.4%	1,258
Segment profit	$ 80,941	29.9%	$ 62,305
Supplemental Information:			
Billed network affiliate fees	$ 46,258	17.7%	$ 39,312
Network launch incentive payments	5,079		5,672
Payments for programming less (greater) than program cost amortization	(2,991)		(6,583)
Depreciation and amortization	4,056		2,715
Capital expenditures	2,856		3,907
Business acquisitions and other additions to long-lived assets	44,143		45,623

Increased viewership of our networks led to increased demand for advertising time and higher advertising rates. Increased viewership has been driven by wider distribution of the networks and higher ratings resulting from our investments in the quality and hours of original programming and marketing campaigns to promote consumer awareness of the networks. Advertising revenues are expected to increase approximately 25% to 30% year-over-year in the second quarter of 2005.

The increase in network affiliate fees reflects both scheduled rate increases and wider distribution of the networks. Affiliate fee revenue in 2005 was favorably affected by the completion of several renewal agreements with cable television operators that occurred during the third quarter of 2004. Network affiliate fees are expected to increase approximately 20% year-over-year in the second quarter of 2005.

Other revenues primarily reflect revenues generated from the licensing of our programming and merchandise.

Employee compensation and benefit expenses increased due to the hiring of additional employees to support the growth of Fine Living, DIY and GAC.

Programs and program licenses and other costs and expenses increased due to the improved quality and variety of programming, expanded hours of original programming and continued efforts to promote the programming in order to attract a larger audience. Our continued investment in building viewership across all of our networks is expected to increase programming and marketing expenses approximately 15% to 20% year-over-year in the second quarter of 2005.

Newspapers - We operate daily and community newspapers in 19 markets in the U.S. Our newspapers earn revenue primarily from the sale of advertising space to local and national advertisers and from the sale of newspapers to readers. Four of our newspapers are operated pursuant to the terms of joint operating agreements. Each of those newspapers maintains an independent editorial operation and receives a share of the operating profits of the combined newspaper operations.

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

The trends and underlying economic conditions affecting the operating performance of any of our newspapers are substantially the same as those affecting all of our newspapers. Our newspaper operating performance is most affected by newsprint prices and economic conditions, particularly within the retail, labor, housing and auto markets. While an individual newspaper may perform better or worse than our newspaper group as a whole due to specific conditions at the newspaper or within its local economy, we do no 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)	**2005**	**Year-to-Date Change**	**2004**
Segment operating revenues:			
Local	$ 42,535	(0.3)%	$ 42,658
Classified	57,516	3.3%	55,703
National	10,457	9.5%	9,548
Preprint and other	33,793	8.2%	31,235
Newspaper advertising	144,301	3.7%	139,144
Circulation	33,789	(4.1)%	35,226
Other	4,082	(0.5)%	4,103
Total operating revenues	182,172	2.1%	178,473
Segment costs and expenses:			
Employee compensation and benefits	65,754	(0.5)%	66,071
Newsprint and ink	20,819	3.7%	20,082
Other segment costs and expenses	39,583	1.4%	39,036
Total costs and expenses	126,156	0.8%	125,189
Contribution to segment profit before joint ventures	56,016	5.1%	53,284
Equity in earnings (loss) of joint ventures			(40)
Contribution to segment profit	$ 56,016	5.2%	$ 53,244
Supplemental Information:			
Depreciation and amortization	$ 5,273		$ 5,293
Capital expenditures	2,557		8,842

Newspaper advertising revenues increased in 2005 primarily due to increases in classified advertising and preprint and other advertising. The increase in classified advertising was primarily attributed to increases in help wanted and real estate advertising. We expect newspaper advertising revenue to increase between 3% and 5% year-over-year in the second quarter of 2005.

Increases in preprint and other advertising reflect the continued development of new print and electronic products and services. These products include niche publications such as community newspapers, lifestyle magazines, publications focused upon the classified advertising categories of real estate, employment and auto, and other publications aimed at younger readers. Additionally, our Internet sites had advertising revenues of $4.4 million in the first quarter of 2005 compared with $3.5 million in the first quarter of 2004. 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.

Increases in newsprint and ink costs reflect an increase in newsprint prices of approximately 9% that was partially offset by a 4% decrease in newsprint consumption.

Other segment costs and expenses in 2004 include a $1.3 million charge for bad debts related to the Kmart bankruptcy. Excluding this 2004 charge, other costs and expenses increased approximately 5% in 2005. The increases in other segment costs and expenses reflect costs associated with the development of new ancillary products and services.

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

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

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

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

(in thousands)	2005	Year-to-Date Change	2004
Equity in earnings of JOAs included in segment profit:			
Denver	$ 7,925	32.9%	$ 5,963
Cincinnati	5,354	7.6%	4,978
Other	4,292	(4.7)%	4,504
Total equity in earnings of JOAs included in segment profit	17,571	13.8%	15,445
Operating revenues	64	10.3%	58
Total	17,635	13.8%	15,503
JOA editorial costs and expenses:			
Denver	5,874	(0.1)%	5,882
Cincinnati	2,004	(0.9)%	2,022
Other	1,749	0.1%	1,747
Total JOA editorial costs and expenses	9,627	(0.2)%	9,651
JOAs contribution to segment profit:			
Denver	2,087		120
Cincinnati	3,350	13.4%	2,955
Other	2,571	(7.4)%	2,777
Total JOA contribution to segment profit	$ 8,008	36.8%	$ 5,852
Supplemental Information:			
Depreciation and amortization	$ 374		$ 364
Capital expenditures	203		110

The increase in the Denver JOA's results is attributed to continued cost containment at the JOA. In addition, Denver's segment profits in 2004 were reduced by a $0.7 million charge related to the Kmart bankruptcy.

Gannett Newspapers 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 60 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.

Advertising provides substantially all of each station's operating revenues. Employee and programming costs are the primary expenses. Increased viewing choices on cable and satellite television systems and the growth of alternative electronic entertainment devices has resulted in fragmentation of the viewing audience. Further audience fragmentation could adversely affect our broadcast television stations.

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. None the less, we do not expect such near-term variances to significantly affect the overall long-term operating performance of the broadcast television segment.

Operating results for broadcast television were as follows:

(in thousands)	2005	Year-to-Date Change	2004
Segment operating revenues:			
Local	$44,955	1.3%	$44,369
National	23,490	3.8%	22,631
Political	38	(99.1)%	4,152
Network compensation	1,504	(35.7)%	2,338
Other	2,273	4.8%	2,168
Total segment operating revenues	72,260	(4.5)%	75,658
Segment costs and expenses:			
Employee compensation and benefits	30,090	(1.8)%	30,630
Programs and program licenses	11,658	(1.1)%	11,784
Other segment costs and expenses	14,233	(11.1)%	16,017
Total segment costs and expenses	55,981	(4.2)%	58,431
Segment profit	$16,279	(5.5)%	$17,227
Supplemental Information:			
Payments for programming less (greater) than program cost amortization	$ (824)		$ (707)
Depreciation and amortization	4,847		4,537
Capital expenditures	888		4,923

Broadcast television operating results are significantly affected by the political cycle. While we expect local and national advertising revenues will increase between 2% and 4% year-over-year in the second quarter, total advertising revenue will be down 4% to 6% due to political revenues earned in 2004 that we are not receiving in 2005. Political advertising revenues were $6.2 million in the second quarter of 2004.

Three of our ABC affiliation agreements expired in 2004. The affiliation agreements of our other three ABC affiliate stations expire between 2005 and 2006. Our ABC affiliates recognized $1.4 million of network compensation revenue in the first quarter of 2005 and $2.3 million in the first quarter of 2004. We are currently negotiating renewal of our affiliation agreements with ABC. The contracts with our stations that expired in 2004 have been extended based on similar terms until new agreements are reached. While we expect network compensation will be reduced under the new agreements, we are unable to predict the amount of network compensation we may receive upon renewal of these agreements.

Shop At Home - On April 14, 2004, we completed our acquisition of Summit America Television Inc. ("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.

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

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

Operating results for Shop At Home were as follows:

(in thousands)	2005	Year-to-Date Change	2004
Segment operating revenues:			
Retail merchandise	$ 97,602	40.8%	$69,342
Shipping and handling	4,283	7.4%	3,988
Other	259	(60.1)%	649
Total segment operating revenues	102,144	38.1%	73,979
Segment costs and expenses:			
Cost of merchandise sold	67,396	41.1%	47,764
Network distribution fees	15,301	0.0%	15,295
Employee compensation and benefits	10,125	24.5%	8,130
Other segment costs and expenses	12,745	98.8%	6,411
Total segment costs and expenses	105,567	36.0%	77,600
Segment profit (loss)	$ (3,423)	5.5%	$ (3,621)
Supplemental Information:			
Interest and dividend income from Summit America			$ 1,133
Depreciation and amortization	$ 1,888		1,989
Capital expenditures	1,299		1,826

We continue to implement our merchandising plan and electronic commerce strategy at Shop At Home. The significant increase in retail merchandise sales reflects changes we have made in improving the mix, quality and appeal of products offered for sale both online and on air. Sales of products in the home and cookware categories increased by 51% in the first quarter of 2005 compared with the first quarter of 2004 and represent approximately 12% of total revenue in 2005.

Shop At Home programming reached an average full-time equivalent of 53.4 million homes in the first quarter of 2005, up from 47.6 million homes in the first quarter of 2004. Average revenue per full-time equivalent home on a trailing twelve month basis was $6.20 compared with $5.44 for the previous year period.

In connection with the 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.

Increases in other segment costs and expenses reflect additional costs to support Shop At Home's growth. These costs include increases in the costs of facilities, outside services, bad debt losses and marketing research costs.

We expect segment losses at Shop At Home to be approximately $5 million in the second quarter of 2005.

LIQUIDITY AND CAPITAL RESOURCES

Our primary source of liquidity is our cash flow from operating activities. Advertising provides approximately 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:

	Three months ended March 31,	
(in thousands)	2005	2004
Net cash provided by operating activities	$ 116,172	$ 117,480
Capital expenditures	(8,409)	(19,776)
Dividends paid, including to minority interests	(16,689)	(14,563)
Employee stock option proceeds	6,780	12,442
Other	(14,034)	(6,830)
Cash flow available for acquisitions and debt repayment	$ 83,820	$ 88,753
Use of available cash flow:		
Business acquisitions and net investment activity		$ (33,614)
Other investing activity	$ (45)	(133)
Decrease in long-term debt	(78,758)	(51,844)

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

Net cash provided by operating activities increased year-over-year due to the improved operating performance of our business segments. Cash required for the development of our emerging brands (DIY, Fine Living, GAC, VOD and Shop At Home) was approximately $20 million in 2005. We expect cash flow from operating activities in 2005 will provide sufficient liquidity to continue the development of our emerging brands and to fund the capital expenditures necessary to support our businesses.

In the second quarter of 2004, the Denver JOA entered into an $88 million financing arrangement 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 Media News Group's ("MNG") Denver Post. Upon completion of construction, which is expected to take approximately 24 months, the Denver JOA will lease the building for an initial term of five years. Scripps and MNG are not parties to the arrangement and have not guaranteed any of the Denver JOA's obligations under the arrangement. At the end of the initial lease term the Denver JOA will either renegotiate an additional lease term, relocate to an alternative building or acquire the building. Relocation or acquisition of the building may require capital contributions by the JOA partners.

Pursuant to the terms of the Food Network general partnership agreement, the partnership is required to provide cash distributions to the general partners equal to each partner's share of the partnership tax liability. Cash distributions to Food Network's non-controlling interests will be made for the first time in 2005. In prior years, available cash was used by the partnership to repay loans to its partners. We expect these cash distributions will approximate $20 million in 2005.

We have a credit facility that permits $450 million in aggregate borrowings and expires in July 2009. Total borrowings under the facility were $4.0 million at March 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 $450 million as of March 31, 2005.

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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 March 31, 2005.

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

	As of March 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	$ 4,033	$ 4,033	$ 82,766	$ 82,766
$100 million, 6.625% notes, due in 2007	99,964	104,920	99,960	107,500
$50 million, 3.75% notes, due in 2008	50,000	48,884	50,000	49,735
$100 million, 4.25% notes, due in 2009	99,551	97,347	99,527	100,038
$200 million, 5.75% notes, due in 2012	199,091	207,768	199,060	212,960
Other notes	1,614	1,405	1,638	1,440
Total long-term debt including current portion	$454,253	$464,357	$532,951	$554,439
Interest rate swap	$ (1,116)	$ (1,116)	$ (265)	$ (265)
Financial instruments subject to market value risk:				
Time Warner (2,017,000 common shares)	$ 29,667	$ 35,395	$ 29,667	$ 39,227
Other available-for-sale securities	1,676	4,394	2,062	4,673
Total investments in publicly-traded companies	31,343	39,789	31,729	43,900
Other equity securities	6,855	(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.

CONTROLS AND PROCEDURES

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

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

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

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

THE E. W. SCRIPPS COMPANY

Index to Exhibits

Exhibit No.	Item
12	Ratio of Earnings to Fixed Charges
31(a)	Section 302 Certifications
31(b)	Section 302 Certifications
32(a)	Section 906 Certifications
32(b)	Section 906 Certifications

EXHIBIT 12

RATIO OF EARNINGS TO FIXED CHARGES

(in thousands)	Three months ended March 31, 2005	2004
EARNINGS AS DEFINED:		
Earnings from operations before income taxes after eliminating undistributed earnings of 20%- to 50%-owned affiliates	$125,656	$130,927
Fixed charges excluding capitalized interest and preferred stock dividends of majority-owned subsidiary companies	9,583	9,511
Earnings as defined	$135,239	$140,438
FIXED CHARGES AS DEFINED:		
Interest expense, including amortization of debt issue costs	$ 7,372	$ 7,395
Interest capitalized		265
Portion of rental expense representative of the interest factor	2,211	2,116
Preferred stock dividends of majority-owned subsidiary companies	20	20
Fixed charges as defined	$ 9,603	$ 9,796
RATIO OF EARNINGS TO FIXED CHARGES	14.08	14.34

EXHIBIT 31(a)

Section 302 Certifications

CERTIFICATIONS

I, Kenneth W. Lowe, certify that:

1. I have reviewed this report on Form 10-Q of The E.W. Scripps Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-1f(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 10, 2005

BY: /s/ Kenneth W. Lowe

Kenneth W. Lowe
President and Chief Executive Officer

EXHIBIT 31(b)

Section 302 Certifications

CERTIFICATIONS

I, Joseph G. NeCastro, certify that:

1. I have reviewed this report on Form 10-Q of The E.W. Scripps Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-1f(f) and 15d-15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 10, 2005

BY: /s/ Joseph G. NeCastro

Joseph G. NeCastro
Senior Vice President and Chief Financial Officer

EXHIBIT 32(a)

Section 906 Certifications

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kenneth W. Lowe, President and Chief Executive Officer of The E. W. Scripps Company (the "Company"), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2005 (the "Report"), which this certification accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kenneth W. Lowe

Kenneth W. Lowe
President and Chief Executive Officer

May 10, 2005

EXHIBIT 32(b)

Section 906 Certifications

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph G. NeCastro, Senior Vice President and Chief Financial Officer of The E. W. Scripps Company (the “Company”), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2005 (the “Report”), which this certification accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph G. NeCastro

Joseph G. NeCastro
Senior Vice President and Chief Financial Officer

May 10, 2005