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 EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2007

OR

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

For the transition period from ______ to ______

Commission File Number 0-16914

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

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

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

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

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

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

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of October 31, 2007 there were 126,322,999 of the Registrant's Class A Common shares outstanding and 36,568,226 of the Registrant's Common Voting shares outstanding.

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REPORT ON FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2007

PART I

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

ITEM 1. FINANCIAL STATEMENTS

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

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

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

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

PART II

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

There have been no material changes to the factors disclosed in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2006.

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ITEM 2. UNREGISTERED SALES OF EQUITY AND USE OF PROCEEDS

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

The following table provides information about Company purchases of Class A shares during the quarter ended September 30, 2007:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans Or Programs
7/1/07 - 7/31/07	276,250	$ 45.18	276,250	1,923,750
8/1/07 - 8/31/07	373,750	$ 39.88	373,750	1,550,000
9/1/07 - 9/30/07				1,550,000
Total	650,000	$ 42.13	650,000	1,550,000

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

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

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

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

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 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: November 9, 2007

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

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THE E. W. SCRIPPS COMPANY

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CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)	September 30, 2007 (Unaudited)	As of December 31, 2006	September 30, 2006 (Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 19,684	$ 30,450	$ 30,804
Short-term investments	39,262	2,872	2,398
Accounts and notes receivable (less allowances—$7,627, $15,477, $15,474)	500,065	535,901	478,641
Programs and program licenses	207,991	179,887	169,388
Deferred income taxes	19,127	21,744	32,845
Assets of discontinued operations		61,237	166,778
Miscellaneous	33,638	43,228	50,408
Total current assets	819,767	875,319	931,262
Investments	216,263	225,349	225,616
Property, plant and equipment	544,068	511,738	478,227
Goodwill and other intangible assets:			
Goodwill	1,984,103	1,961,051	1,944,853
Other intangible assets	300,993	309,243	315,568
Total goodwill and other intangible assets	2,285,096	2,270,294	2,260,421
Other assets:			
Programs and program licenses (less current portion)	268,897	249,184	233,200
Unamortized network distribution incentives	141,570	155,578	160,656
Prepaid pension	9,135	9,130	51,754
Miscellaneous	46,489	47,742	47,419
Total other assets	466,091	461,634	493,029
TOTAL ASSETS	$ 4,331,285	$4,344,334	$ 4,388,555

See notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)	September 30, 2007 (Unaudited)	As of December 31, 2006	September 30, 2006 (Unaudited)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 77,164	$ 77,945	$ 79,105
Customer deposits and unearned revenue	57,790	50,524	61,589
Accrued liabilities:			
Employee compensation and benefits	65,763	76,744	62,867
Network distribution incentives	4,650	3,755	7,199
Accrued income taxes	50,417	36,798	4,160
Accrued marketing and advertising costs	10,050	19,937	18,268
Accrued interest	7,894	10,850	8,655
Miscellaneous	61,400	68,346	66,045
Liabilities of discontinued operations		19,719	41,260
Other current liabilities	22,317	34,650	27,226
Total current liabilities	357,445	399,268	376,374
Deferred income taxes	332,106	334,223	359,336
Long-term debt (less current portion)	605,892	766,381	966,168
Other liabilities (less current portion)	181,171	140,598	121,420
Minority interests	116,101	122,429	98,710
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: 126,294,010, 126,974,721; and 126,723,327 shares	1,263	1,270	1,267
Voting—authorized: 60,000,000 shares; issued and outstanding: 36,568,226, 36,568,226 and 36,568,226 shares	366	366	366
Total	1,629	1,636	1,633
Additional paid-in capital	466,468	431,432	404,560
Retained earnings	2,250,613	2,145,875	2,044,808
Accumulated other comprehensive income (loss), net of income taxes:			
Unrealized gains on securities available for sale	6,431	10,591	6,098
Pension liability adjustments	(53,119)	(54,863)	(18,988)
Foreign currency translation adjustment	66,548	46,764	28,436
Total shareholders' equity	2,738,570	2,581,435	2,466,547
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 4,331,285	$4,344,334	$ 4,388,555

See notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(in thousands, except per share data)	Three months ended September 30, 2007	Three months ended September 30, 2006	Nine months ended September 30, 2007	Nine months ended September 30, 2006
Operating Revenues:				
Advertising	$420,484	$406,124	$1,294,918	$1,290,269
Referral fees	54,284	60,449	175,545	183,133
Network affiliate fees, net	60,427	49,039	176,951	146,572
Circulation	28,763	30,530	89,220	93,487
Licensing	16,484	19,651	52,178	56,161
Other	16,004	17,656	49,132	45,470
Total operating revenues	596,446	583,449	1,837,944	1,815,092
Costs and Expenses:				
Employee compensation and benefits	170,840	166,271	535,496	499,727
Production and distribution	67,684	70,032	210,652	218,448
Programs and program licenses	79,319	64,041	212,373	177,768
Marketing and advertising	42,565	55,252	153,900	166,757
Other costs and expenses	69,311	63,019	210,647	199,101
Total costs and expenses	429,719	418,615	1,323,068	1,261,801
Depreciation, Amortization, and Losses (Gains):				
Depreciation	21,284	16,359	60,702	52,464
Amortization of intangible assets	10,368	10,769	37,602	33,445
Gain on formation of Colorado newspaper partnership				(3,535)
Losses on disposal of property, plant and equipment	544	277	876	433
Hurricane recoveries, net		(150)		(1,900)
Net depreciation, amortization and losses (gains)	32,196	27,255	99,180	80,907
Operating income	134,531	137,579	415,696	472,384
Interest expense	(9,072)	(15,281)	(30,002)	(42,971)
Equity in earnings of JOAs and other joint ventures	15,544	13,942	41,232	39,923
Miscellaneous, net	12,056	2,134	15,817	5,264
Income from continuing operations before income taxes and minority interests	153,059	138,374	442,743	474,600
Provision for income taxes	46,957	44,132	135,265	159,929
Income from continuing operations before minority interests	106,102	94,242	307,478	314,671
Minority interests	18,176	15,806	57,144	49,881
Income from continuing operations	87,926	78,436	250,334	264,790
Income (loss) from discontinued operations, net of tax	441	(5,373)	3,978	(45,518)
Net income	$ 88,367	$ 73,063	$ 254,312	$ 219,272
Net income (loss) per basic share of common stock:				
Income from continuing operations	$ .54	$ .48	$ 1.53	$ 1.62
Income (loss) from discontinued operations	.00	(.03)	.02	(.28)
Net income per basic share of common stock	$ .54	$ .45	$ 1.56	$ 1.34
Net income (loss) per diluted share of common stock:				
Income from continuing operations	$ .54	$ .48	$ 1.52	$ 1.61
Income (loss) from discontinued operations	.00	(.03)	.02	(.28)
Net income per diluted share of common stock	$ .54	$ .44	$ 1.55	$ 1.33

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

See notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)	Nine months ended September 30, 2007	2006
Cash Flows from Operating Activities:		
Net income	$ 254,312	$ 219,272
Loss (income) from discontinued operations	(3,978)	45,518
Income from continuing operations	250,334	264,790
Adjustments to reconcile income from continuing operations to net cash flows from operating activities:		
Programs and program licenses costs	212,373	177,768
Depreciation and intangible assets amortization	98,304	85,909
Network distribution incentive amortization	20,132	22,617
Equity in earnings of JOAs and other joint ventures	(41,232)	(39,923)
Gain on formation of Colorado newspaper partnership		(3,535)
Deferred income taxes	(7,639)	11,773
Excess tax benefits of stock compensation plans	1,200	1,547
Stock and deferred compensation plans	23,359	24,088
Minority interests in income of subsidiary companies	57,144	49,881
Program payments	(251,038)	(233,443)
Dividends received from JOAs and other joint ventures	47,901	59,015
Capitalized network distribution incentives	(8,432)	(16,735)
Prepaid and accrued pension expense	8,802	14,399
Other changes in certain working capital accounts, net	31,234	(10,119)
Miscellaneous, net	(8,731)	4,375
Net cash provided by continuing operating activities	433,711	412,407
Net cash used in discontinued operating activities	(16,641)	(7,195)
Net operating activities	417,070	405,212
Cash Flows from Investing Activities:		
Purchase of subsidiary companies, minority interest, and long-term investments	(33,175)	(398,225)
Proceeds from formation of Colorado newspaper partnership, net of transaction costs		20,029
Additions to property, plant and equipment	(84,924)	(50,037)
Decrease (increase) in short-term investments	(36,390)	10,402
Sale of long-term investments	10,530	2,838
Miscellaneous, net	1,350	4,143
Net cash used in continuing investing activities	(142,609)	(410,850)
Net cash provided by discontinued investing activities	60,927	12,902
Net investing activities	(81,682)	(397,948)
Cash Flows from Financing Activities:		
Increase in long-term debt		149,756
Payments on long-term debt	(159,969)	(10,918)
Dividends paid	(65,388)	(57,200)
Dividends paid to minority interests	(63,472)	(40,128)
Repurchase Class A Common shares	(57,500)	(50,222)
Proceeds from employee stock options	12,636	13,935
Excess tax benefits of stock compensation plans	2,439	2,319
Miscellaneous, net	(15,145)	(4,054)
Net cash provided by (used in) continuing financing activities	(346,399)	3,488
Net cash used in discontinued financing activities	(43)	(106)
Net financing activities	(346,442)	3,382
Effect of exchange rate changes on cash and cash equivalents	288	915
Increase (decrease) in cash and cash equivalents	(10,766)	11,561
Cash and cash equivalents:		
Beginning of year	30,450	19,243
End of period	$ 19,684	$ 30,804

See notes to condensed consolidated financial statements.

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

(in thousands, except share data)	Common Stock	Additional Paid-in Capital	Stock Compensation	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity	Comprehensive Income for the Three Months Ended September 30
As of December 31, 2005	$ 1,637	$363,416	$ 3,194	$1,930,994	$ (12,162)	$2,287,079	
Comprehensive income:							
Net income				219,272		219,272	$ 73,063
Unrealized gains (losses) on investments, net of tax of $(526) and $(603)					1,203	1,203	1,347
Adjustment for losses (gains) in income, net of tax of $6					(11)	(11)	
Change in unrealized gains (losses) on investments					1,192	1,192	1,347
Tax adjustment to minimum pension liability					(438)	(438)	(438)
Currency translation, net of tax of $(52) and $212					26,954	26,954	4,516
Total comprehensive income						246,980	$ 78,488
Adoption of FAS 123-R		3,194	(3,194)				
Dividends: declared and paid—$.35 per share				(57,200)		(57,200)	
Convert 100,000 Voting shares to Class A shares							
Repurchase 1,113,000 Class A Common shares	(11)	(2,958)		(48,258)		(51,227)	
Compensation plans, net: 816,822 shares issued; 72,065 shares repurchased; 2,816 shares forfeited	7	37,042				37,049	
Tax benefits of compensation plans		3,866				3,866	
As of September 30, 2006	$ 1,633	$404,560		$2,044,808	$ 15,546	$2,466,547	
As of December 31, 2006	$ 1,636	$431,432		$2,145,875	$ 2,492	$2,581,435	
Comprehensive income:							
Net income				254,312		254,312	$ 88,367
Unrealized gains (losses) on investments, net of tax of $2,350 and $1,885					(4,125)	(4,125)	(3,309)
Adjustment for losses (gains) in income, net of tax of $19					(35)	(35)	(35)
Change in unrealized gains (losses) on investments					(4,160)	(4,160)	(3,344)
Amortization of prior service costs, actuarial losses, and transition obligations, net of tax of $(1,000) and $(308)					1,744	1,744	538
Currency translation, net of tax of $(1,107) and $(517)					19,784	19,784	7,793
Total comprehensive income						271,680	$ 93,354
FIN 48 transition adjustment				(30,869)		(30,869)	
Dividends: declared and paid—$.40 per share				(65,388)		(65,388)	
Repurchase 1,300,000 Class A Common shares	(13)	(4,170)		(53,317)		(57,500)	
Compensation plans, net: 666,423 shares issued;							
45,534 shares repurchased; 1,600 shares forfeited	6	35,567				35,573	
Tax benefits of compensation plans		3,639				3,639	
As of September 30, 2007	$ 1,629	$466,468		$2,250,613	$ 19,860	$2,738,570	

See notes to condensed consolidated financial statements.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The condensed 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 interim financial statements should be read in conjunction with the audited consolidated financial statements, including the notes thereto included in our 2006 Annual Report on Form 10-K. In management's opinion all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the interim periods have been made. Certain amounts in prior periods have been reclassified to conform to the current period's presentation.

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

Nature of Operations—We are a diverse media concern with interests in national television networks, newspaper publishing, broadcast television, interactive media, and licensing and syndication. All of our media businesses provide content and advertising services via the Internet. Our media businesses are organized into the following reportable business segments: Scripps Networks, Newspapers, Broadcast television, and Interactive media. 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. Additional information for our business segments is presented in Note 18.

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

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

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

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

Revenue Recognition—Revenue is recognized when persuasive evidence of a sales arrangement exists, delivery occurs or services are rendered, the sales price is fixed or determinable and collectibilty is reasonably assured. When a sales arrangement contains multiple elements, such as the sale of advertising and other services, revenue is allocated to each element based upon its relative fair value. Revenue recognition may be ceased on delinquent accounts depending upon a number of factors, including the customer's credit history, number of days past due, and the terms of any agreements with the customer. Revenue recognition on such accounts resumes when the customer has taken actions to remove their accounts from delinquent status, at which time any associated deferred revenues would also be recognized. Revenue is reported net of our remittance of sales taxes, value added taxes and other taxes collected from our customers.

Our primary sources of revenue are from:

- The sale of print, broadcast, and Internet advertising.
- Referral fees and commissions from retailers and service providers.
- Fees for programming services ("network affiliate fees").
- The sale of newspapers.
- Licensing royalties.

The revenue recognition policies for each source of revenue are described in our annual report on Form 10-K for the year ended December 31, 2006.

Production and Distribution—Production and distribution costs include costs incurred to distribute our programming to cable and satellite systems, produce and distribute our newspapers and other publications to readers, and other costs incurred to provide our products and services to consumers. These costs are expensed as incurred.

Stock-Based Compensation—We have a Long-Term Incentive Plan (the "Plan") which is described more fully in our Annual Report on Form 10-K for the year ended December 31, 2006. The Plan provides for the award of incentive and nonqualified stock options, stock appreciation rights, restricted and unrestricted Class A Common shares and performance units to key employees and non-employee directors.

In accordance with Financial Accounting Standard No. 123(R)—Share Based Payment ("FAS 123(R)"), compensation cost is based on the grant-date fair value of the award. The fair value of awards that grant the employee the right to the appreciation of the underlying shares, such as stock options, is measured using a lattice-based binomial model. The fair value of awards that grant the employee the underlying shares is measured by the fair value of a Class A Common share.

Certain awards of Class A Common shares have performance conditions under which the number of shares granted is determined by the extent to which such performance conditions are met. Compensation costs for such awards are measured by the grant-date fair value of a Class A Common share and the number of shares earned. In periods prior to completion of the performance period, compensation costs are based upon estimates of the number of shares that will be earned.

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Weighted-average fair value of options granted	$12.58	$11.43	$12.58	$12.74
Assumptions used to determine fair value:				
Dividend yield	1.0%	0.9%	1.0%	0.9%
Risk-free rate of return	4.7%	4.6%	4.7%	4.6%
Expected life of options (years)	5.35	5.38	5.35	5.38
Expected volatility	20.6%	21.3%	20.6%	21.3%

Stock based compensation costs totaled $4.6 million for the third quarter of 2007 and $5.3 million for the third quarter of 2006. Year-to-date stock based compensation costs totaled $21.8 million in 2007 and $23.2 million in 2006.

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

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2007	2006	2007	2006
Basic weighted-average shares outstanding	162,818	163,090	163,131	163,251
Effect of dilutive securities:				
Unvested restricted stock and share units held by employees	231	241	220	236
Stock options held by employees and directors	830	1,181	1,059	1,355
Diluted weighted-average shares outstanding	163,879	164,512	164,410	164,842

Stock options to purchase 6,638,615 common shares were anti-dilutive as of September 30, 2007, and are, therefore, not included in the computation of diluted weighted-average shares outstanding.

2. ACCOUNTING CHANGES AND RECENTLY ISSUED ACCOUNTING STANDARDS

Accounting Changes—In 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 ("FIN 48"), Accounting for Uncertainty in Income Taxes, which clarified the accounting for tax positions recognized in the financial statements in accordance with FASB Statement No. 109, Accounting for Income Taxes. FIN 48 provides guidance on the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures, and transition.

In accordance with FIN 48, the benefits of tax positions will not be recorded unless it is more likely than not that the tax position would be sustained upon challenge by the appropriate tax authorities. Tax benefits that are more likely than not to be sustained are measured at the largest amount of benefit that is cumulatively greater than a 50%-likelihood of being realized.

We adopted FIN 48 as of the beginning of our 2007 fiscal year. See Note 6 to the Condensed Consolidated Financial Statements.

Recently Issued Accounting Standards—In September 2006, the FASB issued FAS 157, Fair Value Measurements ("FAS 157"), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of FAS 157 are effective as of the beginning of our 2008 fiscal year. We are currently evaluating the effect that the adoption of FAS 157 will have on our financial statements.

In February 2007, the FASB issued FAS 159, The Fair Value Option for Financial Assets and Financial Liabilities Including an amendment of FASB Statement No. 115 ("FAS 159"), which permits entities to choose to measure many financial instruments and certain other items at fair value. The provisions of FAS 159 are effective as of the beginning of our 2008 fiscal year. We are currently evaluating the effect that the adoption of FAS 159 will have on our financial statements.

In June 2007, the FASB ratified EITF 06-11, Accounting for the Income Tax Benefits of Dividends on Share-Based Payment Awards ("EITF 06-11"). EITF 06-11 provides that tax benefits associated with dividends on share-based payment awards be recorded as a component of additional paid-in capital. EITF 06-11 is effective, on a prospective basis, for fiscal years beginning after December 15, 2007. We are currently evaluating the effect that the adoption of EITF 06-11 will have on our consolidated financial statements.

3. ACQUISITIONS

2007 **—** In July 2007, we reached an agreement to acquire Fum Machineworks, Inc. d/b/a Recipezaar.com, a user-generated recipe and community site featuring more than 230,000 recipes, for cash consideration of approximately $25 million. We also acquired Incando Corporation d/b/a Pickle.com, a Web site that enables users to easily organize and share photos and videos from any camera or mobile phone device, for cash consideration of approximately $4.7 million. These acquisitions are part of our broader strategy at Scripps Networks to move our online businesses beyond extensions of our networks to become multi-branded, user-centric applications that create communities of online consumers in the home, food and lifestyle categories.

In the second quarter of 2007, we acquired newspaper publications in areas contiguous to our existing newspaper markets for total consideration of $2.0 million.

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

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

In the third quarter of 2006, we acquired newspapers and other publications in areas contiguous to our existing newspaper markets for total consideration of $2.0 million.

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

	2007		2006	
(in thousands)	Recipezaar/ Pickle	Newspapers	uSwitch	Newspapers
Accounts receivable	$ 135		$ 9,486	$ 91
Other current assets	95		583	
Property, plant and equipment	4,787		5,368	5
Amortizable intangible assets		$ 997	129,095	8,468
Goodwill	24,876	998	274,114	14,318
Total assets acquired	29,893	1,995	418,646	22,882
Current liabilities	(71)		(13,251)	(96)
Deferred income taxes			(33,238)	
Minority interest				2,305
Net purchase price	$ 29,822	$ 1,995	$372,157	$ 25,091

Pro forma results of operations, assuming the uSwitch acquisition had taken place at the beginning of 2006, are included in the following table. The pro forma information includes adjustments for interest expense that would have been incurred to finance the acquisition, additional depreciation and amortization of the assets acquired and excludes pre-acquisition transaction related expenses incurred by uSwitch. The unaudited pro forma financial information is not necessarily indicative of the results that actually would have occurred had the acquisition been completed at the beginning of 2006. Pro forma results are not presented for the other acquisitions completed during 2006 or 2007 because the combined results of operations would not be significantly different from reported amounts.

(in thousands, except per share data)	Nine months ended September 30, 2006
Operating revenues	$ 1,825,358
Income from continuing operations	263,034
Income from continuing operations per share of common stock:	
Basic	$ 1.61
Diluted	1.60

4. DISCONTINUED OPERATIONS

In the first quarter of 2006, we undertook a deliberate and careful assessment of strategic alternatives for Shop At Home which culminated in the sale of the operations of the Shop At Home television network and certain assets to Jewelry Television in June 2006 for approximately $17 million in cash. Jewelry Television also assumed a number of Shop At Home's television affiliation agreements. We also reached agreement in the third quarter of 2006 to sell the five Shop At Home-affiliated broadcast television stations for cash consideration of $170 million. On December 22, 2006, we closed the sale for the three stations located in San Francisco, CA, Canton, OH and Wilson, NC. The sale of the two remaining stations located in Lawrence, MA, and Bridgeport, CT closed on April 24, 2007.

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

Operating results of our discontinued operations were as follows:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2007	2006	2007	2006
Operating revenues	$ 3	$ 1,962	$ 1,323	$166,584
Income (loss) from discontinued operations:				
Income (loss) from operations	$ 679	$ (8,110)	$ 1,146	$ (58,614)
Loss on divestiture			(255)	(12,054)
Income (loss) from discontinued operations, before tax	679	(8,110)	891	(70,668)
Income taxes (benefit)	238	(2,737)	(3,087)	(25,150)
Income (loss) from discontinued operations	$ 441	$ (5,373)	$ 3,978	$ (45,518)

The loss on divestiture in 2006 represents losses on the sale of property and other assets to Jewelry Television.

Upon reaching agreement to sell the five Shop At Home-affiliated broadcast television stations in the third quarter of 2006, we recognized a $7.5 million impairment charge to reduce the carrying value of the stations' FCC licenses to their fair value.

Shop At Home's loss from operations in the 2006 year-to-date period also includes a $6.4 million pre-tax charge to write-down assets on the Shop At Home television network, $13.7 million in costs associated with employee termination benefits, and $3.3 million in costs associated with the termination of long-term agreements. Information regarding employee benefit and long-term contract termination accruals for 2006 is as follows:

(in thousands)	Second quarter charges	Third quarter charges / adjustments	Fourth quarter adjustments	Cash payments	Balance as of December 31, 2006
Employee termination benefits	$12,327	$ 1,326		$(13,653)	
Other long-term agreement costs	4,404	(1,142)	$ (730)	(1,419)	$ 1,113
Total	$16,731	$ 184	$ (730)	$(15,072)	$ 1,113

Information regarding long-term contract termination accruals for 2007 is as follows:

(in thousands)	Balance as of December 31, 2006	First quarter Adjustments	Second quarter Adjustments	Cash payments	Balance as of September 30, 2007
Other long-term agreement costs	$ 1,113	$ (146)	$ (759)	$ (208)	$ —

Assets and liabilities of our discontinued operations for applicable periods consisted of the following:

	As of	
(in thousands)	December 31, 2006	September 30, 2006
Assets:		
Property, plant and equipment	$ 4,738	$ 9,469
Intangible assets	55,923	156,115
Other assets	576	1,194
Assets of discontinued operations	$ 61,237	$ 166,778
Liabilities:		
Deferred income taxes	$ 19,277	$ 40,708
Other liabilities	442	552
Liabilities of discontinued operations	$ 19,719	$ 41,260

5. OTHER CHARGES AND CREDITS

2007—Investment results, reported in the caption “Miscellaneous, net” in our Condensed Consolidated Statements of Income, include realized gains from the sale of certain investments in the third quarter of 2007. Net income was increased by $5.9 million.

A majority of our newspapers offered voluntary separation plans to eligible employees during 2007. In connection with the acceptance of the offer by 137 employees, we accrued severance related costs of $8.9 million in the second quarter of 2007. These costs reduced year-to-date net income $5.4 million. Cash expenditures related to these separation plans were $6.7 million through the third quarter of 2007.

Due to changes in a distribution agreement at our Shopzilla business, we wrote down intangible assets during the first quarter of 2007 to reflect that certain components of the contract were not continued. This resulted in a charge to amortization of $5.2 million that reduced year-to-date net income $3.3 million.

In connection with the adoption of FIN 48 and the corresponding detailed review that was completed for our deferred tax balances, we identified adjustments necessary to properly record certain tax balances. These adjustments reduced the tax provision in the first quarter of 2007 increasing year-to-date net income $4.0 million.

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

Certain of our Florida operations sustained hurricane damages in 2004 and 2005. Throughout the course of 2006, we reached final settlement agreements with insurance providers and other responsible third parties on certain of our property and business interruption claims and recorded insurance recoveries of $1.9 million, which increased net income by $1.2 million.

6. INCOME TAXES

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

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

Consolidated income before income tax consisted of the following:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2007	2006	2007	2006
Income allocated to Scripps	$ 135,051	$ 122,687	$ 385,812	$ 425,374
Income of pass-through entities allocated to non-controlling interests	18,008	15,687	56,931	49,226
Income from continuing operations before income taxes and minority interest	$ 153,059	$ 138,374	$ 442,743	$ 474,600

Effective January 1, 2007, we adopted FIN 48, Accounting for Uncertainty in Income Taxes. In accordance with FIN 48, we recognized a $30.9 million increase in our liability for unrecognized tax benefits, interest, and penalties with a corresponding decrease to the January 1, 2007 balance of retained earnings.

Unrecognized tax benefits (all of which would impact the effective tax rate if recognized) were $47.7 million at January 1, 2007. Included in the balance of unrecognized tax benefits at January 1, 2007, is $7.5 million related to tax positions for which it is reasonably possible that the total amounts could significantly change during the next twelve months.

We recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense. As of January 1, 2007, we had $4.9 million accrued for the potential payment of interest and penalties.

As of January 1, 2007, we have settled all federal income tax years through 2001 with the Internal Revenue Service. State income tax returns are generally subject to examination for a period of 3 to 5 years after filing of the respective return.

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

Information regarding our expected effective income tax rate from continuing operations for the full year of 2007 and the actual effective income tax rate from continuing operations for the full year of 2006 is as follows:

	2007	2006
Statutory rate	35.0%	35.0%
Effect of:		
State and local income taxes, net of federal income tax benefit	3.7	2.1
Income of pass-through entities allocated to non-controlling interests	(4.2)	(3.7)
Adjustment of state net operating loss carryforward valuation allowance		(0.6)
Adjustment of tax balances (1)	(0.6)	
Tax adjustments related to statutory rate changes (2)	(0.5)	
Section 199—Production Activities Deduction	(2.0)	(0.8)
Miscellaneous	0.1	(0.2)
Effective income tax rate	31.5%	31.8%

(1) In connection with the adoption of FIN 48 and the corresponding detailed review that was completed for our deferred tax balances, we identified adjustments necessary to properly record certain tax balances. These adjustments reduced the tax provision in the first quarter of 2007 increasing year-to-date net income $4.0 million.

(2) During the third quarter of 2007, statutory tax rates were changed in certain tax jurisdictions that we operate. The reductions in these rates reduced the tax provision increasing net income $2.9 million.

7. JOINT OPERATING AGREEMENTS AND NEWSPAPER PARTNERSHIPS

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

The table below provides certain information about our JOAs.

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

The JOAs generally provide for renewals unless an advance termination notice ranging from two to five years is given to either party. Gannett Co., Inc. has notified us of its intent to terminate the Cincinnati JOA upon its expiration in December 2007. In July 2007, we announced that we will cease publication of our newspapers that participate in the Cincinnati JOA at the end of the year.

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 do not have management responsibilities for the combined operations of the other two JOAs.

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

In the third quarter of 2007, we announced that we are seeking a buyer for The Albuquerque Tribune and intend to close the newspaper if a qualified buyer is not found. We also reached an agreement in principle with the Journal Publishing Company, the publisher of the Albuquerque Journal ("Journal"), to terminate the Albuquerque joint operating agreement between the Journal and our Albuquerque Tribune newspaper following the sale or closure of our newspaper. Under the new agreement with the Journal Publishing Company, we will continue to own an approximate 40% residual interest in the Albuquerque Publishing Company, G.P. (the "Partnership"). The Partnership will direct and manage the operations of the continuing Journal newspaper and we will receive a share of the Partnership's profits commensurate with our residual interest.

In February 2006, we formed a newspaper partnership with MediaNews Group, Inc. that operates certain of both companies' newspapers in Colorado, including their editorial operations. We have a 50% interest in the partnership.

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

8. INVESTMENTS

Investments consisted of the following:

(in thousands, except share data)	September 30, 2007	As of December 31, 2006	September 30, 2006
Securities available for sale (at market value):			
Time Warner (common shares—2007, 2,008,000; 2006, 2,011,000)	$ 36,867	$ 43,804	$ 36,665
Other available-for-sale securities	2,378	2,130	2,058
Total available-for-sale securities	39,245	45,934	38,723
Denver JOA	105,549	116,875	123,280
Colorado newspaper partnership	28,501	30,157	30,607
Joint ventures	34,867	24,953	25,551
Other equity securities	8,101	7,430	7,455
Total investments	$ 216,263	$ 225,349	$ 225,616
Unrealized gains on securities available for sale	$ 9,645	$ 16,174	$ 8,963

Investments available for sale represent securities of publicly-traded companies. Investments available for sale are recorded at fair value based upon the closing price of the security on the reporting date. As of September 30, 2007, there were no significant unrealized losses on our available-for-sale securities.

Cash distributions from the Denver JOA have exceeded earnings since the third quarter of 2005, primarily as a result of increased depreciation on assets that were retired upon consolidation of DNA's newspaper production facilities.

In the first quarter of 2007, we contributed our 12% interest in Fox Sports Net South for a 7.25% interest in Fox-BRV Southern Sports Holdings, LLC ("Fox-BRV"). Fox-BRV will manage and operate both the Sports South and Fox Sports Net South regional television networks.

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 September 30, 2007. There can be no assurance we would realize the carrying values of these securities upon their sale.

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

(in thousands)	September 30, 2007	As of December 31, 2006	September 30, 2006
Land and improvements	$ 82,780	$ 77,071	$ 53,955
Buildings and improvements	274,409	258,710	255,321
Equipment	629,429	600,682	608,065
Computer software	131,694	101,056	95,645
Total	1,118,312	1,037,519	1,012,986
Accumulated depreciation	574,244	525,781	534,759
Net property, plant and equipment	$ 544,068	$ 511,738	$ 478,227

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10. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets consisted of the following:

(in thousands)	September 30, 2007	As of December 31, 2006	September 30, 2006
Goodwill	$ 1,984,103	$1,961,051	$ 1,944,853
Other intangible assets:			
Amortizable intangible assets:			
Carrying amount:			
Acquired network distribution	43,415	43,415	43,415
Broadcast television network affiliation relationships	26,748	26,748	26,748
Customer lists	229,905	204,082	200,543
Copyrights and other trade names	53,730	34,306	32,804
Other	32,992	48,971	46,545
Total carrying amount	386,790	357,522	350,055
Accumulated amortization:			
Acquired network distribution	(9,856)	(7,758)	(7,050)
Broadcast television network affiliation relationships	(3,304)	(2,480)	(2,203)
Customer lists	(68,748)	(39,089)	(31,833)
Copyrights and other trade names	(10,497)	(5,427)	(4,492)
Other	(19,014)	(19,147)	(16,714)
Total accumulated amortization	(111,419)	(73,901)	(62,292)
Net amortizable intangible assets	275,371	283,621	287,763
Other indefinite-lived intangible assets:			
FCC licenses	25,622	25,622	25,622
Other			2,087
Total other indefinite-lived intangible assets	25,622	25,622	27,709
Pension liability adjustments			96
Total other intangible assets	300,993	309,243	315,568
Total goodwill and other intangible assets	$ 2,285,096	$2,270,294	$ 2,260,421

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

(in thousands)	Scripps Networks	Newspapers	Broadcast Television	Interactive Media	Licensing and Other	Total
Goodwill:						
Balance as of December 31, 2005	$240,502	$ 789,315	$216,467	$401,492	$ 18	$1,647,794
Business acquisitions		14,317		288,085		302,402
Formation of Colorado newspaper partnership		(25,731)				(25,731)
Foreign currency translation adjustment				20,388		20,388
Balance as of September 30, 2006	$240,502	$ 777,901	$216,467	$709,965	$ 18	$1,944,853
Balance as of December 31, 2006	$240,502	$ 777,902	$219,367	$723,262	$ 18	$1,961,051
Business acquisitions	24,876	998				25,874
Adjustment of purchase price allocations				(14,703)		(14,703)
Foreign currency translation adjustment, inclusive of impact of purchase price adjustments				11,881		11,881
Balance as of September 30, 2007	$265,378	$ 778,900	$219,367	$720,440	$ 18	$1,984,103
Amortizable intangible assets:						
Balance as of December 31, 2005	$ 41,093	$ 4,305	$ 26,266	$128,116		$ 199,780
Business acquisitions		8,468		108,091		116,559
Formation of Colorado newspaper partnership		(2,407)				(2,407)
Other additions		8				8
Foreign currency translation adjustment				7,268		7,268
Amortization	(2,481)	(1,024)	(844)	(29,096)		(33,445)
Balance as of September 30, 2006	$ 38,612	$ 9,350	$ 25,422	$214,379		$ 287,763
Balance as of December 31, 2006	$ 38,707	$ 10,075	$ 25,137	$209,702		$ 283,621
Business acquisitions		997				997
Adjustment of purchase price allocations				21,004		21,004
Other additions				40		40
Foreign currency translation adjustment, inclusive of impact of purchase price adjustments				7,311		7,311
Amortization	(2,445)	(1,439)	(844)	(32,874)		(37,602)
Balance as of September 30, 2007	$ 36,262	$ 9,633	$ 24,293	$205,183		$ 275,371
Other indefinite-lived intangible assets:						
Balance as of December 31, 2005	$ 919	$ 1,168	$ 25,622			$ 27,709
Balance as of September 30, 2006	$ 919	$ 1,168	$ 25,622			$ 27,709
Balance as of December 31, 2006			$ 25,622			$ 25,622
Balance as of September 30, 2007			$ 25,622			$ 25,622

Goodwill of $284.9 million and amortizable intangible assets of $108.1 million were allocated to the uSwitch acquisition in the first quarter of 2006. In the first quarter of 2007, we completed an appraisal of the book and tax bases of the assets acquired and liabilities assumed in the uSwitch acquisition. Primarily due to higher values being assigned to trademarks and relationships with referral service providers, we decreased the amount assigned to goodwill by $14.7 million and increased amounts assigned to amortizable intangible assets by $21.0 million.

Amortizable intangible assets acquired in the uSwitch acquisition include customer lists, technology, trade names and patents. The customer lists intangible assets are estimated to have useful lives of 5 to 20 years. The other acquired intangibles are estimated to have useful lives of 4 to 9 years.

Amortizable intangible assets acquired in the 2006 and 2007 newspaper acquisitions were customer lists, which are estimated to have useful lives of 3 to 20 years.

Estimated amortization expense of intangible assets for each of the next five years is expected to be $10.2 million for the remainder of 2007, $38.4 million in 2008, $37.6 million in 2009, $34.1 million in 2010, $30.3 million in 2011, $27.3 million in 2012 and $97.5 million in later years.

11. PROGRAMS AND PROGRAM LICENSES

Programs and program licenses consisted of the following:

(in thousands)	September 30, 2007	As of December 31, 2006	September 30, 2006
Cost of programs available for broadcast	$ 983,477	$ 825,943	$ 948,164
Accumulated amortization	657,227	531,376	660,188
Total	326,250	294,567	287,976
Progress payments on programs not yet available for broadcast	150,638	134,504	114,612
Total programs and program licenses	$ 476,888	$ 429,071	$ 402,588

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 $310 million at September 30, 2007. If the programs are not produced, our commitment to license the programs would generally expire without obligation.

Progress payments on programs not yet available for broadcast and the cost of programs and program licenses capitalized totaled $69.7 million in the third quarter of 2007 and $74.6 million in the third quarter of 2006. Year-to-date progress payments and capitalized programs totaled $224 million in 2007 and $206 million in 2006.

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 2007	$ 51,999	$ 16,553	$ 68,552
2008	147,081	120,165	267,246
2009	79,861	130,365	210,226
2010	39,054	96,453	135,507
2011	8,255	66,035	74,290
2012		27,794	27,794
Later years		3,700	3,700
Total	$ 326,250	$ 461,065	$787,315

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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12. UNAMORTIZED NETWORK DISTRIBUTION INCENTIVES

Unamortized network distribution incentives consisted of the following:

(in thousands)	September 30, 2007	As of December 31, 2006	September 30, 2006
Network launch incentives	$ 95,979	$ 111,380	$ 117,386
Unbilled affiliate fees	45,591	44,198	43,270
Total unamortized network distribution incentives	$ 141,570	$ 155,578	$ 160,656

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

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2007	2006	2007	2006
Amortization of network distribution incentives	$ 6,417	$ 7,720	$20,132	$22,617

Estimated amortization for the next five years is as follows:

Remainder of 2007	$ 6,899
2008	31,909
2009	35,083
2010	24,853
2011	25,355
2012	14,625
Later years	2,846
Total	$ 141,570

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

13. LONG-TERM DEBT

Long-term debt consisted of the following:

(in thousands)	September 30, 2007	As of December 31, 2006	September 30, 2006
Variable-rate credit facilities, including commercial paper	$ 80,964	$ 190,461	$ 376,727
6.625% notes due in 2007	100,000	99,989	99,986
3.75% notes due in 2008	39,802	39,356	39,207
4.25% notes due in 2009	86,070	86,008	99,695
4.30% notes due in 2010	112,831	149,832	149,820
5.75% notes due in 2012	184,892	199,310	199,279
Other notes	1,333	1,425	1,454
Total long-term debt	$ 605,892	$ 766,381	$ 966,168

We have Competitive Advance and Revolving Credit Facilities expiring in June 2011 (the "Revolver") and a commercial paper program that collectively permit aggregate borrowings up to $750 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 5.0% at September 30, 2007, 5.3% at December 31, 2006, and 5.3% at September 30, 2006.

During 2006, we repurchased $10 million principal amount of our 3.75% notes due in 2008 for $9.8 million and repurchased $13.8 million principal amount of our 4.25% notes due in 2009 for $13.3 million. In 2007, we have repurchased $37.1 million principal amount of our 4.30% notes due in 2010 for $35.8 million and repurchased $14.6 million principal amount of our 5.75% note due in 2012 for $14.5 million.

Certain long-term debt agreements contain restrictions on the incurrence of additional indebtedness. We were in compliance with all debt covenants as of September 30, 2007.

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

As of September 30, 2007, we had outstanding letters of credit totaling $8.8 million.

14. OTHER LIABILITIES

Other liabilities consisted of the following:

(in thousands)	September 30, 2007	As of December 31, 2006	September 30, 2006
Program rights payable	$ 3,481	$ 3,058	$ 3,458
Employee compensation and benefits	42,321	38,570	38,494
Liability for pension benefits	60,342	53,627	40,856
Network distribution incentives	7,603	10,529	10,474
Tax reserve	49,567	16,869	10,000
Other	17,857	17,945	18,138
Other liabilities (less current portion)	$ 181,171	$ 140,598	$ 121,420

15. MINORITY INTERESTS

Non-controlling interests hold an approximate 10% residual interest in Fine Living. The minority owners of Fine Living have the right to require us to repurchase their interests. We have an option to acquire their interests. The minority owners will receive the fair market value for their interests at the time their option is exercised. In 2006, we notified a minority owner that we intend to exercise our call option on their 3.75% interest in Fine Living. The exercise price will be determined by an independent valuation. The put options on the remaining non-controlling interests in Fine Living are currently exercisable. The call options become exercisable in 2016.

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

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

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16. SUPPLEMENTAL CASH FLOW INFORMATION

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

(in thousands)	Nine months ended September 30, 2007	2006
Other changes in certain working capital accounts, net:		
Accounts receivable	$36,656	$ (1,866)
Inventories	1,463	(980)
Accounts payable	(7,291)	5,111
Accrued income taxes	22,030	(12,764)
Accrued employee compensation and benefits	(8,589)	(7,757)
Accrued interest	(2,956)	745
Other accrued liabilities	(9,964)	12,464
Other, net	(115)	(5,072)
Total	$31,234	$(10,119)

Information regarding supplemental cash flow disclosures is as follows:

(in thousands)	Nine months ended September 30, 2007	2006
Interest paid, excluding amounts capitalized	$ 31,354	$ 41,246
Income taxes paid continuing operations	$116,426	$158,061
Income taxes paid (refunds received) discontinued operations	15,952	(24,066)
Total income taxes paid	$132,378	$133,995

17. EMPLOYEE BENEFIT PLANS

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

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

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

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

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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:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2007	2006	2007	2006
Service cost	$ 4,912	$ 4,714	$ 14,181	$ 14,939
Interest cost	7,240	6,231	20,725	18,395
Expected return on plan assets, net of expenses	(9,549)	(8,253)	(27,252)	(24,587)
Net amortization and deferral	265	1,178	915	4,136
Total for defined benefit plans	2,868	3,870	8,569	12,883
Multi-employer plans	333	134	959	394
SERP	1,511	1,391	5,112	3,492
Defined contribution plans	2,084	2,002	6,433	6,212
Total	$ 6,796	$ 7,397	$ 21,073	$ 22,981

For the year-to-date period of 2007, we contributed $1.7 million to fund current benefit payments for our non-qualified SERP plan. We anticipate contributing an additional $0.9 million to fund the SERP's benefit payments during the remainder of fiscal 2007. During 2007, we also made required contributions of $2.9 million to our defined benefit plans. Since we have met the minimum funding requirements for our defined benefit plans, we do not anticipate making any additional contributions during the remainder of fiscal 2007.

18. 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.

Scripps Networks includes five national television networks and their affiliated Web sites, Home & Garden Television ("HGTV"), Food Network, DIY Network ("DIY"), Fine Living and Great American Country ("GAC"); and our 7.25% interest in Fox-BRV Southern Sports Holdings, which comprises the Sports South and Fox Sports Net South regional television networks. 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 17 markets in the U.S. Newspapers earn revenue primarily from the sale of advertising space to local and national advertisers and from the sale of newspapers to readers. We also have newspapers that are operated pursuant to the terms of joint operating agreements. See Note 7. Each of those newspapers maintains an independent editorial operation and receives a share of the operating profits of the combined newspaper operations.

Broadcast television includes six ABC-affiliated stations, three NBC-affiliated stations and one independent. Our television stations reach approximately 10% of the nation's television households. Broadcast television stations earn revenue primarily from the sale of advertising time to local and national advertisers.

Interactive media includes our online comparison shopping services, Shopzilla and uSwitch. Shopzilla operates a product comparison shopping service that helps consumers find products offered for sale on the Web by online retailers. We acquired uSwitch on March 16, 2006. uSwitch operates an online comparison service that helps consumers compare prices and arrange for the purchase of a range of essential home services including gas, electricity, home phone, broadband providers and personal finance products, primarily in the United Kingdom. Our interactive media businesses earn revenue primarily from referral fees and commissions paid by participating online retailers and service providers.

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.

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, 2006.

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 equivalents and other short-term investments, property and equipment primarily used for corporate purposes, and deferred income taxes.

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

As discussed in Note 1, we account for our share of the earnings of JOAs and newspaper partnerships using the equity method of accounting. Our equity in earnings of JOAs and newspaper partnerships is included in "Equity in earnings of JOAs and other joint ventures" in our Condensed Consolidated Statements of Income. Newspaper segment profits include equity in earnings of JOAs and newspaper partnerships. Scripps Networks segment profits include equity in earnings of joint ventures.

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Information regarding our business segments is as follows:

(in thousands)	Three months ended September 30, 2007	Three months ended September 30, 2006	Nine months ended September 30, 2007	Nine months ended September 30, 2006
Segment operating revenues:				
Scripps Networks	$289,376	$248,795	$ 867,003	$ 772,700
Newspapers:				
Newspapers managed solely by us	158,221	167,892	493,695	533,988
JOAs and newspaper partnerships	70	43	176	147
Total	158,291	167,935	493,871	534,135
Boulder prior to formation of Colorado newspaper partnership				2,189
Total newspapers	158,291	167,935	493,871	536,324
Broadcast television	73,278	81,667	234,325	251,875
Interactive media	54,589	60,864	176,545	184,472
Licensing and other media	21,005	24,647	66,586	70,778
Corporate	452	274	1,678	716
Intersegment eliminations	(545)	(733)	(2,064)	(1,773)
Total operating revenues	$596,446	$583,449	$1,837,944	$1,815,092
Segment profit (loss):				
Scripps Networks	$136,937	$116,247	$ 428,573	$ 373,062
Newspapers:				
Newspapers managed solely by us	32,656	38,110	98,603	141,835
JOAs and newspaper partnerships	4,205	1,568	3,114	2,984
Total	36,861	39,678	101,717	144,819
Boulder prior to formation of Colorado newspaper partnership				(125)
Total newspapers	36,861	39,678	101,717	144,694
Broadcast television	13,242	22,694	53,117	71,598
Interactive media	8,190	8,957	14,566	39,341
Licensing and other media	1,675	4,007	7,231	10,027
Corporate	(14,639)	(12,356)	(48,912)	(43,307)
Intersegment eliminations	5	(301)	(184)	(301)
Depreciation and amortization of intangibles	(31,652)	(27,128)	(98,304)	(85,909)
Gain on formation of Colorado newspaper partnership				3,535
Losses on disposal of PP&E	(544)	(277)	(876)	(433)
Interest expense	(9,072)	(15,281)	(30,002)	(42,971)
Miscellaneous, net	12,056	2,134	15,817	5,264
Income from continuing operations before income taxes and minority interests	$153,059	$138,374	$ 442,743	$ 474,600
Depreciation:				
Scripps Networks	$ 5,044	$ 4,550	$ 14,524	$ 12,467
Newspapers:				
Newspapers managed solely by us	5,735	5,576	16,695	16,156
JOAs and newspaper partnerships	334	311	1,000	921
Total	6,069	5,887	17,695	17,077
Boulder prior to formation of Colorado newspaper partnership				111
Total newspapers	6,069	5,887	17,695	17,188
Broadcast television	4,265	4,281	12,707	13,413
Interactive media	5,399	1,143	14,219	7,924
Licensing and other media	121	120	356	442
Corporate	386	378	1,201	1,030
Total depreciation	$ 21,284	$ 16,359	$ 60,702	$ 52,464

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(in thousands)	Three months ended September 30, 2007	Three months ended September 30, 2006	Nine months ended September 30, 2007	Nine months ended September 30, 2006
Amortization of intangibles:				
Scripps Networks	$ 824	$ 801	$ 2,445	$ 2,481
Newspapers:				
Newspapers managed solely by us	523	562	1,439	1,003
JOAs and newspaper partnerships				
Total	523	562	1,439	1,003
Boulder prior to formation of Colorado newspaper partnership				21
Total newspapers	523	562	1,439	1,024
Broadcast television	284	284	844	844
Interactive media	8,737	9,122	32,874	29,096
Total amortization of intangibles	$10,368	$10,769	$ 37,602	$ 33,445
Additions to property, plant and equipment:				
Scripps Networks	$14,191	$ 5,878	$ 24,328	$ 11,590
Newspapers:				
Newspapers managed solely by us	4,571	5,948	15,782	13,218
JOAs and newspaper partnerships	11	125	213	1,153
Total newspapers	4,582	6,073	15,995	14,371
Broadcast television	4,004	3,076	12,598	6,072
Interactive media	7,286	4,852	26,777	15,950
Licensing and other media	939	172	3,071	448
Corporate	1,546	704	3,427	3,977
Total additions to property, plant and equipment	$32,548	$20,755	$ 86,196	$ 52,408
Business acquisitions and other additions to long-lived assets:				
Scripps Networks	$97,582	$72,913	$ 251,535	$ 204,268
Newspapers:				
Newspapers managed solely by us		2,045	1,995	25,090
JOAs and newspaper partnerships	12	78	116	214
Total newspapers	12	2,123	2,111	25,304
Interactive media				372,157
Corporate	490	20	1,122	641
Total	$98,084	$75,056	$ 254,768	$ 602,370
Assets:				
Scripps Networks			$1,362,086	$1,218,839
Newspapers:				
Newspapers managed solely by us			1,100,504	1,080,681
JOAs and newspaper partnerships			147,282	173,108
Total newspapers			1,247,786	1,253,789
Broadcast television			475,649	477,974
Interactive media			1,025,378	1,014,056
Licensing and other media			29,775	32,992
Investments			47,275	46,631
Corporate			143,336	177,496
Total assets of continuing operations			4,331,285	4,221,777
Discontinued operations				166,778
Total assets			$4,331,285	$4,388,555

No single customer provides more than 10% of our revenue. We earn international revenues from our uSwitch business that operates primarily in the United Kingdom. We also earn international revenues from the licensing of comic characters and HGTV and Food Network programming in international markets. We anticipate that about 75% of our international revenues, which will approximate $103 million in 2007, will be provided from the United Kingdom and Japanese markets.

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

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

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

FORWARD-LOOKING STATEMENTS

This discussion and the information contained in the condensed notes to the consolidated financial statements contains certain forward-looking statements related to our businesses, including the proposed separation plan, 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' tastes; newsprint prices; program costs; labor relations; technological developments; competitive pressures; interest rates; regulatory rulings; and reliance on third-party vendors for various products and services. The words "believe," "expect," "anticipate," "estimate," "intend" and similar expressions identify forward-looking statements. All forward-looking statements, which are as of the date of this filing, should be evaluated with the understanding of their inherent uncertainty. We undertake no obligation to publicly update any forward-looking statements to reflect events or circumstances after the date the statement is made.

EXECUTIVE OVERVIEW

The E. W. Scripps Company ("Scripps") is a diverse media company with interests in national television networks, newspaper publishing, broadcast television stations, interactive media and licensing and syndication. The company's portfolio of media properties includes: Scripps Networks, with such brands as HGTV, Food Network, DIY Network ("DIY"), Fine Living and Great American Country ("GAC"); daily and community newspapers in 17 markets and the Washington-based Scripps Media Center, home to the Scripps Howard News Service; 10 broadcast television stations, including six ABC-affiliated stations, three NBC affiliates and one independent; Interactive media, our online comparison shopping services comprising our Shopzilla and uSwitch businesses; and United Media, a leading worldwide licensing and syndication company that is the home of PEANUTS, DILBERT and approximately 150 other features and comics.

On October 16, 2007, Scripps announced that its Board of Directors unanimously authorized management to pursue a plan to separate into two publicly traded companies. The proposed separation will create a new company called Scripps Networks Interactive that will comprise Scripps' national lifestyle media brands (HGTV, Food Network, DIY, Fine Living and GAC and their category-leading Internet businesses) and online comparison shopping services (Shopzilla and uSwitch and their associated Web sites). The E. W. Scripps Company will continue to include Scripps' daily and community newspapers, broadcast television stations, character licensing and feature syndication businesses, and the Scripps Media Center in Washington, D. C. The separation will allow each company to have a sharpened strategic focus in an effort to foster continued growth, solid operating performance and a clear vision on how best to build on the specific strengths of the national and local media franchises. The transaction is expected to take the form of a tax-free dividend of Scripps Networks Interactive stock to all Scripps shareholders on a pro-rata basis. The separation, which we expect to be completed in the second quarter of 2008, is contingent upon approval of the final plan by the Board of Directors and holders of Scripps' Common Voting Shares and a favorable ruling from the Internal Revenue Service on the tax-free nature of the transaction, and the filing and effectiveness of a Form 10 registration statement with the Securities and Exchange Commission.

During the third quarter of 2007, a continued focus on execution in all operational areas helped us deliver solid performance for the quarter despite a challenging environment at our local media businesses. Our improved consolidated results were led by the success of our national lifestyle brands in our Scripps Networks Division.

Scripps Networks generated strong revenue and segment profit growth during the third quarter of 2007. Our flagship networks, HGTV and Food Network, continued to lead the way, generating 16.2% and 15.6% revenue growth, respectively. Now available in nearly 96 million homes, HGTV delivered record ratings during the quarter, rebounding from some ratings weaknesses in earlier periods of 2007. Food Network's primetime programming generated the highest ratings for a quarter in the network's history. While primetime programming has been strong, we continue to work to eliminate the slippage in Food Network's daytime ratings by developing new talent and programming to fill these spots. At our newer networks, we continue to focus on building the carriage of the networks and developing quality programming. DIY, Fine Living and GAC are all now in the range of 50 million households and each network delivered double-digit revenue growth during the quarter.

Scripps Networks also continues to build momentum on the interactive side of the business, generating 31 percent growth in interactive advertising revenue for the quarter. We continue to add content to our Web sites to drive unique visitors, and our sites have proven to be popular with consumers and advertisers alike. During the quarter, we acquired Recipezaar.com, a user-generated recipe and community site featuring more than 230,000 recipes, and Pickle.com, a site that enables users to easily organize and share photos and videos from any camera or mobile phone device. Our existing portfolio of Web sites, along with these newly acquired sites, continues to establish Scripps Networks as a leading Internet destination for lifestyle content. Overall, the focus at Scripps Networks continues to be driving ratings growth at HGTV and Food Network through the development of popular programming, expanding the distribution of our emerging networks, increasing our Internet-based service offerings, and developing additional revenue streams by utilizing the recognition of our brands.

In our Interactive Media division, we continue to adapt to a changing competitive landscape that has affected results for the first three quarters of 2007. The energy market in the United Kingdom was unchanged during the quarter, and energy switching remained soft at uSwitch. We continue efforts to grow other service categories at uSwitch including personal finance and insurance products. While referral fee revenue at Shopzilla was modestly lower than the same quarter a year ago, we started to see some positive trends near the end of the period. Results in September indicated that we are getting more efficient at acquiring paid traffic and are making progress attracting free traffic to the site. We continue to focus on improving the customer experience at Shopzilla and driving traffic to the site, and we plan to improve uSwitch results by paring costs down to be more in line with the softer switching activity we have experienced in recent periods.

Our newspaper businesses continue to fight through a difficult period. Industry-wide weakness in local advertising has created a difficult economic environment for newspapers. Revenues declined compared to the same quarter a year ago and was largely impacted by slumping housing and employment markets in Florida and California. We have focused on operating as efficiently as possible and succeeded in that capacity during the quarter. Newspaper expenses were down 3.7% during the quarter which helped offset the decline in revenue. A portion of the reduction in expenses resulted from the voluntary separation plan that was accepted by 137 newspaper division employees during the second quarter of 2007. We continue to focus on the Web sites associated with our newspapers, and have seen positive results with online revenue from newspapers increasing 19 percent over the prior year to $10.4 million.

At our broadcast television stations, third quarter revenue declined compared to the prior year, as anticipated, due to the relative absence of political advertising compared with the same period a year ago.

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 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, Acquisitions, Goodwill and Other Indefinite-Lived Intangible Assets, Income Taxes and Pension Plans to be our most critical accounting policies and estimates. A detailed description of these accounting policies is included in the Critical Accounting Policies Section of Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2006.

There have been no significant changes in those accounting policies or other significant accounting policies except for the impacts of adopting FIN 48. (See Notes 2 and 6 to the Condensed Consolidated Financial Statements).

RESULTS OF OPERATIONS

The trends and underlying economic conditions affecting the operating performance and future prospects differ for each of our business segments. Accordingly, we believe the following discussion of our consolidated results of operations should be read in conjunction with the discussion of the operating performance of our business segments that follows on pages F-34 through F-43.

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

(in thousands, except per share data)	Quarter Period 2007	Quarter Period Change	Quarter Period 2006	Year-to-date 2007	Year-to-date Change	Year-to-date 2006
Operating revenues	$ 596,446	2.2%	$ 583,449	$ 1,837,944	1.3%	$ 1,815,092
Costs and expenses	(429,719)	2.7%	(418,615)	(1,323,068)	4.9%	(1,261,801)
Depreciation and amortization of intangibles	(31,652)	16.7%	(27,128)	(98,304)	14.4%	(85,909)
Gain on formation of Colorado newspaper partnership						3,535
Losses on disposal of PP&E	(544)	96.4%	(277)	(876)		(433)
Hurricane recoveries, net			150			1,900
Operating income	134,531	(2.2)%	137,579	415,696	(12.0)%	472,384
Interest expense	(9,072)	(40.6)%	(15,281)	(30,002)	(30.2)%	(42,971)
Equity in earnings of JOAs and other joint ventures	15,544	11.5%	13,942	41,232	3.3%	39,923
Miscellaneous, net	12,056		2,134	15,817		5,264
Income from continuing operations before income taxes and minority interests	153,059	10.6%	138,374	442,743	(6.7)%	474,600
Provision for income taxes	(46,957)	6.4%	(44,132)	(135,265)	(15.4)%	(159,929)
Income from continuing operations before minority interests	106,102	12.6%	94,242	307,478	(2.3)%	314,671
Minority interests	(18,176)	15.0%	(15,806)	(57,144)	14.6%	(49,881)
Income from continuing operations	87,926	12.1%	78,436	250,334	(5.5)%	264,790
Income (loss) from discontinued operations, net of tax	441		(5,373)	3,978		(45,518)
Net income	$ 88,367	20.9%	$ 73,063	$ 254,312	16.0%	$ 219,272
Net income (loss) per diluted share of common stock:						
Income from continuing operations	$ .54		$ .48	$ 1.52		$ 1.61
Income (loss) from discontinued operations	.00		(.03)	.02		(.28)
Net income per diluted share of common stock	$ .54		$ .44	$ 1.55		$ 1.33

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

Discontinued Operations—Discontinued operations include the Shop At Home television network and the five Shop At Home-affiliated broadcast television stations (See Note 4 to the Condensed Consolidated Financial Statements). In accordance with the provisions of FAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets, the results of businesses held for sale or that have ceased operations are presented as discontinued operations.

Operating results for our discontinued operations were as follows:

(in thousands)	Quarter Period 2007	Quarter Period 2006	Year-to-date 2007	Year-to-date 2006
Operating revenues	$ 3	$ 1,962	$ 1,323	$166,584
Income (loss) from discontinued operations:				
Income (loss) from operations	$679	$(8,110)	$ 1,146	$ (58,614)
Loss on divestiture			(255)	(12,054)
Income (loss) from discontinued operations, before tax	679	(8,110)	891	(70,668)
Income taxes (benefit)	238	(2,737)	(3,087)	(25,150)
Income (loss) from discontinued operations	$441	$(5,373)	$ 3,978	$ (45,518)

We sold the Shop At Home television network to Jewelry Television on June 21, 2006. The three Shop At Home-affiliated broadcast television stations located in San Francisco, CA, Canton, OH and Wilson, NC were sold on December 22, 2006 and the stations located in Lawrence, MA, and Bridgeport, CT were sold on April 24, 2007. The transactions impact the year-over-year comparability of our discontinued operations results.

The tax benefit that has been recognized in 2007 is primarily attributed to differences that were identified between our prior year tax provision and tax returns.

In connection with reaching agreement on the sale of the five Shop At Home-affiliated broadcast television stations, Shop At Home's loss from operations includes an impairment charge of approximately $7.5 million in the third quarter of 2006. Shop At Home's loss from operations in the 2006 year-to-date period also includes $23.4 million of costs associated with employee termination benefits, the termination of long-term agreements and charges to write-down certain assets of the network.

The loss on divestiture in 2006 represents losses on the sale of property and other assets to Jewelry Television.

Continuing Operations—Operating revenues were up slightly in 2007 compared with the year-to-date period of 2006. Increases in revenues at Scripps Networks were partially offset by lower revenues at our newspapers, broadcast television stations and interactive media divisions. Increases in advertising revenues, both on television and the Internet, and higher affiliate fee revenue contributed to the increase in revenues at Scripps Networks. The decline in revenues at our newspapers was attributed to lower local and classified advertising, including particularly weak real estate advertising in the Florida and California markets. Declines in revenue at our broadcast television stations were attributed to the relative absence of political advertising. Additionally, our broadcast television stations generated significant revenues from the broadcast of the Super Bowl on ABC and NBC's coverage of the Winter Olympics in the first quarter of 2006. Declines in revenues at interactive media were primarily attributed to reduced online energy switching activity at uSwitch and lower referral fee revenue at Shopzilla.

Costs and expenses for the 2007 year-to-date period were primarily impacted by the expanded hours of original programming at our national networks, severance costs related to voluntary separation offers that have been accepted by 137 employees at our newspapers, and costs related to the leadership transition at Shopzilla.

Depreciation incurred on capitalized software development costs at our interactive media businesses contributed to the increase in depreciation and amortization. Additionally, we wrote down intangible assets $5.2 million as a result of changes to the terms of a distribution agreement at our Shopzilla business in the first quarter of 2007.

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

Certain of our Florida operations sustained hurricane damages in 2004 and 2005. Throughout the course of 2006, we reached agreements with insurance providers and other responsible third parties on certain of our property and business interruption claims and recorded insurance recoveries of $1.9 million, which increased net income by $1.2 million, $.01 per share.

Interest expense includes interest incurred on our outstanding borrowings and deferred compensation and other employment agreements. Interest incurred on our outstanding borrowings decreased in 2007 due to lower average debt levels. The average outstanding balance of variable-interest bearing obligations for the year-to-date period of 2007 was $109 million at an average rate of 5.3% compared with $362 million at an average rate of 5.0% for 2006. The average outstanding balance of variable-interest bearing obligations for the third quarter of 2007 was $57 million at an average rate of 5.2% compared with $394 million at an average rate of 5.3% for the third quarter of 2006.

The "Miscellaneous, net" caption in our Condensed Consolidated Statements of Income includes realized gains from the sale of certain investments in the third quarter of 2007. Net income was increased by $5.9 million, $.04 per share.

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

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.

Information regarding our effective tax rate, and the impact of the Food Network partnership on our effective income tax rate, is as follows:

(in thousands)	Quarter Period 2007	Quarter Period 2006	Year-to-date 2007	Year-to-date 2006
Income from continuing operations before income taxes and minority interests as reported	$153,059	$138,374	$442,743	$474,600
Income of pass-through entities allocated to non-controlling interests	18,008	15,687	56,931	49,226
Income allocated to Scripps	$135,051	$122,687	$385,812	$425,374
Provision for income taxes	$ 46,957	$ 44,132	$135,265	$159,929
Effective income tax rate as reported	30.7%	31.9%	30.6%	33.7%
Effective income tax rate on income allocated to Scripps	34.8%	36.0%	35.1%	37.6%

In connection with the adoption of Financial Accounting Standards Board Interpretation No. 48 and the corresponding detailed review that was completed for our deferred tax balances, we identified adjustments necessary to properly record certain tax balances. These adjustments reduced the year-to-date tax provision $4.0 million. Decreases in statutory tax rates in certain of the jurisdictions that we operate also favorably impacted our tax provision in the third quarter of 2007. Changes in these statutory rates reduced our tax provision $2.9 million.

Minority interest increased in the third quarter and year-to-date periods of 2007 primarily due to the increased profitability of the Food Network. Food Network's profits are allocated in proportion to each partner's residual interests in the partnership, of which we own approximately 70%.

Business Segment Results—As discussed in Note 18 to the Condensed Consolidated Financial Statements, our chief operating decision maker (as defined by FAS 131—Segment Reporting) evaluates the operating performance of our business segments using a performance measure we call segment 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.

Items excluded from segment profit 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 based upon current economic conditions and decisions made by the managers of those business segments in the current period.

In February 2006, we formed a newspaper partnership with MediaNews Group, Inc. ("MediaNews") that operates certain of both companies' newspapers in Colorado (See Note 5 to the Condensed Consolidated Financial Statements). Our share of the operating profit (loss) of the partnership is recorded as "Equity in earnings of JOAs and other joint ventures" in our financial statements. To enhance comparability of year-over-year results, the results of the contributed publications prior to the formation of the partnership are reported separately in our segment results.

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

(in thousands)	Quarter Period 2007	Quarter Period Change	Quarter Period 2006	Year-to-date 2007	Year-to-date Change	Year-to-date 2006
Segment operating revenues:						
Scripps Networks	$289,376	16.3%	$248,795	$ 867,003	12.2%	$ 772,700
Newspapers:						
Newspapers managed solely by us	158,221	(5.8)%	167,892	493,695	(7.5)%	533,988
JOAs and newspaper partnerships	70	62.8%	43	176	19.7%	147
Total	158,291	(5.7)%	167,935	493,871	(7.5)%	534,135
Boulder prior to formation of Colorado newspaper partnership						2,189
Total newspapers	158,291	(5.7)%	167,935	493,871	(7.9)%	536,324
Broadcast television	73,278	(10.3)%	81,667	234,325	(7.0)%	251,875
Interactive media	54,589	(10.3)%	60,864	176,545	(4.3)%	184,472
Licensing and other media	21,005	(14.8)%	24,647	66,586	(5.9)%	70,778
Corporate	452	65.0%	274	1,678		716
Intersegment eliminations	(545)	(25.6)%	(733)	(2,064)	16.4%	(1,773)
Total operating revenues	$596,446	2.2%	$583,449	$1,837,944	1.3%	$1,815,092
Segment profit (loss):						
Scripps Networks	$136,937	17.8%	$116,247	$ 428,573	14.9%	$ 373,062
Newspapers:						
Newspapers managed solely by us	32,656	(14.3)%	38,110	98,603	(30.5)%	141,835
JOAs and newspaper partnerships	4,205		1,568	3,114	4.4%	2,984
Total	36,861	(7.1)%	39,678	101,717	(29.8)%	144,819
Boulder prior to formation of Colorado newspaper partnership						(125)
Total newspapers	36,861	(7.1)%	39,678	101,717	(29.7)%	144,694
Broadcast television	13,242	(41.6)%	22,694	53,117	(25.8)%	71,598
Interactive media	8,190	(8.6)%	8,957	14,566	(63.0)%	39,341
Licensing and other media	1,675	(58.2)%	4,007	7,231	(27.9)%	10,027
Corporate	(14,639)	18.5%	(12,356)	(48,912)	12.9%	(43,307)
Intersegment eliminations	5		(301)	(184)	(38.9)%	(301)
Depreciation and amortization of intangibles	(31,652)	16.7%	(27,128)	(98,304)	14.4%	(85,909)
Gain on formation of Colorado newspaper partnership						3,535
Losses on disposal of PP&E	(544)	96.4%	(277)	(876)		(433)
Interest expense	(9,072)	(40.6)%	(15,281)	(30,002)	(30.2)%	(42,971)
Miscellaneous, net	12,056		2,134	15,817		5,264
Income from continuing operations before income taxes and minority interests	$153,059	10.6%	$138,374	$ 442,743	(6.7)%	$ 474,600

Discussions of the operating performance of each of our reportable business segments begin on page F-37.

Segment profit includes our share of the earnings of JOAs and certain other investments included in our consolidated operating results using the equity method of accounting. A reconciliation of our equity in earnings of JOAs and other joint ventures included in segment profit to the amounts reported in our Condensed Consolidated Statements of Income is as follows:

	Quarter Period		Year-to-date	
(in thousands)	2007	2006	2007	2006
Scripps Networks:				
Equity in earnings of joint ventures	$ 3,613	$ 3,856	$12,135	$10,552
Newspapers:				
Equity in earnings of JOAs and newspaper partnerships	11,931	10,086	29,097	29,371
Total equity in earnings of JOAs and other joint ventures	$15,544	$13,942	$41,232	$39,923

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:

	Quarter Period		Year-to-date	
(in thousands)	2007	2006	2007	2006
Depreciation and amortization:				
Scripps Networks	$ 5,868	$ 5,351	$16,969	$14,948
Newspapers:				
Newspapers managed solely by us	6,258	6,138	18,134	17,159
JOAs and newspaper partnerships	334	311	1,000	921
Total	6,592	6,449	19,134	18,080
Boulder prior to formation of Colorado newspaper partnership				132
Total newspapers	6,592	6,449	19,134	18,212
Broadcast television	4,549	4,565	13,551	14,257
Interactive media	14,136	10,265	47,093	37,020
Licensing and other media	121	120	356	442
Corporate	386	378	1,201	1,030
Total	$31,652	$27,128	$98,304	$85,909
Losses on disposal of PP&E:				
Scripps Networks	$ (1)	$ (10)	$ (69)	$ (104)
Newspapers:				
Newspapers managed solely by us	(39)	(161)	(80)	(196)
JOAs and newspaper partnerships		1	(1)	9
Total newspapers	(39)	(160)	(81)	(187)
Broadcast television	(127)	(107)	(153)	(142)
Interactive media	(356)		(552)	
Corporate	(21)		(21)	
Losses on disposal of PP&E	$ (544)	$ (277)	$ (876)	$ (433)
Gain on formation of Colorado newspaper partnership				$ 3,535

Scripps Networks—Scripps Networks includes five national television networks and their affiliated Web sites, HGTV, Food Network, DIY Network ("DIY"), Fine Living and Great American Country ("GAC"); and our 7.25% interest in Fox-BRV Southern Sports Holdings, LLC which comprises the Sports South and Fox Sports Net South regional television networks. Our networks also operate internationally through licensing agreements and joint ventures with foreign entities.

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 demand for national television advertising is the primary economic factor that impacts the operating performance of our networks.

Operating results for Scripps Networks were as follows:

	Quarter Period			Year-to-date		
(in thousands)	2007	Change	2006	2007	Change	2006
Segment operating revenues:						
Advertising	$223,401	16.5%	$191,752	$673,678	10.1%	$611,828
Network affiliate fees, net	60,427	23.2%	49,039	176,951	20.7%	146,572
Other	5,548	(30.7)%	8,004	16,374	14.5%	14,300
Total segment operating revenues	289,376	16.3%	248,795	867,003	12.2%	772,700
Segment costs and expenses:						
Employee compensation and benefits	36,531	12.3%	32,527	108,871	16.0%	93,891
Programs and program licenses	67,446	29.2%	52,197	176,775	23.5%	143,085
Production and distribution	13,924	27.4%	10,930	40,584	7.1%	37,890
Other segment costs and expenses	38,151	(6.4)%	40,750	124,335	(8.1)%	135,324
Total segment costs and expenses	156,052	14.4%	136,404	450,565	9.8%	410,190
Segment profit before joint ventures	133,324	18.6%	112,391	416,438	14.9%	362,510
Equity in income of joint ventures	3,613	(6.3)%	3,856	12,135	15.0%	10,552
Segment profit	$136,937	17.8%	$116,247	$428,573	14.9%	$373,062
Supplemental Information:						
Billed network affiliate fees	$ 64,861		$ 52,962	$191,374		$157,536
Program payments	62,834		68,803	215,057		199,188
Depreciation and amortization	5,868		5,351	16,969		14,948
Capital expenditures	14,191		5,878	24,328		11,590
Business acquisitions and other additions to long-lived assets, primarily program assets	97,582		72,913	251,535		204,268

Advertising revenues increased primarily due to an increased demand for advertising time and higher advertising rates at our networks. Improved ratings and viewership, particularly at HGTV, and strong pricing in the scatter advertising market contributed to the increases in advertising revenues during the third quarter.

Distribution agreements with cable and satellite television systems currently in force require the payment of affiliate fees over the terms of the agreements. The increase in network affiliate fees is primarily attributed to rate increases and the growth in distribution at DIY, Fine Living and GAC.

As of December 31, 2006, HGTV's affiliation agreements with Time Warner and Comcast expired. During the third quarter of 2007, we entered into a new long-term affiliation agreement with Comcast. We are currently negotiating a new contract with Time Warner and are operating under a short-term extension to the expired agreement until a new agreement can be reached. The affiliation agreement with Time Warner provides distribution to approximately 17% of HGTV's subscribers.

We continue to successfully develop our network brands on the Internet. Online advertising revenues were approximately $17.3 million in the third quarter of 2007 compared with $13.2 million in the third quarter of 2006. Year-to-date online advertising revenues were $51.4 million in 2007 compared with $38.9 million in 2006.

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

Programs and program licenses increased due to the improved quality and variety of programming, and expanded programming hours.

Supplemental financial information for Scripps Networks is as follows:

	Quarter Period			Year-to-date		
(in thousands)	2007	Change	2006	2007	Change	2006
Operating revenues:						
HGTV	$144,221	16.2%	$124,121	$430,272	11.6%	$385,622
Food Network	113,279	15.6%	98,001	341,942	12.1%	305,017
DIY	14,137	14.7%	12,321	40,802	8.7%	37,538
Fine Living	11,369	25.2%	9,082	34,258	23.6%	27,715
GAC	6,252	29.8%	4,817	18,930	29.5%	14,623
Other	118	(74.0)%	453	799	(63.4)%	2,185
Total segment operating revenues	$289,376	16.3%	$248,795	$867,003	12.2%	$772,700
Homes reached in September (1):						
HGTV				95,800	5.3%	91,000
Food Network				95,600	5.3%	90,800
DIY				47,700	22.3%	39,000
Fine Living				49,600	24.0%	40,000
GAC				50,700	14.4%	44,300

(1) Approximately 100 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 Fine Living which is not yet rated by Nielsen and represent comparable amounts calculated by us.

Newspapers—We operate daily and community newspapers in 17 markets in the U.S. Our newspapers earn revenue primarily from the sale of advertising space to local and national advertisers and from the sale of newspapers to readers. Three of our newspapers are operated pursuant to the terms of joint operating agreements. Each of those newspapers maintains an independent editorial operation and receives a share of the operating profits of the combined newspaper operations.

Newspapers managed solely by us*:* The newspapers managed solely by us operate in mid-size markets, focusing on news coverage within their local markets. Advertising and circulation revenues provide substantially all of each newspaper's operating revenues and employee and newsprint costs are the primary expenses at each newspaper. The operating performance of our newspapers is most affected by newsprint prices and economic conditions, particularly within the retail, labor, housing and auto markets.

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

	Quarter Period			Year-to-date		
(in thousands)	2007	Change	2006	2007	Change	2006
Segment operating revenues:						
Local	$ 32,347	(9.7)%	$ 35,834	$104,644	(11.4)%	$118,113
Classified	46,604	(13.9)%	54,123	147,143	(16.2)%	175,507
National	8,540	9.0%	7,835	25,793	(1.9)%	26,298
Preprint, online and other	37,890	4.9%	36,128	113,363	4.0%	108,999
Newspaper advertising	125,381	(6.4)%	133,920	390,943	(8.9)%	428,917
Circulation	28,763	(5.8)%	30,530	89,220	(4.3)%	93,266
Other	4,077	18.4%	3,442	13,532	14.6%	11,805
Total operating revenues	158,221	(5.8)%	167,892	493,695	(7.5)%	533,988
Segment costs and expenses:						
Employee compensation and benefits	65,031	(1.8)%	66,247	205,154	2.8%	199,592
Production and distribution	36,790	(7.5)%	39,784	116,623	(5.8)%	123,778
Other segment costs and expenses	23,744	(0.7)%	23,901	73,315	3.7%	70,683
Total costs and expenses	125,565	(3.4)%	129,932	395,092	0.3%	394,053
Hurricane recoveries (losses), net			150			1,900
Contribution to segment profit	$ 32,656	(14.3)%	$ 38,110	$ 98,603	(30.5)%	$141,835
Supplemental Information:						
Depreciation and amortization	$ 6,258		$ 6,138	$ 18,134		$ 17,159
Capital expenditures	4,571		5,948	15,782		13,218
Business acquisitions, including acquisitions of minority interests, and other additions to long-lived assets			2,045	1,995		25,090

The decrease in advertising revenues was primarily due to weakness in classified and local advertising in our newspaper markets. Decreases in real estate and employment advertising particularly impacted revenues at our Florida and California newspapers.

Increases in preprint, online and other advertising reflect the development of new print and electronic products and services. Additionally, our Internet sites had advertising revenues of $10.4 million in the third quarter of 2007 compared with $8.8 million in the third quarter of 2006. Year-to-date Internet advertising revenues were $31.2 million in 2007 compared with $25.7 million in 2006. Higher advertising rates, resulting from increases in the audience visiting our Web sites, as well as an increase in our online product offerings, contributed to the increase in online revenues. We expect to continue to expand and enhance our online services and to use our local news platform to launch new products, such as streaming video and audio.

Other operating revenues represent revenue earned on ancillary services offered by our newspapers.

Year-to-date employee compensation and benefit costs were increased by an $8.9 million charge recorded in the second quarter of 2007 as a result of voluntary separation offers accepted by eligible employees.

The decrease in production and distribution costs of our newspapers was primarily due to a 10% decrease in newsprint consumption and a 8.6% decrease in newsprint prices.

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

Excluding the costs of the voluntary separation plans, total costs and expenses of our newspapers were down 1.6% compared with the year-to-date costs of 2006.

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

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

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

In the third quarter of 2007, we announced that we are seeking a buyer for The Albuquerque Tribune and intend to close the newspaper if a qualified buyer is not found. We also reached an agreement in principle with the Journal Publishing Company, the publisher of the Albuquerque Journal ("Journal"), to terminate the Albuquerque joint operating agreement between the Journal and our Albuquerque Tribune newspaper following the sale or closure of our newspaper. Under the new agreement with the Journal Publishing Company, we will continue to own an approximate 40% residual interest in the Albuquerque Publishing Company, G.P. (the "Partnership"). The Partnership will direct and manage the operations of the continuing Journal newspaper and we will receive a share of the Partnership's profits commensurate with our residual interest.

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

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

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

	Quarter Period			Year-to-date		
(in thousands)	2007	Change	2006	2007	Change	2006
Equity in earnings of JOAs and newspaper partnerships included in segment profit:						
Denver	$ 6,072		$ 1,736	$10,226	72.2%	$ 5,939
Cincinnati	3,953	(26.0)%	5,341	12,392	(13.9)%	14,386
Albuquerque	2,886	10.1%	2,622	7,383	(7.2)%	7,958
Colorado	(980)		402	(581)		957
Other newspaper partnerships and joint ventures			(15)	(323)		131
Total equity in earnings of JOAs	11,931	18.3%	10,086	29,097	(0.9)%	29,371
Operating revenues of JOAs and newspaper partnerships	70	62.8%	43	176	19.7%	147
Total	12,001	18.5%	10,129	29,273	(0.8)%	29,518
JOA editorial costs and expenses	7,796	(8.9)%	8,561	26,159	(1.4)%	26,534
Contribution to segment profit	$ 4,205		$ 1,568	$ 3,114	4.4%	$ 2,984
Supplemental Information:						
Depreciation and amortization	$ 334		$ 311	$ 1,000		$ 921
Capital expenditures	11		125	213		1,153
Business acquisitions and other additions to long-lived assets	12		78	116		214

In the third quarter of 2005, the management committee of the Denver Newspaper Agency ("DNA") approved plans to consolidate DNA's newspaper production facilities resulting in certain assets of the existing facilities being retired earlier than previously estimated. The reduction in these assets' estimated useful lives increased DNA's depreciation expense through April 2007. The increased depreciation resulted in a $3.0 million decrease in our equity in earnings from JOAs in the third quarter of 2006. Year-to-date equity in earnings of JOAs was reduced by $4.0 million in 2007 and $9.3 million in 2006.

Gannett Co., Inc. has notified us of its intent to terminate the Cincinnati JOA upon its expiration in December 2007. In July 2007, we announced that we will cease publication of our newspapers that participate in the Cincinnati JOA at the end of the year.

Broadcast Television—Broadcast television includes six ABC-affiliated stations, three NBC-affiliated stations and one independent. Our television stations reach approximately 10% of the nation's television households. 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 receive compensation from the network for carrying its programming. In addition to network programs, we broadcast locally produced programs, syndicated programs, sporting events, and other programs of interest in each station's market. News is the primary focus of our locally-produced programming.

The operating performance of our broadcast television group is most affected by the health of the local economy, particularly conditions within the retail, auto, telecommunications and financial services industries, and by the volume of advertising time purchased by campaigns for elective office and 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.

Operating results for broadcast television were as follows:

	Quarter Period			Year-to-date		
(in thousands)	2007	Change	2006	2007	Change	2006
Segment operating revenues:						
Local	$45,229	1.1%	$44,740	$147,967	(2.8)%	$152,236
National	22,887	4.2%	21,969	72,595	(3.9)%	75,503
Political	694	(94.0)%	11,660	1,398	(90.9)%	15,347
Network compensation	1,820	15.0%	1,583	5,606	55.6%	3,603
Other	2,648	54.4%	1,715	6,759	30.3%	5,186
Total segment operating revenues	73,278	(10.3)%	81,667	234,325	(7.0)%	251,875
Segment costs and expenses:						
Employee compensation and benefits	31,985	2.5%	31,205	96,666	0.3%	96,396
Programs and program licenses	11,873	0.2%	11,844	35,598	2.6%	34,683
Production and distribution	4,191	(12.0)%	4,760	12,762	(7.9)%	13,855
Other segment costs and expenses	11,987	7.4%	11,164	36,182	2.4%	35,343
Total segment costs and expenses	60,036	1.8%	58,973	181,208	0.5%	180,277
Segment profit	$13,242	(41.6)%	$22,694	$ 53,117	(25.8)%	$ 71,598
Supplemental Information:						
Program payments	$12,026		$11,849	$ 35,981		$ 34,255
Depreciation and amortization	4,549		4,565	13,551		14,257
Capital expenditures	4,004		3,076	12,598		6,072

Broadcast television operating results are significantly affected by the political cycle. Advertising revenues dramatically increase during even-numbered years, when congressional and presidential elections occur. Consequently, the number of political advertising spots run often displaces some of the advertising run in our local and national advertising categories. The decline in operating revenues during the third quarter of 2007 compared with the third quarter of 2006 was attributed to the relative absence of political advertising.

The broadcast of the Super Bowl on ABC and NBC's coverage of the Winter Olympics in 2006 contributed to the year-over-year decrease in local and national advertising in the year-to-date period. Advertising revenue related to the Super Bowl and Olympics broadcasts was approximately $9 million in 2006.

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

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

We acquired uSwitch on March 16, 2006. uSwitch operates an online comparison service that helps consumers compare prices and arrange for the purchase of a range of essential home services including gas, electricity, home phone, broadband providers and personal finance products, primarily in the United Kingdom.

Our interactive media businesses earn revenue primarily from referral fees and commissions paid by participating online retailers and service providers.

Financial information for interactive media is as follows:

	Quarter Period			Year-to-date		
(in thousands)	2007	Change	2006	2007	Change	2006
Segment operating revenues	$54,589	(10.3)%	$60,864	$176,545	(4.3)%	$184,472
Segment profit (loss)	$ 8,190	(8.6)%	$ 8,957	$ 14,566	(63.0)%	$ 39,341
Supplemental Information:						
Depreciation and amortization	$14,136		$10,265	$ 47,093		$ 37,020
Capital expenditures	7,286		4,852	26,777		15,950
Business acquisitions and other additions to long-lived assets						372,157

On a pro-forma basis, assuming we had owned uSwitch for all of 2006, operating revenues for the year-to-date period of 2007 decreased 9.3% compared with the year-to-date period of 2006. Operating revenues in 2007 continued to be affected by changing market conditions within these businesses. Lower energy prices in the United Kingdom have resulted in softer switching activity at uSwitch, and competitive changes in comparison shopping has made it more costly to acquire and monetize traffic at Shopzilla.

At uSwitch, we are continuing our efforts to grow revenues from service categories other than energy. Excluding energy related switches, other switching revenues are up nearly 25% in the year-to-date period of 2007 compared with 2006.

At Shopzilla, we have countered the changing competitive landscape by expanding key word lists and making efforts to increase the share of free traffic from search engine marketing. In addition, we are continuing to make site changes to improve monetization from our traffic and we continually evaluate the profitability of traffic in an effort to optimize key word bidding.

Segment profit for the year-to-date period of 2007 has been impacted by first quarter 2007 costs of $10 million to build brand awareness for uSwitch. In addition, we have incurred costs in 2007 for a management transition at Shopzilla and have undertaken efforts to downsize uSwitch which we expect to complete by year-end. Total costs for the year related to the transition and downsizing are expected to be $8 million, of which $7.2 million has been incurred in the year-to-date period of 2007.

LIQUIDITY AND CAPITAL RESOURCES

Our primary source of liquidity is our cash flow from operating activities. Marketing services, including advertising and referral fees, provide approximately 80% of total operating revenues, so cash flow from operating activities is adversely affected during recessionary periods. Information about our use of cash flow from operating activities is presented in the following table:

(in thousands)	Nine months ended September 30, 2007	2006
Net cash provided by continuing operating activities	$ 433,711	$ 412,407
Net cash provided by (used in) discontinued operations	44,243	5,601
Proceeds from formation of Colorado partnership		20,029
Dividends paid, including to minority interests	(128,860)	(97,328)
Employee stock option proceeds	12,636	13,935
Excess tax benefits on stock awards	2,439	2,319
Other financing activities	(15,145)	(4,054)
Cash flow available for acquisitions, investments, debt repayment and share repurchase	$ 349,024	$ 352,909
Sources and uses of available cash flow:		
Business acquisitions and net investment activity	$ (59,035)	$ (384,985)
Capital expenditures	(84,924)	(50,037)
Other investing activity	1,350	4,143
Repurchase Class A Common shares	(57,500)	(50,222)
Increase (decrease) in long-term debt	(159,969)	138,838

Our cash flow has been used primarily to fund acquisitions and investments, develop new businesses, and repay debt. We expect cash flow from operating activities in 2007 will provide sufficient liquidity to continue the development of our emerging brands and to fund the capital expenditures necessary to support our businesses. Capital expenditures are expected to be approximately $110 million to $125 million for the full year of 2007.

In July 2007, we reached agreements to acquire the Web sites Recipezaar.com and Pickle.com for total cash consideration of approximately $30 million.

In 2007, we repurchased $37.1 million principal amount of our 4.30% note due in 2010 for $35.8 million and repurchased $14.6 million principal amount of our 5.75% note due in 2012 for $14.5 million. In the third quarter of 2006, we repurchased $10 million principal amount of our 3.75% note due in 2008 for $9.8 million.

On April 24, 2007, we closed the sale for the two Shop At Home-affiliated stations located in Lawrence, MA, and Bridgeport, CT, which provided cash consideration of approximately $61 million.

In 2006, we sold certain assets of our Shop At Home business to Jewelry Television for cash consideration of approximately $17 million. Cash expenditures associated with the termination of long-term agreements and employee termination benefits at Shop At Home totaled approximately $14.7 million through the third quarter of 2006.

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

Pursuant to the terms of the Food Network general partnership agreement, the partnership is required to distribute available cash to the general partners. We expect the cash distributions to the minority partner will approximate $70 million in 2007.

We expect to repurchase our Class A Common shares to offset the dilution resulting from our stock compensation programs each year. In 2007, we have repurchased 1.3 million shares at a total cost of $57.5 million. As of September 30, 2007, we are authorized to repurchase 1.6 million additional shares. The stock repurchase program can be discontinued at any time.

We have a revolving credit facility expiring in June 2011 that permits aggregate borrowings up to $750 million. Total commercial paper borrowings, which are supported by the facility, were $81.0 million at September 30, 2007.

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.

In the fourth quarter of 2006, we filed a shelf registration statement with the Securities and Exchange Commission under which an unspecified amount of public debt or equity securities may be issued, subject to approval by the Board of Directors. Proceeds from any takedowns off the shelf will be used for general corporate purposes, including capital expenditures, working capital, securities repurchase programs, repayment of long-term and short-term debt and the financing of acquisitions.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Our objectives in managing interest rate risk are to limit the impact of interest rate changes on our earnings and cash flows, and to reduce our overall borrowing costs. We manage interest rate risk primarily by maintaining a mix of fixed-rate and variable-rate debt.

Our primary exposure to foreign currencies is the exchange rates between the U.S. dollar and the Japanese yen, British pound and the Euro. Reported earnings and assets may be reduced in periods in which the U.S. dollar increases in value relative to those currencies. Included in shareholders' equity is $66.5 million of foreign currency translation adjustment gains resulting primarily from the devaluation of the U.S. dollar relative to the British pound since our acquisition of uSwitch in March 2006.

Our objective in managing exposure to foreign currency fluctuations is to reduce volatility of earnings and cash flow. Accordingly, we may enter into foreign currency derivative instruments that change in value as foreign exchange rates change, such as foreign currency forward contracts or foreign currency options. We held no foreign currency derivative financial instruments at September 30, 2007.

We also may use forward contracts to reduce the risk of changes in the price of newsprint on anticipated newsprint purchases. We held no newsprint derivative financial instruments at September 30, 2007.

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

(in thousands, except share data)	As of September 30, 2007		As of December 31, 2006	
	Cost Basis	Fair Value	Cost Basis	Fair Value
Financial instruments subject to interest rate risk:				
Variable-rate credit facilities, including commercial paper	$ 80,964	$ 80,964	$190,461	$190,461
6.625% notes due in 2007	100,000	100,030	99,989	100,791
3.75% notes due in 2008	39,802	39,730	39,356	39,245
4.25% notes due in 2009	86,070	85,398	86,008	83,485
4.30% notes due in 2010	112,831	111,601	149,832	144,571
5.75% notes due in 2012	184,892	190,093	199,310	200,556
Other notes	1,333	1,051	1,425	1,157
Total long-term debt including current portion	$605,892	$608,867	$766,381	$760,266
Financial instruments subject to market value risk:				
Time Warner (common shares—2007, 2,008,000; 2006, 2,011,000)	$ 29,538	$ 36,867	$ 29,585	$ 43,804
Other available-for-sale securities	62	2,378	175	2,130
Total investments in publicly-traded companies	29,600	39,245	29,760	45,934
Other equity securities	8,101	(a)	7,430	(a)

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

CONTROLS AND PROCEDURES

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

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

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

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

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THE E. W. SCRIPPS COMPANY

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RATIO OF EARNINGS TO FIXED CHARGES

(in thousands)	Three months ended September 30, 2007	Three months ended September 30, 2006	Nine months ended September 30, 2007	Nine months ended September 30, 2006
EARNINGS AS DEFINED:				
Earnings from operations before income taxes after eliminating undistributed earnings of 20%- to 50%-owned affiliates	$ 154,198	$ 145,331	$ 449,412	$ 493,692
Fixed charges excluding capitalized interest and preferred stock dividends of majority-owned subsidiary companies	11,618	17,573	38,010	49,513
Earnings as defined	$ 165,816	$ 162,904	$ 487,422	$ 543,205
FIXED CHARGES AS DEFINED:				
Interest expense, including amortization of debt issue costs	$ 9,072	$ 15,281	$ 30,002	$ 42,971
Interest capitalized	120	20	242	48
Portion of rental expense representative of the interest factor	2,546	2,292	8,008	6,542
Preferred stock dividends of majority-owned subsidiary companies	20	20	60	60
Fixed charges as defined	$ 11,758	$ 17,613	$ 38,312	$ 49,621
RATIO OF EARNINGS TO FIXED CHARGES	14.10	9.25	12.72	10.95

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: November 9, 2007

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: November 9, 2007

BY: /s/ Joseph G. NeCastro
Joseph G. NeCastro
Executive 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 September 30, 2007 (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

November 9, 2007

EXHIBIT 32(b)
Section 906 Certifications

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

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

(1) The Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2007 (the "Report"), which this certification accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

/s/ Joseph G. NeCastro

Joseph G. NeCastro
Executive Vice President and Chief Financial Officer

November 9, 2007