

SCRIPPS E W CO /DE
Form 10-K
March 05, 2010

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K**

- þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2009
OR
o 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)*
**312 Walnut Street
Cincinnati, Ohio**
(Address of principal executive offices)

31-1223339
*(IRS Employer
Identification Number)*
45202
(Zip Code)

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

Title of Each Class	Name of Each Exchange on Which Registered
Securities registered pursuant to Section 12(b) of the Act: Class A Common shares, \$.01 par value	New York Stock Exchange

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T

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(§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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

The aggregate market value of Class A Common shares of the registrant held by non-affiliates of the registrant, based on the \$2.09 per share closing price for such stock on June 30, 2009, was approximately \$66,872,000. All Class A Common shares beneficially held by executives and directors of the registrant and The Edward W. Scripps Trust have been deemed, solely for the purpose of the foregoing calculation, to be held by affiliates of the registrant. There is no active market for our common voting shares.

As of February 28, 2010, there were 42,891,969 of the registrant's Class A Common shares, \$.01 par value per share, outstanding and 11,932,735 of the registrant's Common Voting Shares, \$.01 par value per share, outstanding.

Certain information required for Part III of this report is incorporated herein by reference to the proxy statement for the 2010 annual meeting of shareholders.

**Index to The E. W. Scripps Company Annual Report
on Form 10-K for the Year Ended December 31, 2009**

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

Additional Information

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

Forward-Looking Statements

Our Annual Report on Form 10-K contains certain forward-looking statements related to our businesses. We base our forward-looking statements 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. You should evaluate our forward-looking statements, which are as of the date of this filing, with the understanding of their inherent uncertainty. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of the statement.

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PART I

Item 1. *Business*

We are a diverse, 131-year-old media enterprise with interests in television stations, newspapers, local news and information Web sites, and licensing and syndication. Our portfolio of locally focused media properties includes: 10 TV stations (six ABC affiliates, three NBC affiliates and one independent); daily and community newspapers in 13 markets and the Washington, D.C.-based Scripps Media Center, home of the Scripps Howard News Service; and United Media, the licensor and syndicator of Peanuts, Dilbert and approximately 150 other features and comics. For a full listing of our media companies and their associated Web sites, visit <http://www.scripps.com>.

In February 2010, we announced that we are exploring strategic options for United Media Licensing, the character licensing operation of United Media. Among the possible outcomes of the exploratory process are a sale or joint venture involving all or part of United Media Licensing. Another option is to keep operating the business if the exploratory process leads management to determine that more long-term value can be created for company shareholders by retaining the property.

After an unsuccessful search for a buyer, we closed the Rocky Mountain News after it published its final edition on February 27, 2009. Our Rocky Mountain News and MediaNews Group, Inc. s (MNG) Denver Post were partners in The Denver Newspaper Agency (the Denver JOA), a limited liability partnership, which operated the sales, production and business operations of the Rocky Mountain News prior to its closure. Each newspaper owned 50% of the Denver JOA and received a 50% share of the profits. Each newspaper provided the Denver JOA with the independent editorial content published in its newspaper. Under the terms of an agreement with MNG, we transferred our interests in the Denver JOA to MNG in the third quarter of 2009. We recorded no gain or loss on the transfer of our interest in the Denver JOA to MNG.

On July 1, 2008, we completed the spin-off of Scripps Networks Interactive, Inc. (SNI) through the distribution of a tax-free dividend to our shareholders. The shareholders of record received one SNI Class A Common Share for every Scripps Class A Common Share held as of the Record Date and one SNI Common Voting Share for every Scripps Common Voting Share held as of the Record Date. For more information regarding the spin-off of SNI, refer to Management s Discussion & Analysis (MD&A) in Item 7 and Note 4 of the Notes to Consolidated Financial Statements of this Form 10-K report (Report). In connection with the closure of the Rocky Mountain News, we also transferred our 50% interest in Prairie Mountain Publishing (PMP) to MNG in the third quarter of 2009.

The Albuquerque Tribune ceased publication on February 23, 2008 and we ceased publication of our Cincinnati newspapers on December 31, 2007.

Financial information for each of our business segments can be found under Management s Discussion and Analysis of Financial Condition and Results of Operations and Note 17 of the Notes to the Consolidated Financial Statements of this Form 10-K.

Newspapers

We operate daily and community newspapers in 13 markets in the United States. All of our newspapers subscribe to the wire service. Our newspapers contributed approximately 57% of our company s total operating revenues both in 2009 and in 2008.

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The markets and circulation in which we publish daily newspapers is as follows:

Newspaper	2009	2008	2007	2006	2005
	(In thousands)(1)				
Abilene (TX) Reporter-News	27	28	30	31	30
Anderson (SC) Independent-Mail	26	29	34	35	36
Corpus Christi (TX) Caller-Times	47	52	52	52	50
Evansville (IN) Courier & Press	57	64	66	66	66
Henderson (KY) Gleaner	10	10	10	10	10
Kitsap (WA) Sun	23	28	29	30	30
Knoxville (TN) News Sentinel	101	113	117	116	118
Memphis (TN) Commercial Appeal	136	144	152	156	165
Naples (FL) Daily News	53	54	56	58	58
Redding (CA) Record-Searchlight	25	31	32	34	35
San Angelo (TX) Standard-Times	21	24	25	25	25
Treasure Coast (FL) News/Press/Tribune	87	99	102	102	100
Ventura County (CA) Star	67	83	85	86	89
Wichita Falls (TX) Times Record News	25	27	29	30	30
Total Daily Circulation	705	786	819	831	842

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

Newspaper	2009	2008	2007	2006	2005
	(In thousands)(1)				
Abilene (TX) Reporter-News	35	37	39	39	40
Anderson (SC) Independent-Mail	30	32	38	40	41
Corpus Christi (TX) Caller-Times	65	72	71	71	71
Evansville (IN) Courier & Press	77	83	87	88	89
Henderson (KY) Gleaner	11	11	12	12	11
Kitsap (WA) Sun	26	31	32	33	33
Knoxville (TN) News Sentinel	126	138	145	147	150
Memphis (TN) Commercial Appeal	172	177	193	204	216
Naples (FL) Daily News	61	62	63	67	70
Redding (CA) Record-Searchlight	28	33	35	37	39
San Angelo (TX) Standard-Times	24	28	29	30	30
Treasure Coast (FL) News/Press/Tribune(2)	105	112	112	113	112
Ventura County (CA) Star	82	94	95	99	100
Wichita Falls (TX) Times Record News	28	30	33	34	34
Total Sunday Circulation	870	940	984	1,014	1,036

- (1) Based on Audit Bureau of Circulation Publisher's Statements (Statements) for the six-month periods ended September 30, except figures for the Naples Daily News and the Treasure Coast News/Press/Tribune, which are from the Statements for the twelve-month periods ended September 30.
- (2) Represents the combined Sunday circulation of the Stuart News, the Vero Beach Press Journal and the Ft. Pierce Tribune.

Our newspaper publishing strategy seeks to create local media franchises that distribute news and information across a variety of platforms, anchored by the market's principal daily newspaper. We believe each of our newspapers has an excellent reputation for journalistic quality and content and that our newspapers are the leading source of local news and information in their markets. We believe the keys to maintaining that position are to serve as a community watchdog and to understand and engage our audiences.

We continue to drive innovation across the newspaper division, creating new digital and print offerings that complement our daily and community newspapers or enable us to reach new markets and advertisers.

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

Our newspapers also operate Internet sites, offering users information, comprehensive news, user-generated content, advertising, e-commerce and other services. We continue to apply new digital tools with many of our journalists commonly using social media such as Facebook, YouTube or Twitter. We expect to continue to expand the platforms on which our news and information is distributed, including mobile and e-reader devices.

Together with the mass reach of the daily newspaper, our digital platforms and niche publications enable us to maintain our position as a leading media outlet in each of our newspaper markets. Our focus is to achieve maximum reach and coverage in our markets and to serve our advertisers.

In 2009, we began a restructuring of the management of our newspaper division which is known as Scripps 3.0. Where we had previously managed each of our newspapers as independent businesses within their markets, we are now managing our newspaper business vertically by function. One of the primary benefits of this reorganization is to implement successful products and strategies currently developed in some markets across all markets with greater speed and efficiency.

The new management structure also enables us to standardize and centralize functions that do not require a physical presence in the markets. We expect these efforts to produce cost efficiencies and to focus local management in each market on news coverage and revenue-producing activities.

We announced the first elements of Scripps 3.0 in August 2009 with the naming of executives to new roles in the division. The division-wide implementation started in early 2010 as the newspapers plan to merge their advertising and circulation software platforms onto a single system.

Advertising provided approximately 71% of newspaper segment operating revenues in 2009. Newspaper advertising includes Run-of-Press (ROP) advertising, preprinted inserts, advertising on our Internet sites, advertising in niche publications, and direct mail. ROP advertisements, located throughout the newspaper, include local, classified and national advertising. Local ROP refers to any advertising purchased by in-market advertisers that is not included in the paper's classified section. Classified ROP includes all auto, real estate and help-wanted advertising and other ads listed together in sequence by the nature of the ads. National ROP refers to any advertising purchased by businesses outside our local market. National advertisers typically procure advertising from numerous newspapers using advertising agency services. Preprinted inserts are stand-alone, multi-page fliers inserted into and distributed with the daily newspaper.

We also sell advertising across all of our digital platforms. We have pursued strategic partnerships to garner larger shares of local ad dollars that are spent online. Scripps was an initial member of a consortium of newspapers that joined Yahoo! in a revenue-sharing partnership that increases newspapers' access to Web-focused marketing dollars. A similar relationship with zillow.com brings new online real estate ads to the Company's newspapers. In addition to these and other potential partnerships, we continue expanding and enhancing our online services, through such features as streaming video and audio, to deliver our news and information content.

Our range of products and audience reach gives us the ability to deliver the specific audiences desired by our advertisers. While many advertisers want the broad reach delivered by our daily newspaper, others want to target their

message by demographics, geography, buying habits or customer behavior. We develop advertising campaigns that combine products within our portfolio that best reach the advertiser's targeted audience with the appropriate frequency.

We sell advertising based upon audience size, demographics, price and effectiveness. Advertising rates and revenues vary among our newspapers depending on circulation, type of advertising, local market conditions and competition. Each of our newspapers operates in highly competitive local media marketplaces,

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where advertisers and media consumers can choose from a wide range of alternatives, including other newspapers, radio, broadcast and cable television, magazines, Internet sites, outdoor advertising, directories and direct-mail products.

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

Circulation provided approximately 25% of newspaper segment operating revenues in 2009. Circulation revenues are from selling home-delivery subscriptions of our newspapers and single-copy sales sold at retail outlets and vending machines.

Our newspapers seek to provide quality, relevant local news and information to their readers. We compete with other news and information sources, such as television stations, radio stations and other print and Internet publications as a provider of local news and information.

Employee costs accounted for approximately 52% of segment costs and expenses in 2009. Our workforce is comprised of a combination of non-union and union employees. See Employees.

We consumed approximately 63,000 metric tons of newsprint in 2009. Newsprint is a basic commodity and its price is sensitive to changes in the balance of worldwide supply and demand. Mill closures and industry consolidation have decreased overall newsprint production capacity and increased the likelihood of future price increases. We purchase newsprint from various suppliers, many of which are Canadian. Based on our expected newsprint consumption, we believe that our supply sources are sufficient.

Television

Our television station group includes six ABC-affiliated stations, three NBC-affiliated stations and one independent station. Our television stations reach approximately 10% of the nation's television households.

Our television stations provided approximately 32% of our total operating revenues in 2009, and 33% in 2008.

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

Station	Market	Network Affiliation	FCC	Percentage of U.S.					
				Average Audience Share (5)	Rank of Stations in Mkt(1)	Rank of Stations in Mkt(2)	Rank of Stations in Mkt(3)	Rank of Stations in Mkt(4)	Rank of Stations in Mkt(5)
WXYZ-TV	Detroit, Ch. 7	ABC	2010	2005(6)	11	7	1	1.6%	12
	Digital Service Status	41	1998						

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KNXV-TV	Phoenix, Ch. 15 Digital Service Status	ABC	2010	2006(6)	12	6	4	1.6%	6
WFTS-TV	Tampa, Ch. 28 Digital Service Status	ABC	2010	2013	14	6	4	1.6%	6
WEWS-TV	Cleveland, Ch. 5 Digital Service Status	ABC	2010	2005(6)	18	6	1	1.3%	11
WMAR-TV	Baltimore, Ch. 2 Digital Service Status	ABC	2010	2012	27	6	3	1.0%	5
KSHB-TV	Kansas City, Ch. 41 Digital Service Status	NBC	2010	2006(6)	32	7	4	0.8%	6
KMCI-TV	Lawrence, Ch. 38 Digital Service Status	Ind.	N/A	2014	32	7	7	0.8%	2
WCPO-TV	Cincinnati, Ch. 9 Digital Service Status	ABC	2010	2005(6)	33	6	2	0.8%	13
WPTV-TV	W. Palm Beach, Ch. 5 Digital Service Status	NBC	2010	2005(6)	38	6	1	0.7%	12
KJRH-TV	Tulsa, Ch. 2 Digital Service Status	NBC	2010	2006(6)	61	6	3	0.5%	8

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

- (1) Rank of Market represents the relative size of the television market in the United States.
- (2) Stations in Market does not include public broadcasting stations, satellite stations, lower-power stations, or translators which rebroadcast signals from distant stations.
- (3) Station Rank in Market is based on Average Audience Share as described in (5).
- (4) Represents the number of U.S. television households in Designated Market Area as a percentage of total U.S. television households.
- (5) Represents the number of television households tuned to a specific station from 6 a.m. to 2 a.m. each day, as a percentage of total viewing households in the Designated Market Area.
- (6) Renewal application pending. Under FCC rules, a license automatically is extended pending FCC processing and granting of the renewal application.

Historically, we have been successful in renewing our expiring FCC licenses.

Our television strategy is to optimize the ratings, revenue and profit potential of each of our stations. Strong local news content and compelling network and syndicated programs are the primary drivers of the ratings, revenue and profitability of our stations.

To extend our brand and position, we operate Internet sites in each of our television markets. Our Internet sites provide news, weather, and entertainment content. We believe the opportunities afforded by digital media, such as digital multi-casting, streaming video, video-on-demand of local news and information programs are important to our future success. We also believe that there is demand for real-time news, and information, delivered to mobile devices such as cell phones, laptops and in-vehicle entertainment systems. We devote substantial energy and resources to integrating such media into our business.

We have centralized functions that do not require a presence in the local markets at company-owned hubs, enabling each of our stations to increase resources devoted to creation of content and revenue-producing activities. The addition of multi-media journalists and the creation of local news-sharing partnerships allow our stations to implement a hyper-local strategy by putting more journalists on the street to cover local news in our markets. On the revenue side, we have been able to increase our focus on the development of new advertisers targeted for specific platforms and local niche products.

Nine of our television stations are affiliated with national television networks.

National television networks offer programming to stations in local markets through an exclusive affiliation agreement and sell most of the advertising within the programs. Those stations have a limited right of first refusal upon contract expiration, before that market's affiliation may be offered to another television station in the same market. The network affiliation agreements for our nine affiliated stations expire in 2010. We are currently negotiating the renewal of our affiliation agreement with ABC and will begin negotiating the renewal of our affiliation agreement with NBC later in 2010. These networks are seeking arrangements to have affiliates share in funding network programming costs and to eliminate network compensation historically paid to such affiliates. We cannot at this time predict the outcome of our negotiations with ABC or NBC or the impact that terms of renewed affiliation agreements

will have on our operations.

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

The sale of local, national and political commercial spots accounted for 90% of television segment operating revenues in 2009. In addition to advertising time, we also offer additional marketing opportunities, including sponsorships, community events, and advertising on our digital and Internet platforms.

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

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

The price of syndicated programming is directly correlated to the programming demands of other television stations within our markets. Syndicated programming costs were 22% of total segment costs and expenses in 2009.

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

Employee costs accounted for 53% of segment costs and expenses in 2009.

Federal Regulation of Broadcasting Broadcast television is subject to the jurisdiction of the FCC pursuant to the Communications Act of 1934, as amended (Communications Act). The Communications Act prohibits the operation of broadcast television stations except in accordance with a license issued by the FCC and empowers the FCC to revoke, modify and renew broadcast television licenses, approve the transfer of control of any entity holding such licenses, determine the location of stations, regulate the equipment used by stations and adopt and enforce necessary regulations. The FCC also exercises limited authority over broadcast programming by, among other things, requiring certain children's programming and limiting commercial content therein, regulating the sale of political advertising, and restricting indecent programming.

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

FCC regulations govern the multiple ownership of television stations and other media. Under the FCC's current rules (as modified by Congress with respect to national audience reach), a license for a television station will generally not be granted or renewed if the grant of the license would result in (i) the applicant owning more than one television station, or in some markets under certain conditions, more than two television stations in the same market, or (ii) the grant of the license would result in the applicant's owning, operating, controlling, or having an interest in television stations whose total national audience reach exceeds 39% of all television households. The FCC also has generally prohibited cross ownership of a television station and a daily newspaper in the same community, but the FCC in 2007 completed a Congressionally mandated periodic review of its ownership rules and determined to relax this cross ownership ban in the largest television markets. This decision is under appeal. The FCC is currently initiating another review of the ownership rules, and it has asked the appellate court to maintain a stay of the effectiveness of the 2007 rule changes during this review.

The Company successfully completed the transition to all-digital broadcasting on June 12, 2009, in accordance with the revised deadline adopted by Congress. A significant number of technical, regulatory and market-related issues remain unresolved regarding digital television service. These issues include whether the FCC will propose further reductions in the amount of spectrum allocated to over-the-air broadcasting and, if so, how such reductions might be

implemented; whether Congress or the FCC will further address cable and satellite carriage of broadcast programming, including possibly restricting broadcasters' discretion in negotiating fees for permitting such carriage; protecting broadcasters' digital signal coverage, including protecting

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broadcast signals from harmful interference from newly authorized, and possibly unlicensed, users of former broadcast spectrum; protecting digital broadcast signals from illegal copying and distribution; and uncertainty over the level of consumer demand for new digital services, such as multi-channel programming and mobile television. We cannot predict the effect of these uncertainties on our offering of digital television service or our business.

Broadcast television stations generally enjoy must-carry rights on any cable television system defined as local with respect to the station. Stations may waive their must-carry rights and instead negotiate retransmission consent agreements with local cable companies. Similarly, satellite carriers, upon request, are required to carry the signal of those television stations that request carriage and that are located in markets in which the satellite carrier chooses to retransmit at least one local station, and satellite carriers cannot carry a broadcast station without its consent. The Company has elected to negotiate retransmission consent agreements with the major cable operators and satellite carriers for our network-affiliated stations.

During recent years, the FCC has substantially increased its scrutiny of broadcasters programming practices. In particular, it has heightened enforcement of the restrictions on indecent programming. Congress decision to greatly increase the financial penalty for airing such programming has at the same time increased the threat to broadcasters from such enforcement. Litigation continues over the scope of the FCC s authority to regulate indecency, and substantial uncertainty remains concerning FCC indecency enforcement. In addition, the FCC in 2008 adopted new regulations requiring broadcasters to maintain more detailed records of their public service programming and to make such information more accessible to the public via their web sites. Implementation of these new FCC regulations continues to be delayed while the FCC considers imposing more specific obligations with respect to broadcasters programming service to their local communities. In 2009, the FCC initiated a new proceeding to explore how the evolution of digital media is affecting children, including whether commercial television broadcasters are adequately addressing children s educational needs and whether steps should be taken to better protect children from exposure to potentially harmful media content, including harmful advertising messages. In 2010, the FCC initiated a broad examination of modern media that includes questioning whether broadcasters public interest programming obligations should be revised. We cannot predict the outcome of these proceedings or their possible impact on the Company.

Licensing and Other Media

Licensing and other media primarily include syndication and licensing of news features and comics. Under the trade name United Media, we distribute news columns, comics and other features for the newspaper industry. Newspapers typically pay a weekly fee for their use of the features. Included among these features is Peanuts, one of the most successful strips in the history of comic art.

United Media owns and licenses worldwide copyrights relating to Peanuts, and other properties for use on numerous products, including apparel and greeting cards, for promotional purposes and for exhibit on television and other media. Charles Schulz, the creator of Peanuts, died in 2000. We continue syndication of previously published Peanuts strips and retain the rights to license the characters. Peanuts provides approximately 95% of our licensing revenues. Licensing of comic characters in Japan provides approximately 48% of our international licensing revenues, which are approximately \$48 million annually.

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

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

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Employees

As of December 31, 2009, we had approximately 5,000 full-time equivalent employees, of whom approximately 3,300 were with newspapers, 1,400 with television, and 100 with licensing and other media. Various labor unions represent approximately 800 employees, primarily in newspapers. We have not experienced any work stoppages at our current operations since 1985. We consider our relationships with our employees to be generally satisfactory.

Item 1A. Risk Factors

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

We derive the majority of our revenues from marketing and advertising spending by businesses, which is affected by numerous factors. Declines in advertising revenues will adversely affect the profitability of our business.

Approximately 71% and 76% of our revenues in 2009 and 2008, respectively, were derived from marketing and advertising spending by businesses operating in the United States.

The demand for advertising in our newspapers or on our television stations is sensitive to a number of factors, both nationally and locally, including the following:

The advertising and marketing spending by our customers can be subject to seasonal and cyclical variations.

Television advertising revenues in even-numbered years benefit from political advertising.

General economic conditions in the United States and the local economies in which we operate our local media franchises. Three of the states that have been hardest hit by the current recession are Michigan (the location of our largest television station), Ohio (location of two of our television stations) and Florida (from which we derive significant newspaper and television revenues and operating profits).

The size and demographics of the audience reached by advertisers. Continued declines in our newspaper circulation could have an effect on the rate and volume of advertising, which are dependent on the size and demographics of the audience we provide to our advertisers. Television audiences have also fragmented in recent years as the broad distribution of cable and satellite television has greatly increased the options available to the viewing public. In addition, technological advancements in the video, telecommunications and data services industry are occurring rapidly. Advances in technologies such as digital video recorders, video-on-demand and streaming video on broadband Internet connections enable viewers to time-shift programming or to skip commercial messages.

Increasingly intense competition with digital media platforms. The popularity of the Internet and low barriers to entry have led to a wide variety of alternatives available to advertisers and consumers.

Internet sites dedicated to help-wanted, real estate and automotive have become significant competitors for classified advertising. Entities with a large Internet presence are entering the classified market, heightening the risk of continued erosion.

Our television stations have significant exposure to automotive advertising. In 2009, 15% and in 2008, 18% of our total advertising in our television segment was from the automotive category.

If we are unable to respond to any or all these factors our advertising revenues could decline which would affect our profitability.

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We are undergoing a strategic transformation in our newspaper business that if unsuccessful could have a material adverse financial impact.

We are undergoing a significant transformation in our Newspaper business. This transformation includes, among other things, the standardization and centralization of systems and process, the outsourcing of certain financial processes and the implementation of new software for our circulation, advertising and editorial systems. As a result, we are in a transformational period in which we have made and will continue to make changes that if unsuccessful could have a material adverse financial impact.

The model for profitably operating a newspaper may change more rapidly than our ability to adjust.

The profile of our newspaper audience has shifted dramatically in recent years. While slow and steady declines in print readership have been offset by a consistently growing online viewership, online advertising rates traditionally have been much lower than print rates on a cost-per-thousand basis. This audience shift results in lower profit margins. Online advertising that is not tied to print classified ads is growing rapidly but is currently a very small percentage of our newspapers total revenue. If print advertising continues the downward trend of recent years and the audiences on digital platforms cannot be quickly monetized at higher levels, we may not be able to profitably support the level of journalism expected by readers.

A significant portion of our operating cost for the newspaper segment is newsprint, so an increase in price may adversely affect our operating results.

Newsprint is a significant component of the operating cost of our newspaper operations, comprising 10% of costs in 2009. The price of newsprint has historically been volatile, and increases in the price of newsprint could materially reduce our operating results.

Increased programming costs could adversely affect our operating results.

Television programming is one of the most significant costs for our television segment, comprising 22% of costs in 2009. We may have to incur increased programming costs in the future, which would affect our operating results. In addition, television networks have been seeking arrangements with their affiliates to share in funding the networks programming costs and to eliminate network compensation historically paid to broadcast affiliates. We cannot predict the nature or scope of any future compensation arrangements or their impact on our operations.

The loss of affiliation agreements could adversely affect our television stations operating results.

We own and operate ten television stations. Six of our stations have affiliations with the ABC television network and three have affiliations with the NBC television network. These television networks produce and distribute programming in exchange for each of our stations commitment to air the programming at specified times and for commercial announcement time during the programming.

The non-renewal or termination of any of our network affiliation agreements, all of which expire in 2010, would prevent us from being able to carry programming of the relevant network. This loss of programming would require us to obtain replacement programming, which may involve higher costs and which may not be as attractive to our target audiences, resulting in lower revenues.

Our television stations may be at a competitive disadvantage if we fail to secure or maintain carriage of our stations signals over cable and/or direct broadcast satellite systems.

Pursuant to the FCC rules, local television stations must elect every three years to either (1) require cable and/or direct broadcast satellite operators to carry the stations over the air signals or (2) enter into retransmission consent negotiations for carriage. At present all of our stations except KMCI (which elects mandatory carriage), have retransmission consent agreements with the majority of cable operators and with both satellite providers. If our retransmission consent agreements are terminated or not renewed, or if our

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broadcast signals are distributed on less-favorable terms than our competitors, our ability to compete effectively may be adversely affected.

If we cannot renew our FCC broadcast licenses, our broadcast operations will be impaired.

Our television business depends upon maintaining our broadcast licenses from the FCC, which has the authority to revoke licenses, not renew them, or renew them only with significant qualifications, including renewals for less than a full term. Although we expect to renew all our FCC licenses, we cannot assure that our pending or future renewal applications will be approved, or that the renewals will not include conditions or qualifications that could adversely affect our operations. If the FCC fails to renew any of our licenses, it could prevent us from operating the affected stations. If the FCC renews a license with substantial conditions or modifications (including renewing the license for a term of fewer than eight years), it could have a material adverse effect on the affected station's revenue-generation potential.

Revised government regulations could adversely affect our operating results.

The FCC and other government agencies are considering various proposals intended to promote consumer interests, including proposals to encourage locally-focused television programming, to restrict certain types of advertising to children, and to repurpose some of the broadcast spectrum. New government regulations affecting the television industry could raise programming costs, restrict broadcasters' operating flexibility, reduce advertising revenues, raise the costs of delivering broadcast signals, or otherwise affect our operating results. We cannot predict the nature or scope of future government regulation or its impact on our operations.

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

Changes in U.S. and global financial markets, including market disruptions and significant interest rate fluctuations, may make it more difficult for us to obtain financing for our operations or increase the cost of obtaining financing.

Sustained increases in costs of employee health and welfare benefits may reduce our profitability and our pension plan obligations are currently unfunded, and we may have to make significant cash contributions to our plans, which could reduce the cash available for our business.

Employee compensation and benefits account for approximately 49% of our total operating expenses. In recent years, we have experienced significant increases in these costs because of economic factors beyond our control, including increases in health care costs. At least some of these factors may continue to put upward pressure on the cost of providing medical benefits. Although we have actively sought to control increases in these costs, there can be no assurance that we will succeed in limiting cost increases, and continued upward pressure could reduce the profitability of our businesses.

Our pension plans are underfunded (accumulated benefit obligation) by \$115 million at December 31, 2009. Our pension plans invest in a variety of equity and debt securities, many of which were affected by the disruption in the credit and capital markets in 2008. Future volatility and disruption in the stock markets could cause further declines in the asset values of our pension plans. In addition, a decrease in the discount rate used to determine minimum funding requirements could result in increased future contributions. If either occurs, we may need to make additional pension contributions above what is currently estimated, which could reduce the cash available for our businesses.

The Edward W. Scripps Trust principally holds our Common Voting shares; such ownership could inhibit potential changes of control.

We have two classes of stock: Common Voting shares and Class A Common shares. Holders of Class A Common shares are entitled to elect one-third of the Board of Directors, but are not permitted to vote on any other matters except as required by Ohio law. Holders of Common Voting shares are entitled to elect the remainder of the Board and to vote on all other matters. Our Common Voting shares are principally held by The Edward W. Scripps Trust, which holds 90% of the Common Voting shares. As a result, the trust has the

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ability to elect two-thirds of the Board of Directors and to direct the outcome of any matter that does not require a vote of the Class A Common shares. Because this concentrated control could discourage others from initiating any potential merger, takeover or other change of control transaction that may otherwise be beneficial to our businesses, the market price of our Class A Common shares could be adversely affected.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

We own substantially all of the facilities and equipment used in our newspaper operations.

We own substantially all of the facilities and equipment used by our television stations. We own, or co-own with other broadcast television stations, the towers used to transmit our television signals.

Item 3. *Legal Proceedings*

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

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

No matters were submitted to a vote of security holders during the fourth quarter of 2009.

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

Name	Age	Position
Richard A. Boehne	53	President, Chief Executive Officer and Director (since July 2008); Executive Vice President (1999-2008) and Chief Operating Officer (2006-2008)
Timothy E. Stautberg	47	Senior Vice President and Chief Financial Officer (since July 2008); Vice President /Corporate Communications and Investor Relations (1999 to 2008)
William Appleton	61	Senior Vice President and General Counsel (since July 2008); Managing Partner Cincinnati office, Baker & Hostetler, LLP (2003 to 2008)
Mark G. Contreras	48	Senior Vice President /Newspapers (since March 2006); Vice President/Newspaper Operations (2005 to 2006); Senior Vice President, Pulitzer, Inc. (1999 to 2004)
Lisa A. Knutson	44	Senior Vice President/Human Resources (since July 2008); Vice President of Human Resource Operations (2005 to 2008)
Brian G. Lawlor	43	

Senior Vice President/Television (since January 2009); Vice President/General Manager of WPTV (2004-2008)

Douglas F. Lyons

53

Vice President/Controller (since July 2008); Vice President Finance/Administration (2006-2008), Director Financial Reporting (1997-2006)

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Table of Contents**PART II****Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Our Class A Common shares are traded on the New York Stock Exchange (NYSE) under the symbol SSP. As of December 31, 2009, there were approximately 8,000 owners of our Class A Common shares, based on security position listings, and 19 owners of our Common Voting shares (which do not have a public market). Due to current economic conditions and their effect on our operating results, in the fourth quarter of 2008 we suspended our cash dividends.

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

	1st	2nd	Quarter 3rd	4th	Total
2009					
Market price of common stock:					
High	\$ 2.34	\$ 2.50	\$ 8.83	\$ 8.43	
Low	0.72	1.60	1.88	6.04	
Cash dividends per share of common stock	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
2008					
Market price of common stock:					
High	\$ 130.92	\$ 146.04	\$ 10.17	\$ 7.23	
Low	116.73	123.60	6.56	1.65	
Cash dividends per share of common stock	\$ 0.42	\$ 0.42	\$ 0.15	\$ 0.00	\$ 0.99

On July 1, 2008, we completed the spin-off of SNI to an independent, publicly traded company to our shareholders. Market prices presented in the tables above are unadjusted and include the value of SNI until the date of the spin-off. On July 15, 2008, we completed a 1-for-3 reverse stock split of our common stock. The market prices in the table above are adjusted to reflect the split.

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

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Performance Graph – Set forth below is a line graph comparing the cumulative return on the Company’s Class A Common shares, assuming an initial investment of \$100 as of January 1, 2005, and based on the market prices at the end of each year and assuming dividend reinvestment, with the cumulative return of the Standard & Poor’s Composite-500 Stock Index and an Index based on a peer group of media companies. The spin-off of SNI at July 1, 2008 is treated as a reinvestment of a special dividend pursuant to SEC rules.

**COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN
AMONG THE E.W. SCRIPPS COMPANY, S&P 500 INDEX AND PEER GROUP INDEX**

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The following graph compares the return on the Company's Class A Common shares with that of the indices noted above for the period of July 1, 2008 (date of spin-off) through December 31, 2009. The graph assumes an investment of \$100 in our Class A Common shares, the S&P 500 Index, and our peer group index on July 1, 2008 and that all dividends were reinvested.

**COMPARISON OF CUMULATIVE TOTAL RETURN
AMONG THE E.W. SCRIPPS COMPANY, S&P 500 INDEX AND PEER GROUP INDEX**

We continually evaluate and revise our peer group index as necessary so that it is reflective of our Company's portfolio of businesses. The companies that comprise our current peer group are Belo Corporation, Gannett Company, Gray Television, Inc., Journal Communications, Inc., Lee Enterprises, Inc., LIN TV Corporation, McClatchy Company, Media General, Meredith Corporation, New York Times Company, Sinclair Broadcast GP, and Washington Post. The peer group index is weighted based on market capitalization.

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Item 6. *Selected Financial Data*

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

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

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

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

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

Item 8. *Financial Statements and Supplementary Data*

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

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

None.

Item 9A. *Controls and Procedures*

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

Item 9B. *Other Information*

None.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

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

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

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

Information regarding our audit committee financial expert is incorporated by reference to the material captioned Corporate Governance in the Proxy Statement.

The Proxy Statement will be filed with the Securities and Exchange Commission in connection with our 2010 Annual Meeting of Stockholders.

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Item 11. *Executive Compensation*

The information required by Item 11 of Form 10-K is incorporated by reference to the material captioned Compensation Discussion and Analysis and Compensation Tables in the Proxy Statement.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information required by Item 12 of Form 10-K is incorporated by reference to the material captioned Report on the Security Ownership of Certain Beneficial Owners, Report on the Security Ownership of Management and Equity Compensation Plan Information in the Proxy Statement.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required by Item 13 of Form 10-K is incorporated by reference to the materials captioned Corporate Governance and Report on Related Party Transactions in the Proxy Statement.

Item 14. *Principal Accounting Fees and Services*

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

PART IV

Item 15. *Exhibits and Financial Statement Schedules*

Financial Statements and Supplemental Schedule

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

The reports of Deloitte & Touche LLP, an Independent Registered Public Accounting Firm, dated March 5, 2010, are filed as part of this Form 10-K. See Index to Consolidated Financial Statement Information at page F-1.

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

Exhibits

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

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Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities 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

By: /s/ Richard A. Boehne

Richard A. Boehne
President and Chief Executive Officer

Dated: March 5, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities indicated, on March 5, 2010.

Signature	Title
/s/ Richard A. Boehne Richard A. Boehne	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Timothy E. Stautberg Timothy E. Stautberg	Senior Vice President and Chief Financial Officer
/s/ Douglas F. Lyons Douglas F. Lyons	Vice President and Controller (Principal Accounting Officer)
/s/ Nackey E. Scagliotti Nackey E. Scagliotti	Chairwoman of the Board of Directors
/s/ John H. Burlingame John H. Burlingame	Director
/s/ John W. Hayden John W. Hayden	Director
/s/ Roger L. Ogden Roger L. Ogden	Director

/s/ Mary McCabe Peirce Director

Mary McCabe Peirce

/s/ J. Marvin Quin Director

J. Marvin Quin

/s/ Paul Scripps Director

Paul Scripps

/s/ Kim Williams Director

Kim Williams

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The E. W. Scripps Company

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Table of Contents**Selected Financial Data****Five-Year Financial Highlights**

	2009(1)	2008(1)	2007(1)	2006(1)	2005(1)
	(In millions, except per share data)				
Summary of Operations (7)					
Operating revenues:					
Newspapers	\$ 455	\$ 569	\$ 658	\$ 716	\$ 701
Boulder prior to formation of Colorado newspaper partnership(2)				2	28
Television	255	327	326	364	318
Licensing and other	92	103	94	97	105
Corporate and shared services		3	1	1	
Total operating revenues	\$ 802	\$ 1,002	\$ 1,079	\$ 1,180	\$ 1,152
Segment profit (loss):					
Newspapers	49	71	136	189	204
JOA and newspaper partnerships		(1)	3	4	8
Boulder prior to formation of Colorado newspaper partnership(2)					4
Television	20	81	84	121	88
Licensing and other	11	10	9	12	19
Corporate and shared services	(27)	(42)	(59)	(58)	(42)
Depreciation	(43)	(44)	(42)	(41)	(43)
Amortization of intangible assets	(2)	(3)	(3)	(3)	(2)
Impairment of goodwill, indefinite and long-lived assets(3)	(216)	(810)			
Write-down of investment in newspaper partnership(4)		(21)			
Gain on formation of Colorado newspaper partnership(2)				4	
Equity earnings in newspaper partnership	2	4			
Gains (losses), net on disposals of property, plant and equipment		6		(1)	(1)
Interest expense	(3)	(11)	(36)	(55)	(35)
Separation and restructuring costs	(10)	(34)			
Losses on repurchases of debt		(26)			
Miscellaneous, net(5)		8	16	9	5
Income taxes	27	261	(36)	(77)	(84)
Income (loss) from continuing operations	\$ (192)	\$ (551)	\$ 72	\$ 104	\$ 121

Per Share Data

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Income (loss) from continuing operations	\$ (3.56)	\$ (10.19)	\$ 1.31	\$ 1.87	\$ 2.12
Cash dividends	.00	.99	1.62	1.41	1.29

Market Value of Common Shares at December

31(7)

Per share	\$ 6.96	\$ 2.21	\$ 135.03	\$ 149.82	\$ 144.06
Total	381	119	7,336	8,167	7,859

Balance Sheet Data(6)

Total assets	\$ 786	\$ 1,089	\$ 4,005	\$ 4,344	\$ 4,033
Long-term debt (including current portion)	36	61	505	766	826
Equity	433	595	2,592	2,704	2,378

Certain amounts may not foot since each is rounded independently.

As a result of the one-for-three reverse stock split in the third quarter 2008, all share and per share amounts have been retroactively adjusted to reflect the stock split for all periods presented.

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Notes to Selected Financial Data

Notes to Selected Financial Data

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

The statement of operations and cash flow data for the five years ended December 31, 2009, and the balance sheet data as of the same dates have been derived from our audited consolidated financial statements. All per-share amounts are presented on a diluted basis. The five-year financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto included elsewhere herein.

Operating revenues and segment profit (loss) represent the revenues and the profitability measures used to evaluate the operating performance of our business segments in accordance with GAAP.

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

2007 Newspaper publications in Tennessee.

2006 Additional 4% interest in our Memphis newspaper and 2% interest in our Evansville newspaper. Newspaper publications in Texas and Florida.

2005 Newspapers and other publications in Tennessee, California and Colorado.

(2) In February 2006, we formed a 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 newspapers for a 50% interest in the partnership. Our share of the operating profit (loss) of the partnership is recorded as Equity in earnings of JOAs and other joint ventures in our financial statements. To enhance comparability of year-over-year operating results, the operating revenues and segment results of the contributed publications prior to the formation of the partnership are reported separately.

(3) **2009** A non-cash charge of \$216.4 million was recorded to reduce the carrying value of our Television segment's goodwill and indefinite-lived assets.

2008 A non-cash charge of \$809.9 million was recorded to reduce the carrying value of our Newspaper segment's goodwill and, indefinite-lived intangible and long-lived assets in our Television segment.

(4) **2008** A non-cash charge of \$20.9 million was recorded to reduce the carrying value of our investment in the Colorado newspaper partnership.

(5) **2008** Miscellaneous, net includes realized gains of \$7.6 million from the sale of certain investments.

2007 Miscellaneous, net includes realized gains of \$9.2 million from the sale of certain investments.

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

2009 Closed the Rocky Mountain News after it published its final edition on February 27, 2009. Under the terms of an agreement with MNG, we transferred our interests in the Denver JOA to MNG in the third quarter of 2009. We recorded no gain or loss on the transfer of our interest in the Denver JOA to MNG.

2008 On July 1, 2008 we completed the spin-off of Scripps Network Interactive to the shareholders of the Company. In January the Cincinnati joint operating agreement was terminated and we ceased operation of our Cincinnati Post and Kentucky Post newspapers.

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2006 Divested our Shop At Home television network. We received cash consideration of approximately \$17 million for the sale of certain assets to Jewelry Television. Jewelry Television also assumed a number of Shop At Home s television affiliation agreements. We also reached agreement on the sale of the five Shop At Home-affiliated broadcast television stations for cash consideration of \$170 million. Shop At Home s results in 2006 include \$30.1 million of costs associated with employee termination benefits, the termination of long-term agreements and charges to write-down assets. Shop At Home s results also include \$10.4 million in net losses from the sale of property and other assets to Jewelry Television, and the completed sale of three of the Shop At Home affiliated television stations.

2005 Terminated our Birmingham joint operating agreement and ceased operation of our Birmingham Post-Herald newspaper

(7) On July 1, 2008 we completed the spin-off of SNI as an independent, publicly traded company to our shareholders. Market prices presented in the tables above are unadjusted and include the value of SNI until the date of the spin-off. On July 15, 2008 we completed a one-for-three reverse stock split of our common stock. The market prices in the table above have been adjusted to reflect the split.

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

The consolidated financial statements and notes to the consolidated financial statements are the basis for our discussion and analysis of financial condition and results of operations. You should read this discussion in conjunction with those financial statements.

Forward-Looking Statements

Certain forward-looking statements related to our businesses are included in this discussion. Those forward-looking statements reflect 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. You should evaluate our forward-looking statements, which are as of the date of this filing, with the understanding of their inherent uncertainty. We undertake no obligation to 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 newspaper publishing, television stations, and licensing and syndication. The company's portfolio of media properties includes: daily and community newspapers in 13 markets and the Washington-based Scripps Media Center, home to the Scripps Howard News Service; 10 television stations, including six ABC-affiliated stations, three NBC affiliates and one independent station; and United Media, a worldwide licensing and syndication company that is the home of PEANUTS, DILBERT and approximately 150 other features and comics.

We ceased operations of the Rocky Mountain News after publication of its final edition on February 27, 2009, after an unsuccessful search for a buyer. Under the terms of an agreement with MediaNews Group (MNG), we transferred to MNG our interests in the Denver Newspaper Agency (DNA) and Prairie Mountain Publishing (PMP) in August 2009.

On July 1, 2008, we distributed all of the shares of Scripps Networks Interactive, Inc. (SNI) to the shareholders of record as of the close of business on June 16, 2008 (the Record Date). SNI included the assets and liabilities of the Scripps Networks and Interactive Media businesses. The separation into two independent publicly traded companies allows management of each company to focus on the respective opportunities of each company and pursue specific strategies based on the distinct characteristics of the two companies' local and national media businesses.

Our local media businesses derive the majority of their revenues from advertising. Operating results have been significantly affected by the economic recession and by the secular declines in classified advertising as many traditional newspaper advertising products migrate to the Internet. We have undertaken a number of initiatives to reduce the operating costs of our local media businesses, including reductions in the number of employees and reductions in employee compensation and benefits. Among other things in 2009, we have reduced base pay, suspended our match of employees' contributions to the Company's defined contribution savings and retirement plans effective April 2009, eliminated for 2009 substantially all bonuses and froze the accrual of service credits under defined benefit pension plans covering a majority of employees. Our focus is to align the cost structure of our local

media businesses with the revenue opportunities in their local markets, and to improve the share of the local advertising dollars in those markets.

In 2009, we began a restructuring of the management of our newspaper division. Where we had previously managed each of our newspapers as independent businesses within their markets, we are now managing our newspaper business vertically by function. We expect these efforts to focus local management in

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each market on news coverage and revenue-producing activities. One of the primary benefits of this reorganization is to implement successful products and revenue-producing strategies across all markets with greater speed and efficiency. The new structure also enables us to standardize and centralize functions that do not require a physical presence in the markets, producing significant cost efficiencies. Implementing the restructuring plan, known as Scripps 3.0, will be a major focus of the newspaper division in 2010 and may include reductions in-force and the deployment of new software systems.

In our television division, we have centralized functions that do not require a presence in the local markets at company-owned hubs, enabling each of our stations to increase resources devoted to creation of content and revenue-producing activities. As consumers increasingly turn to portable devices for news, our television stations have aggressively transitioned their infrastructure to support content distribution on multiple platforms. We devote substantial energy and resources to integrating such media into our business.

On August 5, 2009, we entered into an Amended and Restated Revolving Credit Agreement (2009 Agreement), which expires June 30, 2013. This Agreement amended and restated the Company's existing \$200 million Revolver and reduced the maximum amount of availability under the facility to \$150 million. The amended agreement is secured by certain of our assets and removes the earnings-based leverage covenant. Details of the 2009 Agreement are included in Note 11 to our Consolidated Financial Statements. At December 31, 2009, we had additional borrowing capacity of \$105 million under our Revolver.

Outstanding borrowings under our revolving credit facility totaled \$34.9 million as of December 31, 2009. Cash and short-term investments were \$26.6 million. We believe our low level of debt and level of cash and short-term investments provides us with the ability to position our local media businesses for growth on the other side of the current recession.

In February 2010 we announced that we are exploring strategic options for United Media Licensing, the character licensing operation of United Media. Among the possible outcomes of the exploratory process are a sale or joint venture involving all or part of United Media Licensing. Another option is to keep operating the business if the exploratory process leads management to determine that more long-term value can be created for company shareholders by retaining the property.

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

Goodwill and Other Indefinite-Lived Intangible Assets We test goodwill for impairment for each of our reporting units on an annual basis or when events occur or circumstances change that would indicate the fair value of a reporting unit is below its carrying value. For purposes of performing the impairment test for goodwill, our reporting units are

newspapers and television. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the implied fair value of the goodwill for the reporting unit is less than its carrying value.

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

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To determine the fair value of our reporting units and indefinite-lived intangible assets, we generally use market data, appraised values and discounted cash flow analyses. The use of a discounted cash flow analysis requires significant judgment to estimate the future cash flows derived from the asset or business and the period of time over which those cash flows will occur and to determine an appropriate discount rate. While we believe the estimates and judgments used in determining the fair values of our reporting units and indefinite-lived intangible assets were appropriate, different assumptions with respect to future cash flows, long-term growth rates and discount rates could produce a different estimate of fair value.

Income Taxes The accounting for uncertain tax positions and the application of income tax law is inherently complex. As such, we are required to make many assumptions and judgments regarding our income tax positions and the likelihood whether such tax positions would be sustained if challenged. Interpretations and guidance surrounding income tax laws and regulations change over time. As such, changes in our assumptions and judgments can materially affect amounts recognized in the consolidated financial statements.

We have a significant deferred tax asset balance included in our consolidated balance sheet. We are required to assess the likelihood that our deferred tax assets, which include our net operating loss carryforwards and temporary differences that are expected to be deductible in future years, will be recoverable from the carryback to prior years, future taxable income or other prudent and feasible tax planning strategies. If recovery is not likely, we have to provide a valuation allowance based on our estimates of future taxable income in the various taxing jurisdictions, and the amount of deferred taxes that are ultimately realizable. The provision for current and deferred taxes involves evaluations and judgments of uncertainties in the interpretation of complex tax regulations by various taxing authorities. Actual results could differ from our estimates and if we determine the deferred tax asset we would realize would be greater or less than the net amount recorded, an adjustment would be made to the tax provision in that period.

Pension Plans We sponsor various noncontributory defined benefit pension plans covering substantially all full-time employees, including a SERP, which covers certain executive employees. Pension expense for continuing operations for those plans was \$28.6 million in 2009, \$20.5 million in 2008, and \$18.6 million in 2007.

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

The discount rate used to determine our future pension obligations is based upon a dedicated bond portfolio approach that includes securities rated Aa or better with maturities matching our expected benefit payments from the plans. The rate is determined each year at the plan measurement date and affects the succeeding year's pension cost. The weighted average discount rate was 5.97% and 6.25% at December 31, 2009 and 2008, respectively. Discount rates can change from year to year based on economic conditions that impact corporate bond yields. A decrease in the discount rate increases pension expense. A 0.5% change in the discount rate as of December 31, 2009, to either 5.47% or 6.47%, would increase or decrease our projected pension obligations as of December 31, 2009, by approximately \$30 million and increase or decrease 2010 pension expense up to \$0.8 million.

The expected long-term rate of return on plan assets is based primarily upon the target asset allocation for plan assets and capital markets forecasts for each asset class employed. Our expected rate of return on plan assets also considers our historical compound rate of return on plan assets for 10 and 15 year periods. At December 31, 2009, the expected

long-term rate of return on plan assets was 7.5%. A decrease in the expected rate of return on plan assets increases pension expense. A 0.5% change in the expected long-term rate of return on plan assets, to either 7.0% or 8.0%, would increase or decrease our 2010 pension expense by approximately \$1.6 million.

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We had cumulative unrecognized actuarial losses for our pension plans of \$146 million at December 31, 2009. Unrealized actuarial gains and losses result from deferred recognition of differences between our actuarial assumptions and actual results. In 2009, we had an actuarial gain of \$42 million. The cumulative unrecognized net loss is primarily due to declines in corporate bond yields and the unfavorable performance of the equity markets between 2000 and 2002, and in 2008. Amortization of unrecognized actuarial losses may result in an increase in our pension expense in future periods. Based on our current assumptions, we anticipate that 2010 pension expense will include \$4 million in amortization of unrecognized actuarial losses.

New Accounting Pronouncements

In December 2007, the FASB issued a new accounting guidance which established accounting and reporting standards for the noncontrolling interest in a subsidiary, the deconsolidation of a subsidiary, and accounting for noncontrolling interests as equity in the consolidated financial statements at fair value. We adopted this standard as of January 1, 2009. Upon adoption of this standard, we reclassified our noncontrolling interest in subsidiary companies to a separate component of equity and changed the presentation of our statement of operations and statement of cash flows. We have retroactively reclassified all periods presented.

In December 2007, the FASB issued a new accounting guidance, which provided guidance relating to recognition of assets acquired and liabilities assumed in a business combination. This standard also established expanded disclosure requirements for business combinations. We adopted this standard effective January 1, 2009, prospectively for all business combinations subsequent to the effective date. The adoption of this standard had no impact on our financial statements.

In March 2008, the FASB issued new accounting guidance, which amended and expanded the disclosure requirements for derivatives to provide a better understanding of how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for, and their effect on an entity's financial position, financial performance, and cash flows. We adopted this standard effective January 1, 2009. The adoption of this standard had no impact on our financial statements.

In April 2009, the FASB issued a staff position which changes the method for determining whether an other-than-temporary impairment exists for debt securities and the amount of the impairment to be recorded in earnings. The guidance is effective for interim and annual periods ending after June 15, 2009. The implementation of this standard did not have a material impact on our consolidated financial position and results of operations.

In June 2009, the FASB issued new accounting guidance which amended the consolidation guidance applicable to variable interest entities and is effective for us on January 1, 2010. We do not expect this standard to have a material impact on our financial condition or results of operations.

In October 2009, the FASB issued amendments to the accounting and disclosure guidance for revenue recognition. These amendments, effective for fiscal years beginning on or after June 15, 2010 (early adoption is permitted), modify the criteria for recognizing revenue in multiple element arrangements and the scope of what constitutes a non-software deliverable. The Company is currently assessing the impact on its consolidated financial position and results of operations.

Table of Contents**Results of Operations**

The trends and underlying economic conditions affecting the operating performance and future prospects differ for each of our business segments. Accordingly, you should read the following discussion of our consolidated results of operations in conjunction with the discussion of the operating performance of our business segments that follows.

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

	2009	For the Years Ended December 31,		2007
		Change	2008	Change
		(In thousands, except per share data)		
Operating revenues	\$ 802,360	(19.9)%	\$ 1,001,663	(7.2)% \$ 1,079,420
Costs and expenses less separation and restructuring costs	(749,029)	(15.1)%	(882,198)	(3.6)% (915,030)
Separation and restructuring costs	(9,935)		(33,506)	(257)
Depreciation and amortization of intangibles	(45,172)	(3.7)%	(46,901)	5.1% (44,631)
Impairment of goodwill, indefinite and long-lived assets	(216,413)		(809,936)	
Gains (losses), net on disposal of property, plant and equipment	444		5,809	27
Operating income (loss)	(217,745)		(765,069)	119,529
Interest expense	(2,554)	(76.2)%	(10,740)	(69.9)% (35,730)
Equity in earnings of JOAs and other joint ventures	1,745	(59.1)%	4,265	(48.4)% 8,262
Write-down of investment in newspaper partnership			(20,876)	
Losses on repurchases of debt			(26,380)	
Miscellaneous, net	(673)		6,731	15,757
Income (loss) from continuing operations before income taxes	(219,227)		(812,069)	107,818
Benefit (provision) for income taxes	27,172		260,718	(35,885)
Income (loss) from continuing operations	(192,055)		(551,351)	71,933
Income (loss) from discontinued operations, net of tax	(17,592)		121,451	9,427
Net income (loss)	(209,647)		(429,900)	81,360
Net income (loss) attributable to noncontrolling interests	(42)		46,690	82,981
Net loss attributable to the shareholders of The E.W. Scripps Company	\$ (209,605)		\$ (476,590)	\$ (1,621)

Net income (loss) per diluted share of
common stock attributable to the
shareholders of The E.W. Scripps

Company:

Income (loss) from continuing operations	\$ (3.56)	\$ (10.19)	\$ 1.31
Income (loss) from discontinued operations	(.33)	1.38	(1.34)
Net loss per diluted share of common stock	\$ (3.89)	\$ (8.81)	\$ (.03)

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

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Continuing Operations

2009 compared with 2008

Operating results include a number of items that affect the comparisons of 2009 to 2008. The most significant of these items are as follows:

In 2009, we recorded \$216 million in impairment charges to write-down the value of our Television goodwill and certain FCC licenses. In 2008, we recorded a \$779 million charge to reduce the carrying value of goodwill, an \$11.4 million charge to reduce the carrying value of one of our FCC licenses and a \$19.6 million charge to write-down the carrying value of long-lived assets, primarily a network affiliation agreement. We also recorded a charge of \$20.9 million to reduce the carrying value of our investment in our Colorado newspaper partnership.

In 2009, we incurred \$9.9 million of separation and restructuring cost which were to restructure our operations. Separation costs of \$33.5 million were incurred in 2008 which were to complete the distribution of SNI to shareholders, and to separate and install separate information systems after the distribution. The 2008 costs include a \$19.6 million non-cash charge for the impact of the modification of share-based compensation awards.

In 2008 we redeemed our outstanding notes prior to the distribution of SNI to shareholders, incurring a \$26.4 million loss.

In 2008 we realized \$7.6 million in gains upon the sale of certain investments.

The U.S. economic recession continued to affect operating revenues in 2009, leading to lower advertising volumes and rate weakness in all of our local markets. Our local media businesses derive much of their advertising revenues from the retail, real estate, employment and automotive categories, sectors that have been particularly weak during this recession.

Excluding \$3.1 million in costs associated with freezing the accrual of pension benefits, costs and expenses declined by \$136.3 million in the year. We have reduced the number of employees in our newspaper and television divisions by approximately 18% compared to last year. The reduction is due to both attrition and the 2008 fourth quarter reduction in force at our newspaper division. We have also taken actions to reduce employee pay and benefits in 2009. The combined effects of the reduction in the number of employees and reductions in pay and benefits led to a \$70.3 million decrease in employee compensation and benefits. Compensation decreases include reductions for virtually all exempt employees in 2009. Newsprint costs declined by \$23.5 million in 2009 as consumption decreased by 31% and the average price per ton decreased by 12%.

Lower borrowings following the distribution of SNI led to the decline in interest expense. We ceased capitalization of interest upon completion of the construction of our Naples, Fla., newspaper facility in the third quarter of 2009.

The effective income tax rate was 12.4% and 32.0% for 2009 and 2008, respectfully. Non-deductible charges related to the distribution of SNI and non-deductible goodwill impairment charges are the primary factors in the changes in the effective income tax rate and for the difference in the expected Federal rate of 35% compared to the actual effective rates.

2008 compared with 2007

Operating results include a number of items that affect comparisons of 2008 to 2007. The most significant of these items are as follows:

In 2008 we recorded a \$779 million, non-cash charge to reduce the carrying value of goodwill, an \$11.4 million charge to reduce the carrying value of one of our FCC licenses and a \$19.6 million charge to write-down the carrying value of long-lived assets, primarily a network affiliation agreement. We also recorded a non-cash charge of \$20.9 million to reduce the carrying value of our investment in our Colorado newspaper partnership to our share of the estimated fair value of its net assets.

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Costs incurred to complete the distribution of SNI to shareholders, and to separate and install separate information systems after the distribution, were \$33.5 million in 2008, which includes a \$19.6 million non-cash charge for the impact of the modification of share-based compensation awards.

In 2008 we redeemed our outstanding notes prior to the distribution of SNI to shareholders, incurring a \$26.4 million loss.

In 2008 and 2007, we realized \$7.6 million and \$9.2 million, respectfully, in gains upon the sale of certain investments.

Revenues were lower at our newspapers and flat for our television stations. The decline in revenues at our newspapers was attributable to lower local and classified advertising, including particularly weak real estate, automotive and employment advertising in all of our markets. Revenues at our television stations were flat with increased political advertising in the third and fourth quarter offset by lower advertising in other categories.

Costs and expenses in 2008 were primarily affected by the 2008 and 2007 workforce reductions at our newspapers offset by severance costs. In addition, insurance cost decreased by approximately \$10 million and bad debt expense increased by \$3 million.

Interest incurred on our outstanding borrowings decreased in 2008 due to lower average debt levels. The balance of our borrowings was \$60 million subsequent to the spin-off of SNI while the average borrowing was \$649 million at an average rate of 5.0% in 2007. In addition, in 2008 we capitalized \$1.9 million of interest in connection with the construction of our Naples production facility.

The effective tax rate was 32.0% in 2008 and 32.9% in 2007. The difference in the actual effective rate in 2008 compared to the Federal expected rate of 35% was due primarily to non-deductible charges related to the distribution of SNI and non-deductible goodwill impairment charges. In 2007, our effective rate was positively impacted by changes in state tax rates.

Business Segment Results As discussed in Note 17 to the Consolidated Financial Statements, our chief operating decision maker evaluates the operating performance of our business segments using a measure called segment profit. Segment profit excludes interest, income taxes, depreciation and amortization, impairment charges, divested operating units, restructuring activities, investment results and certain other items that are included in net income (loss) 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. Generally our corporate executives make financing, tax structure and divestiture decisions. Excluding these items from measurement of our business segment performance 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.

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Information regarding the operating performance of our business segments and a reconciliation of such information to the consolidated financial statements is as follows:

	2009	Change	For the Years Ended December 31, 2008 (In thousands)	Change	2007
Segment operating revenues:					
Newspapers	\$ 455,166	(20.0)%	\$ 568,667	(13.6)%	\$ 658,327
JOA and newspaper partnerships			4		99
Television	255,220	(21.9)%	326,860	0.3%	325,841
Licensing and other	91,974	(10.3)%	102,538	9.5%	93,633
Corporate and shared services			3,594		1,520
Total operating revenues	\$ 802,360	(19.9)%	\$ 1,001,663	(7.2)%	\$ 1,079,420
Segment profit (loss):					
Newspapers	\$ 49,249	(31.1)%	\$ 71,475	(47.4)%	\$ 135,870
JOA and newspaper partnerships	(211)		(707)		3,419
Television	20,168	(75.0)%	80,589	(3.9)%	83,860
Licensing and other	11,225	7.6%	10,437	16.2%	8,982
Corporate and shared services	(27,313)	(35.3)%	(42,207)	(29.0)%	(59,479)
Depreciation and amortization of intangibles	(45,172)	(3.7)%	(46,901)	5.1%	(44,631)
Impairment of goodwill, indefinite and long-lived assets	(216,413)		(809,936)		
Equity earnings in newspaper partnership	1,958		4,143		
Gains (losses), net on disposal of property, plant and equipment	444		5,809		27
Interest expense	(2,554)	(76.2)%	(10,740)	(69.9)%	(35,730)
Separation and restructuring costs	(9,935)		(33,506)		(257)
Write-down of investment in newspaper partnership			(20,876)		-
Loss on repurchases of debt			(26,380)		-
Miscellaneous, net	(673)		6,731		15,757
Income (loss) from continuing operations before income taxes	\$ (219,227)		\$ (812,069)		\$ 107,818

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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:

	For the Years Ended December 31,		
	2009	2008	2007
	(In thousands)		
Depreciation and amortization:			
Newspapers	\$ 24,860	\$ 23,993	\$ 24,234
JOA and newspaper partnerships		1,219	1,246
Television	18,172	20,189	18,068
Licensing and other	1,404	787	475
Corporate and shared services	736	713	608
Total	\$ 45,172	\$ 46,901	\$ 44,631
Gains (losses) on disposal of property, plant and equipment:			
Newspapers	(237)	(91)	(145)
JOA and newspaper partnerships		(32)	2
Television	1,004	6,088	225
Licensing and other	(24)		
Corporate and shared services	(299)	(156)	(55)
Gains (losses) on disposal of property, plant and equipment:	\$ 444	\$ 5,809	\$ 27
Impairment of goodwill, indefinite and long-lived assets	\$ 216,413	\$ 809,936	\$
Write-down of investment in newspaper partnership	\$	\$ 20,876	\$

Newspapers We operate daily and community newspapers in 13 markets in the U.S. Our newspapers earn revenue primarily from the sale of advertising to local and national advertisers and from the sale of newspapers to readers. Our newspapers 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, distribution and newsprint costs are the primary expenses at each newspaper. Local and national economic conditions, particularly within the retail, labor, housing and automotive markets, affect our newspaper operating performance.

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Operating results for our newspaper business were as follows:

	2009	Change	2008	Change	2007
	For the Years Ended December 31, (In thousands)				
Segment operating revenues:					
Local	\$ 97,394	(25.6)%	\$ 130,876	(8.1)%	\$ 142,431
Classified	94,183	(35.3)%	145,610	(22.3)%	187,475
National	21,546	(23.8)%	28,287	(19.0)%	34,927
Online	29,465	(19.9)%	36,769	(8.3)%	40,085
Preprint and other	79,243	(17.4)%	95,949	(17.7)%	116,647
Newspaper advertising	321,831	(26.4)%	437,491	(16.1)%	521,565
Circulation	115,872	2.2%	113,398	(4.5)%	118,696
Other	17,463	(1.8)%	17,778	(1.6)%	18,066
Total operating revenues	455,166	(20.0)%	568,667	(13.6)%	658,327
Segment costs and expenses:					
Employee compensation and benefits	210,124	(16.9)%	252,933	(5.6)%	268,052
Production and distribution	114,958	(22.6)%	148,593	(4.7)%	155,910
Other segment costs and expenses	80,835	(15.5)%	95,666	(2.9)%	98,495
Total costs and expenses	405,917	(18.4)%	497,192	(4.8)%	522,457
Contribution to segment profit	\$ 49,249	(31.1)%	\$ 71,475	(47.4)%	\$ 135,870

Revenues

The U.S. economic recession affected operating revenues in 2009 and 2008, leading to lower advertising volumes and rate weakness in all of our local markets. Our newspaper business derives much of its advertising revenues from the retail, real estate, employment and automotive categories, sectors that have been particularly weak during this recession. The decline in online ad revenue is attributable to the weakness in print classified advertising, to which most of the online advertising is tied. Revenue from pure-play advertisers, who purchase ads only on the Company's newspaper Web sites, rose 26% in the year. We have pursued strategic partnerships with Yahoo! and zillow.com to garner larger shares of local online advertising.

In 2009, circulation revenue increased by approximately \$5 million due to the change in certain markets in the business model which we operate with our distributors. Under this model, we recognize revenue at retail rates with a corresponding charge to distribution expense. This increase was offset by declines in circulation volumes. In 2008 circulation revenues declined compared to 2007 due to lower circulation volumes for both daily and Sunday copies.

The decline in preprint and other revenues in 2009 and 2008, is due to the overall economic conditions. Preprint products include niche publications such as community newspapers, lifestyle magazines, publications focused on the classified advertising categories of real estate, employment and auto, and other publications aimed at younger readers.

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

Costs and expenses

Changes in pension costs affect year-over-year comparisons of employee compensation and benefits. Pension costs increased by \$7.7 million in 2009. Pension costs in 2009 include \$2.4 million in curtailment charges related to the benefit accrual freeze in plans covering a majority of our newspaper employees. Excluding pension costs, employee compensation and benefits decreased by 21% in 2009. Attrition and the reduction-in-force implemented in the fourth quarter of 2008 resulted in an approximate 21% decrease in employees in 2009, year-over-year. In addition, during 2009, we eliminated bonuses and reduced employee pay.

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Employee compensation and benefit costs in 2008 include a \$5.0 million charge for employee severance in the fourth quarter related to workforce reductions. Charges for voluntary separation offers were \$8.9 million in 2007. Employee compensation and benefit costs decreased in 2008 as the impact of voluntary separations in 2007 reduced ongoing cost

Production and distribution costs are primarily affected by fluctuations in newsprint and ink costs. Newsprint costs in 2009 declined by \$23.5 million due to a 31% decline in consumption and a 12% decrease in newsprint prices. In 2008, the year-over-year price of newsprint increased 41% while our consumption decreased by 29%.

Capital expenditures include costs of \$31 and \$51 million in 2009 and in 2008, respectively for the construction of a new production facility at our Naples, Florida newspaper.

Newspapers operated under Joint Operating Agreements and partnerships The only newspaper included is the Albuquerque Tribune newspaper for periods prior to the first quarter of 2008, when we ceased publication of the newspaper. Under an amended agreement with the Journal Publishing Company (JPC) we continue to own a 40% interest in the Albuquerque Publishing Company G.P. We no longer include the equity earnings from this investment in segment profit after we ceased publication of our newspaper.

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

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

National television networks offer affiliates a variety of programs and sell the majority of advertising within those programs. Through 2009, we received compensation from the networks for carrying their programming. We are currently negotiating the renewal of our affiliation agreement with ABC and will begin negotiating the renewal of our affiliation agreement with NBC later in 2010. These networks are seeking arrangements to have affiliates share in funding network programming costs and to eliminate network compensation historically paid to such affiliates. We cannot at this time predict the outcome of our negotiations with ABC or NBC or the impact that terms of renewed affiliation agreements will have on our operations. 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 television group is most affected by the health of the national and local economies, particularly conditions within the services, automotive and retail categories, 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.

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Operating results for television were as follows:

	2009	Change	2008	Change	2007
	For the Years Ended December 31, (In thousands)				
Segment operating revenues:					
Local	\$ 151,665	(15.8)%	\$ 180,065	(12.1)%	\$ 204,791
National	73,575	(14.7)%	86,252	(14.6)%	101,002
Political	5,063	(87.7)%	41,012		2,735
Network compensation	7,464	(4.2)%	7,792	4.9%	7,431
Other	17,453	48.7%	11,739	18.8%	9,882
Total segment operating revenues	255,220	(21.9)%	326,860	0.3%	325,841
Segment costs and expenses:					
Employee compensation and benefits	124,755	(5.1)%	131,444	2.2%	128,647
Programs and program licenses	52,530	8.8%	48,290	2.2%	47,231
Production and distribution	13,927	(19.2)%	17,245	(1.2)%	17,461
Other segment costs and expenses	43,840	(11.1)%	49,292	1.3%	48,642
Total segment costs and expenses	235,052	(4.6)%	246,271	1.8%	241,981
Segment profit	\$ 20,168	(75.0)%	\$ 80,589	(3.9)%	\$ 83,860

Revenues

The decrease in the local and national revenues in 2009 was largely attributable to reduced spending by advertisers in the automotive, financial services and retail categories. There was only minor political spending in 2009, compared to 2008.

Revenues increased slightly in 2008 compared with 2007. While political revenues were up compared with 2007, national and local revenues were negatively affected by weakness in automotive and retail advertising.

Cost and expenses

Changes in pension costs affect 2009 to 2008 year-over-year comparisons of employee compensation and benefits. Pension costs increased by \$0.7 million for the year. Pension costs for 2009 include \$1.1 million in curtailment charges related to the benefit accrual freeze in plans covering a majority of our television employees. Excluding pension costs, employee compensation and benefits decreased by 6% in 2009. During 2009, we eliminated bonuses and reduced employee pay, including temporary pay reductions for certain exempt employees of up to 5% during the second and third quarters.

The cost of programs and program licenses increased due primarily to higher costs for syndicated programs in certain of our markets under the terms of long-term licensing arrangements.

Cost and expenses in 2008 and 2007 were substantially the same.

Licensing and Other Licensing and other primarily includes syndication and licensing of news features and comics. Under the trade name United Media, we distribute news and opinion columns, comics and other features for the newspaper industry.

United Media owns or represents and licenses worldwide copyrights relating to Peanuts, Dilbert and other properties for use on numerous products, including plush toys, greeting cards and apparel, for promotional purposes and for exhibit on television and other media. We continue syndication of previously published Peanuts strips and retain the rights to license the characters. Peanuts provides approximately 95% of our licensing revenues.

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

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

Operating results for licensing and other were as follows:

	2009	Change	For the Years Ended December 31, 2008		Change	2007
			(In thousands)			
Segment operating revenues:						
Licensing	\$ 69,870	(8.6)%	\$ 76,452		6.3%	\$ 71,901
Feature syndication	16,241	(8.7)%	17,792		(1.1)%	17,985
Other	5,863	(29.3)%	8,294			3,747
Total segment operating revenues	91,974	(10.3)%	102,538		9.5%	93,633
Segment costs and expenses:						
Employee compensation and benefits	18,060	(9.6)%	19,983		12.0%	17,841
Author royalties and agent commissions	46,725	(12.4)%	53,314		7.3%	49,701
Other segment costs and expenses	15,964	(15.1)%	18,804		9.9%	17,109
Total segment costs and expenses	80,749	(12.3)%	92,101		8.8%	84,651
Segment profit	\$ 11,225	7.6%	\$ 10,437		16.2%	\$ 8,982

Revenues

Worldwide economic conditions continued to affect our operating revenues in 2009, as reduced consumer spending has resulted in lower sales of licensed European apparel. Economic conditions within the newspaper industry have resulted in reduced sales of syndicated features.

Licensing revenues in 2008 were higher than 2007 primarily due to increases in film-and-promotion-related license fees and additional revenue we received in 2008 from a contract amendment from one of our licensees.

Costs and expenses

Employee compensation and benefits decreased due to the implementation of salary and bonus reductions for management employees in 2009. The decline in other costs was due primarily to lower marketing expenditures during the year.

Discontinued Operations Discontinued operations include SNI, DNA and our newspaper operations in Cincinnati (See Note 4 to the Consolidated Financial Statements). The results of businesses held for sale or that have ceased

operations are presented as discontinued operations.

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Operating results for our discontinued operations were as follows:

	For the Years Ended December 31,		
	2009	2008	2007
	(In thousands)		
Operating revenues	\$ 50	\$ 804,565	\$ 1,440,053
Equity in earnings of JOAs and other joint ventures	\$	\$ 18,682	\$ 54,959
Income (loss) from discontinued operations:			
Income (loss) from discontinued operations, before tax	\$ (23,372)	\$ 184,624	\$ 147,975
Loss on divestitures, net			(255)
Income tax (expense) benefit	5,780	(63,173)	(138,293)
Income (loss) from discontinued operations	\$ (17,592)	\$ 121,451	\$ 9,427

Liquidity and Capital Resources

Our primary source of liquidity is our cash flow from operating activities. We finance our investments in and expand our portfolio of local media businesses and repay debt primarily from our cash flow from operating activities.

To improve the company's financial flexibility we suspended our quarterly dividend in 2008 and have undertaken a variety of cost-saving measures, including elimination of bonuses, pay reductions, suspension of our matching contributions to our defined contribution retirement and savings plan, and freezing the accrual of benefits under our defined benefit pension plans.

Cash flow from continuing operating activities increased in 2009 by \$4 million compared to 2008 despite the declines in our revenues, primarily due to refunds of taxes paid during 2008. We received \$16 million from SNI for the reimbursement of taxes we paid in 2008 on income attributable to SNI for periods prior to the spin-off and received \$28 million of refunds of Federal taxes paid in 2008.

We have met our funding requirements for our defined benefit pension plans under the provisions of the Pension Funding Equity Act of 2004 and the Pension Protection Act of 2006. In 2009, we made a \$20 million voluntary contribution. We expect to contribute \$2.1 million to the plans in 2010 for SERP benefits. The 2010 minimum funding requirements for our qualified defined benefit pension plans require us to make contributions of \$4.2 million. We may make voluntary contributions estimated at \$20 million, or possibly more in 2010.

Capital expenditures in 2009 were \$40 million, down from \$84 million in the prior year. Capital expenditures in 2009 related to the Naples, Fla., newspaper facility totaled approximately \$31 million. We completed the construction of this facility in the third quarter of 2009. Capital expenditures in 2010 are expected to be approximately \$18 million.

On August 5, 2009, we entered into an Amended and Restated Revolving Credit Agreement (2009 Agreement), which expires June 30, 2013. This Agreement amended and restated the Company's \$200 million Revolver and reduced the maximum amount of availability under the facility to \$150 million. The amended agreement is secured by certain of our assets and removes the earnings-based leverage covenant in our prior agreement. Details of the 2009 Agreement are included in Note 11 to our Consolidated Financial Statements. At December 31, 2009, we had additional

borrowing capacity of \$105 million under our Revolver.

We believe that our low debt level is a competitive advantage during these difficult financial times. At December 31, 2009, we had drawn \$35 million under our Revolving Credit Agreement, and had cash and short-term investments of \$27 million. During 2009, we paid down \$25 million under our credit facilities.

We expect our cash flow from operating activities, including refunds of taxes through carryback claims, and available borrowings under our amended credit agreement will be sufficient to meet our operating, pension funding and capital needs over the next twelve months. We will carry back losses incurred in 2009 against taxes paid in prior years when we file our 2009 tax return and expect to receive refunds of at least \$45 million.

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Also included in miscellaneous current assets at December 31, 2009, is a \$6 million receivable from SNI for the balance due for their portion of taxes for the 2008 year.

Off-Balance Sheet Arrangements and Contractual Obligations***Off-Balance Sheet Arrangements***

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

We may use derivative financial instruments to manage exposure to newsprint prices, interest rate and foreign exchange rate fluctuations. In October 2008, we entered into a 2-year \$30 million notional interest rate swap expiring in October 2010. Under this agreement we receive payments based on 3-month LIBOR rate and make payments based on a fixed rate of 3.2%. We held no newsprint or foreign currency derivative financial instruments at December 31, 2009.

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

As of December 31, 2009 and 2008, we had outstanding letters of credit totaling \$9.7 million and \$8.3 million, respectively.

Contractual Obligations

A summary of our contractual cash commitments, as of December 31, 2009, is as follows:

	Less than 1 Year	Years 2 & 3	Years 4 & 5	Over 5 Years	Total
	(In thousands)				
Long-term debt:					
Principal amounts	\$ 166	\$ 384	\$ 35,366	\$	\$ 35,916
Interest on note	1,138	2,225	575		3,938
Programming:					
Available for broadcast	1,708	1,359			3,067
Not yet available for broadcast	47,270	58,273	6,649	582	112,774
Employee compensation and benefits:					
Deferred compensation and benefits	4,800	10,806	6,998		22,604
Employment and talent contracts	23,270	19,269	4,130	2,651	49,320
Operating leases:					
Noncancelable	5,492	9,146	7,497	6,913	29,048
Cancelable	682	974	588	112	2,356
Pension obligations:					
Minimum pension funding	6,338	50,371	41,951	28,152	126,812
Other commitments:					
	11,228	6,450	2,845	13,710	34,233

Noncancelable purchase and service commitments					
Capital expenditures	497				497
Other purchase and service commitments	15,845	12,572	4,139	9	32,565
Total contractual cash obligations	\$ 118,434	\$ 171,829	\$ 110,738	\$ 52,129	\$ 453,130

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

Long-Term Debt Principal payments is the repayment of our outstanding variable rate credit facility assuming repayment will occur upon the expiration of the facility in June 2013.

Interest payments on our variable-rate credit facility assume that the outstanding balance on the facility and the related variable interest rates remain unchanged until the expiration of the facility in June 2013.

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

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

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

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

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

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

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

Contractual commitments summarized in the contractual obligations table include payments to meet minimum funding requirements of our defined benefit pension plans and estimated benefit payments for our unfunded SERP. Estimated payments for the SERP plan have been estimated over a ten-year period. Accordingly, the amounts in the over 5 years column include estimated payments for the periods of 2015-2019. While benefit payments under these plans are expected to continue beyond 2019, we believe it is not practicable to estimate payments beyond this period.

Income Tax Obligations The Contractual Obligations table does not include any reserves for income taxes recognized because we are unable to reasonably predict the ultimate amount or timing of settlement of our reserves for income taxes. As of December 31, 2009, our reserves for income taxes totaled \$25.5 million, which is reflected as a long-term liability in our consolidated balance sheet.

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

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We may also enter into contracts with certain vendors and suppliers, including most of our newsprint vendors. These contracts typically do not require the purchase of fixed or minimum quantities and generally may be terminated at any time without penalty. Included in the table of contractual commitments are purchase orders placed as of December 31, 2009. Purchase orders placed with vendors, including those with whom we maintain contractual relationships, are generally cancelable prior to shipment. While these vendor agreements do not require us to purchase a minimum quantity of goods or services, and we may generally cancel orders prior to shipment, we expect expenditures for goods and services in future periods will approximate those in prior years.

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 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.

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 December 31, 2009.

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 December 31, 2009.

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

	As of December 31, 2009		As of December 31, 2008	
	Cost Basis	Fair Value	Cost Basis	Fair Value
	(In thousands, except share data)			
Financial instruments subject to interest rate risk:				
Variable rate credit facilities	\$ 34,900	\$ 34,900	\$ 60,000	\$ 60,000
Other notes	1,016	1,016	1,166	1,166
Total long-term debt including current portion	\$ 35,916	\$ 35,916	\$ 61,166	\$ 61,166
Financial instruments subject to market value risk:				
Other equity securities	10,405	(a)	7,070	(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.

In October 2008, we entered into a 2-year \$30 million notional interest rate swap expiring in October 2010. Under this agreement we receive payments based on the 3-month LIBOR and make payments based on a fixed rate of 3.2%. This swap has not been designated as a hedge in accordance with generally accepted accounting standards and changes in fair value are recorded in miscellaneous-net with a corresponding adjustment to other long-term liabilities. The fair value at December 31, 2009 and 2008 was a liability of \$0.8 million, which is included in other liabilities.

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Controls and Procedures

Evaluation of Disclosure Controls and Procedures

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

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Management's Report on Internal Control Over Financial Reporting

Scripps management is responsible for establishing and maintaining adequate internal controls designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America (GAAP).

The company's internal control over financial reporting includes those policies and procedures that:

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

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

As required by Section 404 of the Sarbanes Oxley Act of 2002, management assessed the effectiveness of The E. W. Scripps Company and subsidiaries (the Company) internal control over financial reporting as of December 31, 2009. Management's assessment is based on the criteria established in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon our assessment, management believes that the Company maintained effective internal control over financial reporting as of December 31, 2009.

The company's independent registered public accounting firm has issued an attestation report on our internal control over financial reporting as of December 31, 2009. This report appears on page F-24.

BY: /s/ Richard A. Boehne

Richard A. Boehne
President and Chief Executive Officer

/s/ Timothy E. Stautberg

Timothy E. Stautberg
Senior Vice President and Chief Financial Officer

Date: March 5, 2010

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the internal control over financial reporting of The E.W. Scripps Company and subsidiaries (the Company) as of December 31, 2009, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

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

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

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

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2009, of the Company and our report dated March 5, 2010 expressed an unqualified opinion on those

financial statements and the financial statement schedule.

/s/ Deloitte & Touche LLP

Cincinnati, Ohio

March 5, 2010

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of The E.W. Scripps Company and subsidiaries (the Company) as of December 31, 2009 and 2008, and the related consolidated statements of operations, cash flows and equity for each of the three years in the period ended December 31, 2009. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of The E.W. Scripps Company and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company s internal control over financial reporting as of December 31, 2009, based on the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2010 expressed an unqualified opinion on the Company s internal control over financial reporting.

/s/ Deloitte & Touche LLP

Cincinnati, Ohio
March 5, 2010

Table of Contents**Consolidated Balance Sheets**

	As of December 31,	
	2009	2008
	(In thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,405	\$ 5,376
Short-term investments	12,180	21,130
Accounts and notes receivable (less allowances 2009, \$4,344; 2008, \$7,763)	130,010	169,010
Inventory	6,989	11,952
Deferred income taxes	16,614	33,911
Income taxes receivable	62,559	12,363
Miscellaneous	15,418	31,794
Total current assets	258,175	285,536
Investments	10,660	12,720
Property, plant and equipment	423,570	426,671
Goodwill and other intangible assets:		
Goodwill		215,432
Other intangible assets	23,635	26,464
Total goodwill and other intangible assets	23,635	241,896
Other assets:		
Deferred income taxes	57,132	80,600
Miscellaneous	13,176	9,281
Total other assets	70,308	89,881
Assets of discontinued operations noncurrent		32,272
Total Assets	\$ 786,348	\$ 1,088,976
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 27,049	\$ 55,889
Customer deposits and unearned revenue	33,191	38,817
Accrued liabilities:		
Employee compensation and benefits	30,515	36,273

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Accrued talent payable	13,524	15,981
Miscellaneous	22,616	23,651
Liabilities of discontinued operations - current		2,225
Other current liabilities	8,365	14,748
Total current liabilities	135,260	187,584
Long-term debt	35,916	61,166
Other liabilities (less current portion)	181,921	245,259
Commitments and contingencies (Note 19)		
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: 2009		
42,742,190 shares; 2008 - 41,884,187 shares	427	419
Voting - authorized: 60,000,000 shares; issued and outstanding: 2009		
11,932,735 shares; 2008 - 11,933,401 shares	119	119
Total	546	538
Additional paid-in capital	531,754	523,859
Retained earnings (accumulated deficit)	(10,946)	200,827
Accumulated other comprehensive income (loss), net of income taxes:		
Pension liability adjustments	(92,049)	(134,293)
Foreign currency translation adjustment	590	638
Total The E.W. Scripps Company shareholders' equity	429,895	591,569
Noncontrolling interest	3,356	3,398
Total equity	433,251	594,967
Total Liabilities and Equity	\$ 786,348	\$ 1,088,976

See notes to consolidated financial statements.

Table of Contents**Consolidated Statements of Operations**

	For the Years Ended December 31,		
	2009	2008	2007
	(In thousands, except per share data)		
Operating Revenues:			
Advertising	\$ 565,708	\$ 758,393	\$ 841,422
Circulation	115,873	113,398	118,696
Licensing	69,876	76,452	71,902
Other	50,903	53,420	47,400
Total operating revenues	802,360	1,001,663	1,079,420
Costs and Expenses:			
Employee compensation and benefits	376,466	446,775	463,240
Production and distribution	177,081	222,434	225,641
Programs and program licenses	52,531	48,290	47,231
Other costs and expenses	142,951	164,699	178,918
Separation and restructuring costs	9,935	33,506	257
Total costs and expenses	758,964	915,704	915,287
Depreciation, Amortization, and (Gains) Losses:			
Depreciation	43,342	43,681	41,541
Amortization of intangible assets	1,830	3,220	3,090
Impairment of goodwill, indefinite and long-lived assets	216,413	809,936	
(Gains) losses, net on disposal of property, plant and equipment	(444)	(5,809)	(27)
Net depreciation, amortization, and (gains) losses	261,141	851,028	44,604
Operating income (loss)	(217,745)	(765,069)	119,529
Interest expense	(2,554)	(10,740)	(35,730)
Equity in earnings of JOAs and other joint ventures	1,745	4,265	8,262
Write-down of investment in newspaper partnership		(20,876)	
Losses on repurchases of debt		(26,380)	
Miscellaneous, net	(673)	6,731	15,757
Income (loss) from continuing operations before income taxes	(219,227)	(812,069)	107,818
Provision (benefit) for income taxes	(27,172)	(260,718)	35,885
Income (loss) from continuing operations, net of tax	(192,055)	(551,351)	71,933
Income (loss) from discontinued operations, net of tax	(17,592)	121,451	9,427
Net income (loss)	(209,647)	(429,900)	81,360
Net income (loss) attributable to noncontrolling interests	(42)	46,690	82,981

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Net loss attributable to the shareholders of The E.W. Scripps Company	\$ (209,605)	\$ (476,590)	\$ (1,621)
Net income (loss) per basic share of common stock attributable to the shareholders of The E.W. Scripps Company:			
Income (loss) from continuing operations	\$ (3.56)	\$ (10.19)	\$ 1.32
Income (loss) from discontinued operations	(.33)	1.38	(1.35)
Net loss per basic share of common stock	\$ (3.89)	\$ (8.81)	\$ (.03)
Net income (loss) per diluted share of common stock attributable to the shareholders of The E.W. Scripps Company:			
Income (loss) from continuing operations	\$ (3.56)	\$ (10.19)	\$ 1.31
Income (loss) from discontinued operations	(.33)	1.38	(1.34)
Net loss per diluted share of common stock	\$ (3.89)	\$ (8.81)	\$ (.03)
Weighted average shares outstanding:			
Basic	53,902	54,100	54,338
Diluted	53,902	54,100	54,756

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

See notes to consolidated financial statements.

Table of Contents**Consolidated Statements of Cash Flows**

	For the Years Ended December 31,		
	2009	2008	2007
	(In thousands)		
Cash Flows from Operating Activities:			
Net income (loss)	\$ (209,647)	\$ (429,900)	\$ 81,360
Loss (income) from discontinued operations	17,592	(121,451)	(9,427)
Income (loss) from continuing operations	(192,055)	(551,351)	71,933
Adjustments to reconcile income (loss) from continuing operations to net cash flows from operating activities:			
Depreciation and amortization	45,172	46,901	44,631
Impairment of goodwill, indefinite and long-lived assets	216,413	830,812	
(Gains)/losses on sale of property, plant and equipment	(444)	(5,809)	(1,111)
(Gain)/loss on sale of investments	(752)	(7,572)	(10,023)
Equity in earnings of JOAs and other joint ventures	(1,745)	(4,265)	(8,262)
Deferred income taxes	45,271	(278,923)	4,835
Excess tax benefits from stock compensation plans	(372)	(3,829)	1,461
Stock and deferred compensation plans	7,131	34,634	20,764
Dividends received from JOAs and other joint ventures	2,500	6,195	11,505
Losses on repurchases of debt		26,380	
Pension expense, net of payments	1,253	5,606	(9,322)
Other changes in certain working capital accounts, net	(28,411)	(6,800)	(14,464)
Miscellaneous, net	4,047	1,762	26,618
Net cash provided by continuing operating activities	98,008	93,741	138,565
Net cash (used in) provided by discontinued operating activities	(19,350)	238,810	456,846
Net operating activities	78,658	332,551	595,411
Cash Flows from Investing Activities:			
Purchase of subsidiary companies and noncontrolling interest			(2,096)
Proceeds from sale of property, plant and equipment	101	169	5,799
Additions to property, plant and equipment	(39,750)	(84,011)	(53,465)
Decrease (increase) in short-term investments	8,950	23,701	(41,959)
Proceeds from sale of long-term investments	472	37,184	10,594
Purchase of investments	(3,366)	(688)	(1,350)
Miscellaneous, net			(84)
Net cash used in continuing investing activities	(33,593)	(23,645)	(82,561)
Net cash used in discontinued investing activities		(38,889)	(41,906)
Net investing activities	(33,593)	(62,534)	(124,467)

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Cash Flows from Financing Activities:			
Increase in long-term debt		100,500	
Payments on long-term debt	(25,250)	(544,820)	(261,406)
Bond redemption premium payment		(22,517)	
Payments of financing costs	(3,062)		
Dividends paid		(53,957)	(88,205)
Dividends paid to noncontrolling interests		(24)	(512)
Repurchase Class A Common shares		(19,031)	(57,515)
Proceeds from employee stock options	2,876	15,097	15,903
Excess tax benefits from stock compensation plans	372	3,829	2,375
Miscellaneous, net	(10,972)	2,605	(3,008)
Net cash used in continuing financing activities	(36,036)	(518,318)	(392,368)
Net cash provided by (used in) discontinued financing activities		257,920	(76,872)
Net financing activities	(36,036)	(260,398)	(469,240)
Effect of exchange rate changes on cash and cash equivalents		(75)	(522)
Change in cash – discontinued operations		(23,268)	6,429
Increase (decrease) in cash and cash equivalents	9,029	(13,724)	7,611
Cash and cash equivalents:			
Beginning of year	5,376	19,100	11,489
End of year	\$ 14,405	\$ 5,376	\$ 19,100

See notes to consolidated financial statements.

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Table of Contents**Consolidated Statements of Equity**

	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit) (In thousands, except share data)	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
As of December 31, 2006	\$ 545	\$ 432,523	\$ 2,145,875	\$ 2,492	\$ 122,429	\$ 2,703,864
Net income (loss)			(1,621)		82,981	81,360
Unrealized gains (losses) on investments				(6,218)		(6,218)
Adjustment for losses (gains) in income on investments				(35)		(35)
Change in unrealized gains (losses) on investments				(6,253)		(6,253)
Changes in defined pension plans				(7,188)		(7,188)
Equity in investee s adjustments for pension				4,378		4,378
Currency translation adjustment				8,399		8,399
Adoption of new tax accounting guidance			(30,869)			(30,869)
Dividends: declared and paid \$1.62 per share			(88,205)			(88,205)
Dividends: Noncontrolling interest					(63,480)	(63,480)
Repurchase 433,333 Class A Common shares	(4)	(4,179)	(53,332)			(57,515)
Compensation plans, net: 248,855 net shares issued	2	43,962				43,964
Excess tax benefits of compensation plans		3,836				3,836
As of December 31, 2007	543	476,142	1,971,848	1,828	141,930	2,592,291
Net income (loss)			(476,590)		46,690	(429,900)
Unrealized gains (losses) on investments				(682)		(682)
Adjustment for losses (gains) in income on investments				(3,655)		(3,655)

Change in unrealized gains (losses) on investments				(4,337)		(4,337)
Changes in defined pension plans				(90,639)		(90,639)
Equity in investee s adjustments for pension				(100)		(100)
Currency translation adjustment				195		195
Dividends: declared and paid \$.99 per share			(53,957)			(53,957)
Dividends:						
Noncontrolling interest					(56,207)	(56,207)
Spin-off of SNI			(1,234,701)	(40,602)	(129,015)	(1,404,318)
Repurchase 1,213,333 Class A Common shares	(12)	(13,246)	(5,773)			(19,031)
Compensation plans:						
695,965 net shares issued	7	37,545				37,552
Stock modification charge		19,589				19,589
Excess tax benefits of compensation plans		3,829				3,829
As of December 31, 2008	538	523,859	200,827	(133,655)	3,398	594,967
Net loss			(209,605)		(42)	(209,647)
Spin-off of SNI			(2,168)	1,536		(632)
Changes in defined pension plans				39,633		39,633
Equity in investee s adjustments for pension				1,324		1,324
Currency translation adjustment				(48)		(48)
Compensation plans:						
857,953 net shares issued	8	12,548				12,556
Excess tax expense of compensation plans		(4,653)				(4,653)
Other				(249)		(249)
As of December 31, 2009	\$ 546	\$ 531,754	\$ (10,946)	\$ (91,459)	\$ 3,356	\$ 433,251

See notes to consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

As used in the Notes to Consolidated Financial Statements, the terms we, our, us or Scripps may, depending on the context, refer to The E. W. Scripps Company, to one or more of its consolidated subsidiary companies or to all of them taken as a whole.

Subsequent Events We have evaluated all subsequent events through the issuance of these financial statements.

Nature of Operations We are a diverse media concern with interests in newspaper publishing, television, 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: Newspapers, JOAs and newspaper partnerships, Television, and Licensing and other. Note 17 provides additional information regarding our business segments.

Concentration Risks We have geographically dispersed operations and a diverse customer base. We believe bad debt losses resulting from default by a single customer, or defaults by customers in any depressed region or business sector, would not have a material effect on our financial position, results of operations or cash flows.

We derive approximately 71% of our operating revenues from marketing services, including advertising. Changes in the demand for such services both nationally and in individual markets can affect operating results.

In order to reduce our price of newsprint and to manage delivery and supply of newsprint, we purchase and arrange delivery of newsprint for other newspaper companies. Newsprint vendors retain the credit risk for newsprint shipped to other newspaper companies beginning in 2009. Prior to 2009, we retained credit risk for newspaper shipments to other newspaper companies.

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; licensing revenues; the periods over which long-lived assets are depreciated or amortized; the fair value of long-lived assets and goodwill; the liability for uncertain tax positions and valuation allowances against deferred income tax assets; 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.

Consolidation The consolidated financial statements include the accounts of The E. W. Scripps Company and its majority-owned subsidiary companies. Investments in 20%-to-50%-owned companies and in all 50%-or-less-owned partnerships are accounted for using the equity method. We do not hold any interests in variable interest entities. All significant intercompany transactions have been eliminated.

Income (loss) attributable to noncontrolling interests in subsidiary companies are included in net income (loss) attributable to noncontrolling interest in the Consolidated Statements of Operations.

Newspaper Joint Operating Agreements (JOA) We include our share of JOA earnings in Equity in earnings of JOAs and other joint ventures in our Consolidated Statements of Operations. The related editorial costs and expenses are included within costs and expenses in our Consolidated Statements of Operations.

Foreign Currency Translation All of our international subsidiaries use the local currency of their respective country as their functional currency. Assets and liabilities are translated using end-of-period

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

exchange rates while results of operations are translated based on the average exchange rates throughout the year. Equity is translated at historical exchange rates, with the resulting cumulative translation adjustment included as a component of accumulated other comprehensive income (loss) in equity, net of applicable income taxes.

Monetary assets and liabilities denominated in currencies other than the functional currency are remeasured into the functional currency using end-of-period exchange rates. Gains or losses resulting from such remeasurement are recorded in earnings. Foreign exchange gains and losses are included in Miscellaneous, net in the Consolidated Statements of Operations. Foreign exchange net gains (losses) were (\$0.5) million in 2009, \$0.6 million in 2008 and \$0.4 million in 2007.

Revenue Recognition We recognize revenue when persuasive evidence of a sales arrangement exists, delivery occurs or services are rendered, the sales price is fixed or determinable and collectability is reasonably assured. When a sales arrangement contains multiple elements, such as the sale of advertising and other services, we allocate revenue 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 we recognize any associated deferred revenues. We report revenue net of sales and other taxes collected from our customers.

Our primary sources of revenue are from:

The sale of print, broadcast and Internet advertising.

The sale of newspapers.

Licensing royalties.

Revenue recognition policies for each source of revenue are as follows.

Advertising. Print and broadcast advertising revenue is recognized, net of agency commissions, when the advertisements are displayed. Internet advertising includes fixed duration campaigns whereby a banner, text or other advertisement appears for a specified period of time for a fee, impression-based campaigns where the fee is based upon the number of times the advertisement appears in Web pages viewed by a user, and click-through based campaigns where the fee is based upon the number of users who click on an advertisement and are directed to the advertiser's Web site. Advertising revenue from fixed duration campaigns are recognized over the period in which the advertising appears. Internet advertising that is based upon the number of impressions delivered or the number of click-throughs is recognized as impressions are delivered or click-throughs occur.

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

Broadcast advertising contracts may guarantee the advertiser a minimum audience for the programs in which their advertisements are broadcast over the contract term. We provide the advertiser with additional advertising time if we do not deliver the guaranteed audience size. The amount of additional advertising time is generally based upon the percentage shortfall in audience size. If we determine we have not delivered the guaranteed audience, we record an accrual for make-good advertisements as a reduction of revenue. The estimated make-good accrual is adjusted throughout the term of the advertising contracts.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

Newspaper Subscriptions. Newspaper subscription revenue is recognized based upon the publication date of the newspaper. Revenues from prepaid newspaper subscriptions are deferred and are included in circulation revenue on a pro-rata basis over the term of the subscription.

Circulation revenue for newspapers sold directly to subscribers is based upon the retail rate. Circulation revenue for newspapers sold to independent newspaper distributors, which are subject to returns, is based upon the wholesale rate. Estimated returns are recognized as a reduction in circulation revenue at the time the newspaper is published. Returns are estimated based upon historical return rates and are adjusted based on the actual returns.

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

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

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

Inventories Inventories are stated at the lower of cost or market. The cost of inventories are determined using the first in, first out (FIFO) method.

Trade Receivables We extend credit to customers based upon our assessment of the customer's financial condition. Collateral is generally not required from customers. Allowances for credit losses are generally based upon trends, economic conditions, review of aging categories, specific identification of customers at risk of default and historical experience.

Investments We may have investments in both public and private companies. Investment securities can be impacted by various market risks, including interest rate risk, credit risk and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term. Such changes could materially affect the amounts reported in our financial statements.

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

comprehensive income (loss) component of equity.

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

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Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

reduced when a decline in fair value below cost is determined to be other than temporary, with the resulting adjustment charged against earnings.

The cost of securities sold is determined by specific identification.

Property, Plant and Equipment Property, plant and equipment, which includes internal use software, is carried at cost less depreciation. Costs incurred in the preliminary project stage to develop or acquire internal use software or Internet sites are expensed as incurred. Upon completion of the preliminary project stage and upon management authorization of the project, costs to acquire or develop internal use software, which primarily include coding, designing system interfaces, and installation and testing, are capitalized if it is probable the project will be completed and the software will be used for its intended function. Costs incurred after implementation, such as maintenance and training, are expensed as incurred.

Depreciation is computed using the straight-line method over estimated useful lives as follows:

Buildings and improvements	35 years
Leasehold improvements	Shorter of term of lease or useful life
Printing presses	20 to 30 years
Other newspaper production equipment	5 to 15 years
Television transmission towers and related equipment	15 years
Other television and program production equipment	3 to 15 years
Computer hardware and software	3 to 5 years
Office and other equipment	3 to 10 years

Programs and Program Licenses Programming is either produced by us or for us by independent production companies, or is licensed under agreements with independent producers.

Costs of programs produced by us or for us include capitalizable direct costs, production overhead, development costs and acquired production costs. Costs to produce live programming that is not expected to be rebroadcast are expensed as incurred. Production costs for programs produced by us or for us are capitalized. Production costs for television series are charged to expense over estimated useful lives based upon expected future cash flows. We periodically review revenue estimates and planned usage and revise our assumptions if necessary. If actual demand or market conditions are less favorable than projected, a write-down to fair value may be required. Development costs for programs that we have determined will not be produced are written off.

Program licenses generally have fixed terms, limit the number of times we can air the programs and require payments over the terms of the licenses. Licensed program assets and liabilities are recorded when the programs become available for broadcast. Program licenses are not discounted for imputed interest. Program licenses are amortized based upon expected cash flows over the term of the license agreement.

The net realizable value of programs and program licenses is reviewed for impairment using a day-part methodology, whereby programs broadcast during a particular time period (such as prime time) are evaluated on an aggregate basis.

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

Program rights liabilities payable within the next twelve months are included in accounts payable. Noncurrent program rights liabilities are included in other noncurrent liabilities.

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

Goodwill and other indefinite-lived intangible assets are not amortized, but are reviewed for impairment at least annually. We perform our annual impairment review during the fourth quarter of each year in conjunction with our annual planning cycle. We also assess, at least annually, whether assets classified as indefinite-lived intangible assets continue to have indefinite lives.

We review goodwill for impairment based upon reporting units, which are defined as operating segments or groupings of businesses one level below the operating segment level. Reporting units with similar economic characteristics are aggregated into a single unit when testing goodwill for impairment. Our reporting units are newspapers and television.

Amortizable Intangible Assets Television network affiliation represents the value assigned to an acquired broadcast television station's relationship with a national television network. Television stations affiliated with national television networks typically have greater profit margins than independent television stations, primarily due to audience recognition of the television station as a network affiliate. These network affiliation relationships are amortized on a straight-line basis over estimated useful lives of 20 to 25 years.

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

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

Self-Insured Risks We are self-insured for general and automobile liability, employee health, disability and workers compensation claims and certain other risks. Estimated liabilities for unpaid claims, of \$20.5 million and \$20.2 million at December 31, 2009 and 2008, respectively are based on our historical claims experience and are developed from actuarial valuations. While we re-evaluate our assumptions and review our claims experience on an ongoing basis, actual claims paid could vary significantly from estimated claims, which would require adjustments to expense.

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

We record a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. Interest and penalties associated with such tax positions are included in the tax provision. The liability for additional taxes and interest is included in Other Liabilities.

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Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Production and Distribution Production and distribution costs include costs incurred to 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.

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

Risk Management Contracts We do not hold derivative financial instruments for trading or speculative purposes and we do not hold leveraged contracts. From time to time we may use derivative financial instruments to limit the impact of newsprint and interest rate fluctuations on our earnings and cash flows.

Stock-Based Compensation We have a Long-Term Incentive Plan (the Plan) which is described more fully in Note 20. The Plan provides for the award of incentive and nonqualified stock options, stock appreciation rights, restricted stock units, restricted and unrestricted Class A Common shares and performance units to key employees and non-employee directors.

We recognize compensation cost based on the grant-date fair value of the award. We determine the fair value of awards that grant the employee the right to the appreciation of the underlying shares, such as stock options, using a binomial lattice model. The fair value of awards that grant the employee the underlying shares is measured by the fair value of a Class A Common share.

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 (Performance Shares). 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.

Earnings Per Share (EPS) Unvested awards of share-based payments with rights to receive dividends or dividend equivalents, such as our restricted stock and restricted stock units (RSUs), are considered participating securities for purposes of calculating EPS. Under the two-class method, we allocate a portion of net income to these participating securities and therefore exclude that income from the calculation of EPS allocated to common stock. We do not allocate losses to the participating securities. When we adopted this treatment in 2009 due to the adaption of new accounting guidance, we adjusted all prior period earnings per share data to conform to these provisions. This adoption did not result in a change to the previously reported basic and diluted EPS for 2008 or 2007.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

	For the Years Ended December 31,		
	2009	2008	2007
	(In thousands)		
Numerator (for both basic and diluted earnings per share)			
Net loss attributable to the shareholders of The E.W. Scripps Company	\$ (209,605)	\$ (476,590)	\$ (1,621)
Less income allocated to unvested restricted stock and RSUs			
Numerator for basic and diluted earnings per share	\$ (209,605)	\$ (476,590)	\$ (1,621)
Denominator			
Basic weighted-average shares outstanding	53,902	54,100	54,338
Effective of dilutive securities:			
Unvested restricted shares and RSUs held by employees			77
Stock options held by employees and directors			341
Diluted weighted-average shares outstanding	53,902	54,100	