



FORM 10-Q

Scripps Networks Interactive, Inc. - SNI

Filed: November 14, 2008 (period: September 30, 2008)

Quarterly report which provides a continuing view of a company's financial position

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

FORM 10-Q

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

For the quarterly period ended September 30, 2008

OR

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

For the transition period from _____ to _____

Commission File Number 1-34004

SCRIPPS NETWORKS INTERACTIVE, INC.

(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction of
incorporation or organization)

61-1551890
(I.R.S. Employer
Identification Number)

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

45202
(Zip Code)

Registrant's telephone number, including area code: (513) 824-3200

Not Applicable

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of October 31, 2008 there were 127,182,126 of the Registrant's Class A Common shares outstanding and 36,568,226 of the Registrant's Common Voting shares outstanding.

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REPORT ON FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2008

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PART I

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

ITEM 1. FINANCIAL STATEMENTS

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

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

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

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

PART II

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

There have been no material changes to the factors disclosed in the Risk Factors section of our Form 10 as amended on June 11, 2008.

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ITEM 2. UNREGISTERED SALES OF EQUITY AND USE OF PROCEEDS

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

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

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

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

None

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

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

SIGNATURES

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

SCRIPPS NETWORKS INTERACTIVE, INC.

Dated: November 14, 2008

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

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Table of Contents**Condensed Consolidated and Combined Balance Sheets**

<i>(in thousands)</i>	As of	
	September 30, 2008 (Unaudited)	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 24,916	\$ 12,532
Short-term investments	369	
Accounts and notes receivable (less allowances - \$4,399 and \$3,945)	340,127	364,824
Programs and program licenses	234,454	212,868
Other current assets	16,175	12,533
Total current assets	616,041	602,757
Investments	44,981	38,444
Property, plant and equipment, net	185,569	173,255
Goodwill and other intangible assets:		
Goodwill	668,604	665,154
Other intangible assets, net	118,293	129,385
Total goodwill and other intangible assets, net	786,897	794,539
Other assets:		
Programs and program licenses (less current portion)	248,587	261,607
Unamortized network distribution incentives	112,280	135,367
Other non-current assets	12,633	11,858
Total other assets	373,500	408,832
TOTAL ASSETS	\$ 2,006,988	\$ 2,017,827

See notes to condensed consolidated and combined financial statements.

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Condensed Consolidated and Combined Balance Sheets

	As of	
	September 30, 2008 (Unaudited)	December 31, 2007
<i>(in thousands, except share data)</i>		
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 9,632	\$ 8,010
Program rights payable	23,718	16,555
Customer deposits and unearned revenue	13,564	15,018
Accrued liabilities:		
Employee compensation and benefits	30,524	28,780
Accrued marketing and advertising costs	15,520	17,587
Accrued income taxes	29,009	
Other accrued liabilities	36,562	38,448
Other current liabilities	8,441	20,182
Total current liabilities	166,970	144,580
Deferred income taxes	154,214	115,474
Long-term debt	135,000	503,361
Other liabilities (less current portion)	117,340	102,626
Total liabilities	573,524	866,041
Minority interests	128,987	138,498
Shareholders' equity:		
Preferred stock, \$.01 par - authorized: 25,000,000 shares; none outstanding		
Common stock, \$.01 par:		
Class A - authorized: 240,000,000 shares; issued and outstanding: 127,180,440 shares for 2008	1,271	
Voting - authorized: 60,000,000 shares; issued and outstanding: 36,568,226 shares for 2008	366	
Total	1,637	
Additional paid-in capital	1,222,286	
Retained earnings	45,093	
Parent company's net investment		971,889
Accumulated other comprehensive income	35,461	41,399
Total shareholders' equity	1,304,477	1,013,288
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,006,988	\$ 2,017,827

See notes to condensed consolidated and combined financial statements.

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Condensed Consolidated and Combined Statements of Operations (Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
(in thousands, except per share data)	2008	2007	2008	2007
Operating Revenues:				
Advertising	\$ 235,767	\$ 223,399	\$ 743,481	\$ 673,676
Referral fees	62,124	54,265	204,995	175,458
Network affiliate fees, net	69,877	60,428	206,991	176,952
Other	6,943	5,873	23,650	17,462
Total operating revenues	<u>374,711</u>	<u>343,965</u>	<u>1,179,117</u>	<u>1,043,548</u>
Costs and Expenses:				
Employee compensation and benefits	71,281	58,910	204,035	183,794
Programs and program licenses	74,536	67,446	211,099	176,775
Marketing and advertising	43,509	39,602	150,508	142,999
Other costs and expenses	50,351	44,070	143,790	134,756
Total costs and expenses	<u>239,677</u>	<u>210,028</u>	<u>709,432</u>	<u>638,324</u>
Depreciation, Amortization, and Losses:				
Depreciation	12,883	10,665	37,866	29,425
Amortization of intangible assets	5,752	9,561	16,736	35,319
Losses on disposal of property, plant and equipment		368	835	632
Total depreciation, amortization and losses	<u>18,635</u>	<u>20,594</u>	<u>55,437</u>	<u>65,376</u>
Operating income	116,399	113,343	414,248	339,848
Interest expense	(1,569)	(8,810)	(12,679)	(29,108)
Equity in earnings of affiliates	5,418	3,613	14,177	12,135
Gains (losses) on repurchases of debt		928	(26,380)	1,245
Miscellaneous, net	917	573		2,186
Income from continuing operations before income taxes and minority interests	121,165	109,647	389,366	326,306
Provision for income taxes	44,517	34,216	146,241	101,328
Income from continuing operations before minority interests	76,648	75,431	243,125	224,978
Minority interests	19,321	17,974	66,021	56,809
Income from continuing operations	57,327	57,457	177,104	168,169
Income from discontinued operations, net of tax		441		4,223
Net income	<u>\$ 57,327</u>	<u>\$ 57,898</u>	<u>\$ 177,104</u>	<u>\$ 172,392</u>
Net income per basic share of common stock:				
Income from continuing operations	\$.35	\$.35	\$ 1.09	\$ 1.03
Income from discontinued operations	.00	.00	.00	.03
Net income per basic share of common stock	<u>\$.35</u>	<u>\$.35</u>	<u>\$ 1.09</u>	<u>\$ 1.05</u>
Net income per diluted share of common stock:				
Income from continuing operations	\$.35	\$.35	\$ 1.08	\$ 1.03
Income from discontinued operations	.00	.00	.00	.03
Net income per diluted share of common stock	<u>\$.35</u>	<u>\$.35</u>	<u>\$ 1.08</u>	<u>\$ 1.05</u>

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

See notes to condensed consolidated and combined financial statements.

Table of Contents**Condensed Consolidated and Combined Statements of Cash Flows (Unaudited)**

<i>(in thousands)</i>	Nine months ended	
	2008	2007
Cash Flows from Operating Activities:		
Net income	\$ 177,104	\$ 172,392
Income from discontinued operations		(4,223)
Depreciation and intangible assets amortization	54,602	64,744
Amortization of network distribution costs	24,875	20,154
Losses (gains) on repurchases of debt	26,380	(1,245)
Programs and program licenses costs	211,099	176,775
Equity in earnings of affiliates	(14,177)	(12,135)
Minority interests in income of subsidiary companies	66,021	56,809
Program payments	(212,503)	(217,433)
Capitalized network distribution incentives	(3,885)	(2,522)
Dividends received from equity investments	5,655	5,365
Prepaid and accrued pension expense	3,948	3,020
Deferred income taxes	34,764	4,333
Stock and deferred compensation plans	19,980	11,812
Changes in certain working capital accounts (Note 10)	39,661	(15,760)
Other, net	14,101	42
Net cash provided by continuing operating activities	447,625	262,128
Net cash used in discontinued operating activities		(14,919)
Net operating activities	<u>447,625</u>	<u>247,209</u>
Cash Flows from Investing Activities:		
Additions to property, plant and equipment	(45,209)	(51,664)
Increase in short-term investments	(369)	
Purchase of subsidiary companies, minority interest, and long-term investments	(9,315)	(29,981)
Other, net	1,278	(5)
Net cash used in continuing investing activities	(53,615)	(81,650)
Net cash provided by discontinued investing activities		60,661
Net investing activities	<u>(53,615)</u>	<u>(20,989)</u>
Cash Flows from Financing Activities:		
Increase in long-term debt	135,000	
Payments on long-term debt (including dividend to E. W. Scripps in 2008)	(506,303)	(160,918)
Premium payment on repurchases of debt	(22,517)	
Dividends paid	(12,234)	
Dividends paid to minority interests	(74,033)	(62,968)
Change in parent company investment, net	96,457	(9,515)
Proceeds from employee stock options	5,194	
Other, net	(1,056)	
Net financing activities	<u>(379,492)</u>	<u>(233,401)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(2,134)</u>	<u>(3,457)</u>
Increase (decrease) in cash and cash equivalents	12,384	(10,638)
Cash and cash equivalents:		
Beginning of year	<u>12,532</u>	<u>18,961</u>
End of period	<u>\$ 24,916</u>	<u>\$ 8,323</u>

See notes to condensed consolidated and combined financial statements.

Table of Contents**Condensed Consolidated and Combined Statement of Accumulated
Other Comprehensive Income and Shareholders' Equity (Unaudited)**

<i>(in thousands, except share data)</i>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Parent Company's Net Investment</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Shareholders' Equity</u>
Balance as of December 31, 2007				\$ 971,889	\$ 41,399	\$ 1,013,288
Net income generated prior to separation				119,777		119,777
Change in foreign currency translation adjustment, net of income taxes					(5,739)	(5,739)
Pension liability adjustment, net of income taxes					(199)	(199)
Net transfer from parent				548,992		548,992
Dividend to parent				(430,306)		(430,306)
Distribution of SNI common stock to effect the spin-off	\$ 1,635	\$ 1,208,717		(1,210,352)		
Net income generated after separation			\$ 57,327			57,327
Dividends: declared and paid - \$.075 per share			(12,234)			(12,234)
Compensation plans, net: 242,645 shares issued; 1,444 shares repurchased	2	13,572				13,574
Tax benefits of compensation plans		(3)				(3)
Balance as of September 30, 2008	<u>\$ 1,637</u>	<u>\$ 1,222,286</u>	<u>\$ 45,093</u>	<u>\$</u>	<u>\$ 35,461</u>	<u>\$ 1,304,477</u>

See notes to condensed consolidated and combined financial statements.

1. Separation and Basis of Presentation*The Separation*

On October 16, 2007, The E. W. Scripps Company (“E. W. Scripps”) announced that its Board of Directors had authorized Scripps management to pursue a plan to separate E. W. Scripps into two independent, publicly-traded companies (the “Separation”) through the spin-off of Scripps Networks Interactive, Inc. (the “Company” or “Scripps Networks Interactive”) to the E. W. Scripps shareholders. To effect the separation, Scripps Networks Interactive, Inc., an Ohio corporation, was incorporated on October 23, 2007, as a wholly-owned subsidiary of E. W. Scripps. On June 30, 2008, the assets and liabilities of the Scripps Networks and Interactive Media businesses of E. W. Scripps were transferred to Scripps Networks Interactive, Inc. On July 1, 2008, the spin-off was completed upon E. W. Scripps distributing all of its shares of Scripps Networks Interactive to its common shareholders.

Basis of Presentation

The financial statements for periods prior to June 30, 2008 reflect the combined financial position, results of operations and cash flows of the Scripps Networks and Interactive Media businesses of E. W. Scripps. The financial statements for periods as of and subsequent to June 30, 2008 reflect the consolidated financial position, results of operations and cash flows for the Company. Various agreements between Scripps Networks Interactive and E. W. Scripps became effective as of July 1, 2008 as further described in Note 9—*Related Party Transactions*.

In the opinion of management, the accompanying condensed consolidated and combined balance sheets and related interim condensed consolidated and combined statements of operations, cash flows, comprehensive income and shareholders’ equity include all adjustments, consisting only of normal recurring adjustments, necessary for their fair presentation in conformity with accounting principles generally accepted in the United States of America (“GAAP”). Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Actual results and outcomes may differ from management’s estimates and assumptions.

The condensed consolidated and combined financial statements have been prepared in accordance with the instructions to Form 10-Q under the Securities Exchange Act of 1934, as amended. The year-end balance sheet data was derived from audited financial statements, but does not include all of the information and disclosures required by GAAP. These financial statements and the related notes should be read in conjunction with the Company’s audited Combined Financial Statements and notes thereto contained in the Registration Statement filed on Form 10, as amended on June 11, 2008.

For periods prior to the July 1, 2008 Separation date, the Combined Statements of Operations reflect certain general corporate overhead expenses and interest expenses allocated by E. W. Scripps to the Company. Management believes that such allocations are reasonable; however, they might not be indicative of the actual results of the Company had the Company been operating as a separate, stand-alone public company for the periods presented. Refer to Note 9—*Related Party Transactions*, for further information regarding the allocated expenses.

Interim results are not necessarily indicative of the results that may be expected for any future interim periods or for a full year.

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2. Shareholders' Equity and Earnings per Share

For all periods prior to June 30, 2008, E. W. Scripps' investment in Scripps Networks and Interactive Media businesses is shown as Parent Company Investment in the condensed consolidated and combined financial statements. During June 2008, Scripps Networks Interactive amended and restated its Articles of Incorporation and through a series of internal restructuring steps, as of June 30, 2008, E. W. Scripps owned all the issued and outstanding Class A Common and Common Voting shares of Scripps Networks Interactive. In connection with the contribution of all assets and liabilities of the Scripps Networks and Interactive Media businesses and issuance of shares, the remaining Parent Company Investment was transferred to Additional Paid-In Capital on June 30, 2008. Retained earnings reflected in the condensed consolidated and combined financial statements represents net income beginning on July 1, 2008 as all prior earnings were transferred to Additional Paid-in Capital.

The computation of basic earnings per share ("EPS") is calculated by dividing earnings available to common shareholders by the weighted-average number of common shares outstanding. Diluted EPS is similar to basic EPS, but adjusts for the effect of the potential issuance of common shares. The calculation of basic and diluted EPS and shares outstanding for the periods presented prior to July 1, 2008 is based on the number of shares outstanding at June 30, 2008. The separation from E. W. Scripps was completed in a tax-free distribution to the Company's shareholders of one share of Scripps Networks Interactive stock for each share of E. W. Scripps stock held on June 16, 2008. As a result of the Separation, we had 163,465,835 shares of common stock outstanding on July 1, 2008 and this share amount is being utilized for the calculation of basic EPS for all periods presented prior to the date of the Separation. The dilutive effect of our share-based awards issued in connection with the conversion (refer to Note 11—*Stock Based Compensation*) for further discussion of conversion of E. W. Scripps awards upon separation and for future Company grants are included in the computation of diluted EPS in periods subsequent to June 30, 2008.

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

<i>(in thousands)</i>	Three months ended		Nine months ended	
	September 30, 2008	2007	2008	2007
Weighted-average shares outstanding:				
Basic	163,152	163,466	163,152	163,466
Share options and restricted share awards	1,320		1,320	
Diluted weighted-average shares outstanding	164,472	163,466	164,472	163,466
Anti-dilutive share awards	7,549		7,549	

For 2008, we had stock options that were anti-dilutive and accordingly were not included in the computation of diluted weighted-average shares outstanding.

3. Accounting Changes and Recently Issued Accounting Standards

Accounting changes

In September 2006, the Financial Accounting Standards Board (“FASB”) issued FAS No. 157, “*Fair Value Measurements* (“FAS 157”)), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. In February 2008, the FASB issued Staff Position 157-2 (“FSP”) which delayed the effective date of FAS 157 for non-financial assets and liabilities, except for those that are recognized at fair value in the financial statements on a recurring basis, until January 1, 2009. Under the provisions of the FSP, the Company will delay the adoption of FAS 157 for fair value measurements used in the impairment testing of goodwill and indefinite-lived intangible assets and eligible non-financial assets and liabilities included within a business combination. The adoption of FAS 157 did not have a material impact on our financial statements. See Note 8 —*Fair Value Measurement*, for additional information.

In February 2007, the FASB issued FAS No. 159, “*The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115*” (“FAS 159”), which permits entities to choose to measure many financial instruments and certain other items at fair value. The provisions of FAS 159 were effective as of the beginning of the Company’s 2008 fiscal year and had no impact on our financial statements.

Recently Issued Accounting Standards

In December 2007, the FASB issued FAS No. 141(R), “*Business Combinations*” (“FAS 141(R)”). FAS 141(R) provides guidance relating to recognition of assets acquired and liabilities assumed in a business combination. FAS 141(R) also establishes expanded disclosure requirements for business combinations. FAS 141(R) is effective for fiscal years beginning after December 15, 2008. The statement will be applied prospectively to business combinations that occur subsequent to our January 1, 2009 effective date except for the accounting for valuation allowances on deferred taxes and acquired tax contingencies associated with acquisitions. FAS 141(R) amends FAS 109, “*Accounting for Income Taxes*” such that adjustments made to valuation allowances on deferred taxes and acquired tax contingencies associated with acquisitions that closed prior to the effective date of FAS 141(R) would also apply the provisions of FAS 141(R).

In December 2007, the FASB issued FAS No. 160, “*Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51*” (“FAS 160”). FAS 160 provides guidance related to accounting for noncontrolling (minority) interests as equity in the consolidated financial statements at fair value. FAS 160 is effective for fiscal years beginning after December 15, 2008. We are currently evaluating the impact that the adoption of FAS 160 will have on our financial statements.

In April 2008, the FASB issued FASB Staff Position FAS 142-3, “*Determination of the Useful Life of Intangible Assets*” (“FSP 142-3”). FSP 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FAS No. 142, “*Goodwill and Other Intangible Assets*”. FSP 142-3 is effective for fiscal years beginning after December 15, 2008. We are currently evaluating the impact that the adoption of FSP 142-3 will have on our financial statements.

In June 2008, the FASB issued Staff Position EITF 03-6-1, “*Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*” (“FSP EITF 03-6-1”). FSP EITF 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in the earnings allocation in computing EPS under the two-class method as described in FAS No. 128, “*Earnings per Share*.” FSP EITF 03-6-1 is effective for us on January 1, 2009, and prior-period EPS data would be adjusted retrospectively. We are currently evaluating the impact that the adoption of FSP EITF 03-6-1 will have on our financial statements.

Table of Contents**4. Goodwill and Other Intangible Assets**

Goodwill and other intangible assets consisted of the following:

<i>(in thousands)</i>	As of	
	September 30, 2008	December 31, 2007
Goodwill	\$ 668,604	\$ 665,154
Other intangible assets:		
Amortizable intangible assets:		
Carrying amount:		
Acquired network distribution	43,415	43,415
Customer lists	203,729	214,269
Copyrights and other trade names	50,293	52,844
Other	31,393	26,586
Total carrying amount	<u>328,830</u>	<u>337,114</u>
Accumulated amortization:		
Acquired network distribution	(12,670)	(10,563)
Customer lists	(145,261)	(146,050)
Copyrights and other trade names	(33,872)	(34,789)
Other	(18,734)	(16,327)
Total accumulated amortization	<u>(210,537)</u>	<u>(207,729)</u>
Total other intangible assets, net	<u>118,293</u>	<u>129,385</u>
Total goodwill and other intangible assets	<u>\$ 786,897</u>	<u>\$ 794,539</u>

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

<i>(in thousands)</i>	Lifestyle Media	Interactive Services	Total
Goodwill:			
Balance as of December 31, 2007	\$ 265,436	\$ 399,718	\$ 665,154
Business acquisitions	7,500		7,500
Adjustment of purchase price allocations	(4,050)		(4,050)
Balance as of September 30, 2008	<u>\$ 268,886</u>	<u>\$ 399,718</u>	<u>\$ 668,604</u>
Amortizable intangible assets:			
Balance as of December 31, 2007	\$ 35,438	\$ 93,947	\$ 129,385
Adjustment of purchase price allocations	6,640		6,640
Other additions	76		76
Foreign currency translation adjustment		(1,072)	(1,072)
Amortization	<u>(2,709)</u>	<u>(14,027)</u>	<u>(16,736)</u>
Balance as of September 30, 2008	<u>\$ 39,445</u>	<u>\$ 78,848</u>	<u>\$ 118,293</u>

During 2006, we notified a minority owner of Fine Living that we were exercising our call option on their 3.75% interest. Upon reaching agreement on the exercise price of the call option, we completed the acquisition in the third quarter 2008 and recognized goodwill from the transaction.

During the third quarter of 2008, we completed an appraisal of the book and tax basis of the assets acquired and liabilities assumed in the RecipeZaar.com acquisition. Primarily due to higher values being assigned to the user-generated recipes and the acquired Web site, we decreased the amount assigned to goodwill by \$4.0 million.

Estimated amortization expense of intangible assets for each of the next five years is as follows: \$5.9 million for the remainder of 2008, \$23.1 million in 2009, \$20.0 million in 2010, \$18.7 million in 2011, \$14.0 million in 2012, \$8.5 million in 2013 and \$28.1 million in later years.

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5. Discontinued Operations

In 2006, we sold our Shop At Home television network to Jewelry Television. The Company also reached agreement in the third quarter of 2006 to sell the five Shop At Home-affiliated broadcast television stations. On December 22, 2006, the Company closed the sale of the three stations located in San Francisco, CA, Canton, OH and Wilson, NC. The sale of the two remaining stations located in Lawrence, MA and Bridgeport, CT closed on April 24, 2007.

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

Operating results for the Company's discontinued operations were as follows:

	Three months ended September 30, 2007	Nine months ended September 30, 2007
<i>(in thousands)</i>		
Operating revenues	\$ 3	\$ 1,323
Income from discontinued operations, before tax	\$ 679	\$ 891
Income tax (benefit)	238	(3,332)
Income from discontinued operations	\$ 441	\$ 4,223

A tax benefit of \$3.4 million was recognized in 2007 related to differences that were identified between our prior year provision and tax returns for our Shop At Home businesses.

6. Other Charges and Credits

Income from continuing operations was affected by the following:

2008— As a result of the distribution of Scripps Networks Interactive, Inc. to the shareholders of The E. W. Scripps Company, SNI employees holding share-based equity awards, including share options and restricted shares, have received modified awards in our Company's stock. In accordance with the provisions of FASB Statement No. 123(R), "Accounting for Stock-Based Compensation" ("FAS 123(R)"), the adjustment to the outstanding share based equity awards is considered a modification and incremental share-based compensation expense is recognized to the extent that the fair value of the awards immediately prior to the modification is less than the fair value of the awards immediately after the modification. In the third quarter of 2008, we recorded a non-cash charge of \$4.9 million related to the modification of these stock-based awards. Net income was reduced by \$3.2 million.

In connection with the separation of the Company from E. W. Scripps, our deferred tax balances were re-measured to reflect the enacted state tax rates we expect to apply as a stand-alone company. The re-measurement of our deferred tax liability balances resulted in a one-time charge to our tax provision in the third quarter of 2008 that reduced net income by \$4.5 million and increased our quarterly effective tax rate by 3.7 percent.

In the second quarter of 2008, E. W. Scripps redeemed their outstanding notes which were previously allocated to us in our combined financial statements. The associated loss on extinguishment from such redemption, which is not expected to be deductible for income tax purposes, has been allocated to us in our statement of operations resulting in a reduction to year-to-date net income of \$26.4 million.

2007— Due to changes in a distribution agreement at our Shopzilla business, we wrote down intangible assets in the first quarter of 2007 to reflect that certain components of the contract were not continued. This resulted in a charge to amortization of \$5.2 million that reduced year-to-date net income \$3.3 million. Additionally, Shopzilla incurred \$5.0 million related to a transition in leadership in the first quarter of 2007. Year-to-date net income was reduced \$3.2 million.

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7. Long-Term Debt

Long-term debt consisted of the following:

<i>(in thousands)</i>	As of	
	September 30, 2008	December 31, 2007
Revolving credit facility	\$ 135,000	
Due to E. W. Scripps		\$ 503,361
Total	\$ 135,000	\$ 503,361

On June 30, 2008, we entered into a Competitive Advance and Revolving Credit Facility (the "Revolving Credit Facility") that permits \$550 million in aggregate borrowings and expires in June 2013. Borrowings under the Revolver are available on a committed revolving credit basis at our choice of three short-term rates or through an auction procedure at the time of each borrowing. The agreement includes certain affirmative and negative covenants, including maintenance of a minimum leverage ratio. The Company borrowed \$325 million under the Revolving Credit Facility on June 30, 2008. The weighted-average interest rate on borrowings under the Revolving Credit Facility was 4.0% at September 30, 2008.

E. W. Scripps utilized a centralized approach to cash management to finance its operations. Based on the historical funding requirements of the Company, specifically the costs to fund acquisitions, fund investments in programming and otherwise support the expansion of Scripps Networks Interactive businesses, all E. W. Scripps third party debt and related interest expense has been allocated to the Company for periods prior to June 30, 2008.

Management believes the allocation basis for debt and interest expense is reasonable based on the historical financing needs of the Company. However, these amounts may not be indicative of the actual amounts that the Company would have incurred had the Company been operating as an independent publicly-traded company for the periods presented. The allocated debt amounts have been classified on the condensed consolidated and combined balance sheets based on the maturities of E. W. Scripps' underlying debt.

8. Fair Value Measurement

We adopted FAS 157 as of January 1, 2008, with the exception of the application of the standard to non-recurring, nonfinancial assets and liabilities. The adoption of FAS 157 did not have a material impact on our fair value measurements. FAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FAS 157 establishes a fair value hierarchy which prioritizes the inputs used in measuring fair value into three broad levels as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Inputs, other than quoted market prices in active markets, that are observable either directly or indirectly.
- Level 3 — Unobservable inputs based on our own assumptions.

The following table sets forth our assets that are measured at fair value on a recurring basis at September 30, 2008:

<i>(in thousands)</i>	September 30, 2008			
	Total	Level 1	Level 2	Level 3
Assets:				
Short-term investments	\$ 369	\$ 369	\$	\$
Total assets measured at fair value	\$ 369	\$ 369	\$	\$

9. Related Party Transactions

Cash Management

Prior to the separation, E. W. Scripps used a centralized approach for cash management to finance its operations. The Company's cash was available for use and was regularly "swept" by E. W. Scripps to a concentration account at its discretion. Transfers of cash both to and from E. W. Scripps' cash management system are reflected as a component of Parent Company Investment within Shareholders' Equity on the Condensed Combined and Consolidated Balance Sheets. Subsequent to the separation, the Company uses a similar cash management approach with the exception that the cash is swept to the Company's cash management system and there are no longer transfers between the Company and E. W. Scripps.

Debt and Related Items

The Company was allocated the entire amount of consolidated debt and net interest expense of E. W. Scripps prior to June 30, 2008. See Note 7—*Long-Term Debt*, for further information regarding these allocations.

Allocated Expenses

For periods prior to our separation from E. W. Scripps on July 1, 2008, the Company was allocated general corporate overhead expenses from E. W. Scripps for corporate-related functions based on a pro-rata percentage of E. W. Scripps' combined net revenue, headcount and usage. General corporate overhead expenses primarily related to centralized corporate functions, including finance, legal, internal audit, human resources, information technology, and various other functions historically provided by E. W. Scripps. For the first six months of 2008, the Company was allocated \$27.7 million of general corporate overhead expenses incurred by E. W. Scripps. Allocated general corporate overhead expenses were \$11.0 million for the third quarter of 2007 and \$36.0 million for the year-to-date period of 2007.

As discussed in Note 1—*Separation and Basis of Presentation*, the Company believes the assumptions and methodologies underlying the allocation of general corporate overhead expenses from E. W. Scripps are reasonable. However, such expenses may not be indicative of the actual level of expenses that would have been incurred by the Company if it operated as an independent, publicly-traded company during the periods presented. As such, the financial information herein may not necessarily reflect the combined financial position, results of operations, and cash flows of the Company in the future or what it would have been had the Company been an independent, publicly-traded company during the periods presented.

Dividend

On June 30, 2008 Scripps Networks Interactive paid a cash dividend totaling \$430 million to E. W. Scripps.

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Agreements with E. W. Scripps

In connection with the Separation, the following agreements between Scripps Networks Interactive and E. W. Scripps became effective on July 1, 2008:

- Separation and Distribution Agreement
- Transition Services Agreement
- Employee Matters Agreement
- Tax Allocation Agreement

Separation and Distribution Agreement

The Separation and Distribution Agreement sets forth the agreements between E. W. Scripps and the Company with respect to the principal corporate transactions required to effect the separation and the distribution of the Company's shares to E. W. Scripps' shareholders and other agreements governing the relationship between E. W. Scripps and the Company. The distribution agreement provides that Scripps Networks Interactive and E. W. Scripps and its subsidiaries (other than Scripps Networks Interactive and its subsidiaries) will release and discharge each other from all liabilities, of any sort, including in connection with the transactions contemplated by the distribution agreement, except as expressly set forth in the agreement. The releases do not release any party from, among other matters, liabilities assumed or allocated to the party pursuant to the distribution agreement or the other agreements entered into in connection with the separation or from the indemnification and contribution obligations under the distribution agreement or such other agreements.

Transition Services Agreement

The Transition Services Agreement provides for E. W. Scripps and Scripps Networks Interactive to provide services to each other on a compensated basis for a period of up to two years. Compensation will be on an arms-length basis. E. W. Scripps will provide services or support to Scripps Networks Interactive, including information technology, human resources, accounting and finance, and facilities. The Company has incurred expenses of \$2.7 million for the three months ended September 30, 2008 related to these services, which are reported in other costs and expenses in the condensed consolidated and combined statements of operations. Scripps Networks Interactive will provide information technology support and services to E. W. Scripps. The Company has recorded \$0.9 million of revenue related to these services for the three months ended September 30, 2008, which are reported in other revenues in the condensed consolidated and combined statements of operations.

Employee Matters Agreement

The Employee Matters Agreement provides for the allocation of the liabilities and responsibilities relating to employee compensation and benefit plans and programs, including the treatment of outstanding incentive awards, deferred compensation obligations and retirement and welfare benefit obligations between E. W. Scripps and Scripps Networks Interactive. The agreement provides that E. W. Scripps and Scripps Networks Interactive will each be responsible for all employment and benefit related obligations and liabilities for employees that work for the respective companies. The agreement also provides that Scripps Networks Interactive employees will continue to participate in certain of the E. W. Scripps benefit plans during a transition period through December 31, 2008. After the transition period, the account balances or actuarially determined values of assets and liabilities of Scripps Networks Interactive employees will be transferred to the benefit plans of Scripps Networks Interactive. The agreement also governs the treatment of outstanding E. W. Scripps share-based equity awards (refer to Note 11—*Stock Based Compensation*, for additional discussion).

Tax Allocation Agreement

The Tax Allocation Agreement sets forth the allocations and responsibilities of E. W. Scripps and Scripps Networks Interactive with respect to liabilities for federal, state, local and foreign income taxes for periods before and after the spin-off, tax deductions related to compensation arrangements, preparation of income tax returns, disputes with taxing authorities and indemnification of income taxes that would become due if the spin-off were taxable. Generally E. W. Scripps and Scripps Networks Interactive will be responsible for income taxes for periods before the spin-off for their respective businesses.

Other Agreements

E. W. Scripps and Scripps Networks Interactive have also entered into various other agreements which management believes have been negotiated on an arm's length basis and that individually or in the aggregate do not constitute material agreements.

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10. Supplemental Cash Flow Information

The following table represents additional information about the cash flow impact of changes in certain working capital accounts:

<i>(in thousands)</i>	Nine months ended September 30,	
	2008	2007
Cash flow impact of changes in certain working capital accounts, net:		
Accounts receivable	\$ 23,381	\$ 7,313
Other assets	(3,577)	979
Accounts payable	(5,686)	3,200
Accrued employee compensation and benefits	453	(3,700)
Accrued marketing and advertising	(1,373)	(11,763)
Accrued income taxes	33,122	
Other accrued liabilities	(6,659)	(11,789)
Total	\$ 39,661	\$ (15,760)

11. Stock Based Compensation

In connection with the Separation, we implemented a new stock based compensation plan (Scripps Networks Interactive, Inc. 2008 Long-Term Incentive Plan) (the "Plan") and registered 19,000,000 common shares available for issuance under the Plan. E. W. Scripps share based awards, which included stock options and restricted stock awards, held by our employees and certain former employees of E. W. Scripps were converted to equivalent share based awards of Scripps Networks Interactive, Inc. The conversions were based on the ratio of the market price of each company's publicly traded common stock at the time of Separation. The Plan is administered by our Board of Directors. As of September 30, 2008, options with respect to 12,021,464 shares are outstanding under the Plan. In addition, a total of 425,121 restricted stock awards are outstanding under the Plan as of September 30, 2008.

The Plan provides for long-term performance compensation for key employees and members of the Board of Directors. A variety of discretionary awards for employees and non-employee directors are authorized under the Plan, including incentive or non-qualified stock options, stock appreciation rights, restricted or nonrestricted stock awards and performance awards. The vesting of such awards may be conditioned upon either a specified period of time or the attainment of specific performance goals as determined by the administrator of the plan. The option price and term are also subject to determination by the administrator with respect to each grant. Option prices are generally expected to be set at the fair market price of our common stock at date of grant and option terms are not expected to exceed ten years.

In accordance with FAS 123(R), compensation cost is based on the grant-date fair value of the award. The fair value of awards that grant the employee the right to the appreciation of the underlying shares, such as share options, is measured using a lattice-based binomial model. The fair value of awards that grant the employee the underlying shares is measured by the fair value of a Class A Common share.

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 share 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.

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For periods presented prior to the separation, stock-based compensation expense attributable to employees of the Company has been allocated in the condensed combined and consolidated statements of operations. In addition, stock-based compensation expense attributable to E. W. Scripps corporate employees has been allocated to the Company based on revenue. For periods after the separation, stock-based compensation costs represent expenses from newly issued SNI awards and expenses from E. W. Scripps awards converted to equivalent share based awards in SNI stock. A summary of stock-based compensation costs is as follows:

<i>(in thousands)</i>	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Allocated stock-based compensation costs		\$ 2,528	\$ 8,156	\$ 10,983
Compensation cost on SNI stock awards	\$ 8,430		8,430	
Total stock-based compensation costs	\$ 8,430	\$ 2,528	\$ 16,586	\$ 10,983

As a result of the distribution of SNI to the shareholders of E. W. Scripps, SNI employees holding share-based equity awards, including share options and restricted shares, have received modified awards in our Company's stock. In accordance with FAS 123(R), a charge of \$4.9 million was recorded at the time of modification related to our employees. As of September 30, 2008, the modification also created approximately \$3.4 million of unrecognized stock based compensation associated with our unvested stock options which are expected to be recognized over a range of 1 to 3 years.

Stock Options

The following table provides a summary of outstanding stock option awards from December 31, 2007, to September 30, 2008, including awards previously exercisable into E. W. Scripps' common stock that are now exercisable into our common stock:

<i>(in thousands, except per share amounts)</i>	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2007	—	\$ —
Converted from E. W. Scripps awards related to our employees at June 30, 2008	6,033	40.50
Converted from E. W. Scripps awards related to E. W. Scripps employees at June 30, 2008	6,219	37.18
Granted	20	40.70
Cancelled	(22)	43.18
Exercised	(229)	22.70
Outstanding at September 30, 2008	12,021	\$ 39.07
Exercisable at September 30, 2008	10,176	\$ 38.52

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The following table provides a summary of unvested restricted stock awards from December 31, 2007, to September 30, 2008, including awards previously granted into E. W. Scripps' common stock that are now granted into our common stock:

<i>(in thousands, except per share amounts)</i>	Number of Shares	Weighted Average Price at Grant Date
Nonvested at December 31, 2007	—	\$ —
Converted from E. W. Scripps awards related to our employees at June 30, 2008	273	45.43
Converted from E. W. Scripps awards related to E. W. Scripps employees at June 30, 2008	142	45.20
Granted	14	40.10
Vested	(4)	44.88
Nonvested at September 30, 2008	<u>425</u>	<u>\$ 45.19</u>

12. Employee Benefit Plans

The Employee Matters Agreement provides for the participation of our employees in certain benefit plans of E. W. Scripps during a transition period ending on December 31, 2008, as well as a structural framework for the employee benefit plans and programs that will be established by us. During the transitional period, our employees continue to participate in the E. W. Scripps pension, retirement and investment and supplemental executive retirement plans ("SERP") until after which their account balances or the actuarial-determined values of the assets and liabilities attributable to certain plan assets will be transferred to our new plans.

The components of the expense consisted of the following:

<i>(in thousands)</i>	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Service cost	\$ 1,497	\$ 950	\$ 4,069	\$ 2,847
Interest cost	1,002	656	2,955	1,958
Expected return on plan assets, net of expenses	(450)	(834)	(2,254)	(2,490)
Amortization and deferrals, net	<u>126</u>	<u>22</u>	<u>257</u>	<u>66</u>
Total for defined benefit plans	2,175	794	5,027	2,381
SERP	1,498	757	4,098	2,260
Defined contribution plans	<u>915</u>	<u>714</u>	<u>2,972</u>	<u>2,281</u>
Total	<u>\$ 4,588</u>	<u>\$ 2,265</u>	<u>\$ 12,097</u>	<u>\$ 6,922</u>

We contributed \$0.4 million to fund current benefit payments for our non-qualified SERP plan during the year-to-date period of 2008. We anticipate contributing an additional \$0.1 million to fund the SERP's benefit payments during the remainder of fiscal 2008. We have met the minimum funding requirements of our defined benefit plans and do not anticipate making any contributions to these plans in 2008.

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13. Segment Information

The Company determines its business segments based upon our management and internal reporting structure. Its reportable segments are strategic businesses that offer different products and services.

Lifestyle Media includes five national television networks, HGTV, Food Network, DIY, Fine Living and GAC; SN Digital which consists of our national television networks affiliated Web sites and other Web sites dedicated to the food and shelter categories; and our 7.25% interest in FOX-BRV Southern Sports Holdings, which comprises the Sports South and Fox Sports Net South regional television networks. The networks also operate internationally through licensing agreements and joint ventures with foreign entities. The Company owns approximately 70% of Food Network and approximately 94% of Fine Living. Each of the networks is distributed by cable and satellite television systems. Lifestyle Media earns revenue primarily from the sale of advertising time and from affiliate fees from cable and satellite television systems.

Interactive Services includes the online comparison shopping services, Shopzilla and uSwitch. Shopzilla operates a product comparison shopping service that helps consumers find products offered for sale on the Web by online retailers. Shopzilla also operates BizRate, a Web-based consumer feedback network which collects millions of consumer reviews of stores and products each year. uSwitch operates an online comparison service that helps consumers compare prices and arrange for the purchase of a range of essential home services including gas, electricity, home phone, broadband providers and personal finance products, primarily in the United Kingdom. The Interactive Services businesses earn revenue primarily from referral fees and commissions paid by participating online retailers and service providers.

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

Information regarding our reportable segments is as follows:

<i>(in thousands)</i>	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Segment operating revenues:				
Lifestyle Media	\$ 312,000	\$ 289,376	\$ 972,059	\$ 867,003
Interactive Services	62,625	54,589	206,972	176,545
Corporate	86		86	
Total operating revenues	\$ 374,711	\$ 343,965	\$ 1,179,117	\$ 1,043,548
Segment profit (loss):				
Lifestyle Media	\$ 144,393	\$ 137,434	\$ 471,286	\$ 430,014
Interactive Services	12,783	8,665	48,815	15,071
Corporate	(16,724)	(8,549)	(36,239)	(27,726)
Depreciation and amortization of intangibles	(18,635)	(20,226)	(54,602)	(64,744)
Gains (losses) on disposal of property, plant and equipment		(368)	(835)	(632)
Interest expense	(1,569)	(8,810)	(12,679)	(29,108)
Gains (losses) on repurchases of debt		928	(26,380)	1,245
Miscellaneous, net	917	573		2,186
Income from continuing operations before income taxes and minority interests	\$ 121,165	\$ 109,647	\$ 389,366	\$ 326,306

<i>(in thousands)</i>	As of	
	September 30, 2008	December 31, 2007
Assets:		
Lifestyle Media	\$ 1,414,113	\$ 1,404,188
Interactive Services	587,577	607,351
Corporate	5,298	6,288
Total assets	\$ 2,006,988	\$ 2,017,827

No single customer provides more than 10% of our revenue. The Company earns international revenues from its Shopzilla and uSwitch businesses. It also earns international revenue from HGTV and Food Network programming in international markets. Approximately 90% of our international revenues, which were \$60.5 million for the year-to-date period of 2008, were earned in United Kingdom markets.

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14. Comprehensive Income

Comprehensive income is as follows:

<i>(in thousands)</i>	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Comprehensive Income:				
Net income	\$ 57,327	\$ 57,898	\$ 177,104	\$ 172,392
Currency translation	(5,121)	7,061	(5,739)	19,696
Pension liability adjustments, net of income tax	319	(120)	(199)	(377)
Total comprehensive income	<u>\$ 52,525</u>	<u>\$ 64,839</u>	<u>\$ 171,166</u>	<u>\$ 191,711</u>

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

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

FORWARD-LOOKING STATEMENTS

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

EXECUTIVE OVERVIEW

On July 1, 2008, Scripps Networks Interactive spun off from The E. W. Scripps Company and began operations as a separate publicly-traded company. Scripps Networks Interactive is a leading lifestyle content and Internet search company with respected, high-profile television and interactive brands. HGTV and Food Network are the only television channels in the United States that dedicate their entire programming schedules to the shelter and food lifestyle content categories. Both networks are available in about 97 million television households, making them fully distributed along with other leading cable and direct to home programming services, and our Lifestyle Media branded Web sites consistently rank at or near the top in their respective lifestyle categories on a unique visitor basis. Shopzilla regularly ranks as one of the top comparison shopping Web sites in the United States and ranks among the country's top 10 general retail sites.

We manage our operations through two reportable operating segments: (i) Lifestyle Media, which includes our national television networks, HGTV, Food Network, DIY Network (DIY), Fine Living, Great American Country (GAC); SN Digital which is comprised of a portfolio of Web sites focused in the food and shelter categories; and a minority interest in Fox-BRV Southern Sports Holdings LLC; and (ii) Interactive Services, which includes online comparison shopping and consumer information services, Shopzilla, BizRate and uSwitch.

Operating revenues for the year-to-date period of 2008 increased 13% to \$1.2 billion compared with \$1.0 billion for the same period in 2007. Segment profit in the year-to-date period of 2008 was \$484 million compared with \$417 million for the same period in 2007, a 16% increase. Our consolidated results reflect strong growth at both our Lifestyle Media and Interactive Services businesses.

Lifestyle Media continued to demonstrate significant growth in 2008. Revenues in the year-to-date period of 2008 were up 12 percent year-over-year, led by the continuing success of our flagship networks, HGTV and Food Network, but also helped by double-digit revenue growth at both DIY and Fine Living. We continue to experience positive audience trends at HGTV and Food Network which coupled with strong pricing in the scatter advertising market, resulted in solid revenue and segment profit growth for the year-to-date period of 2008. Food Network had the highest rated season in the history of the network with prime-time viewership up 10 percent in the third quarter. Our newer networks are also demonstrating success as they continue to broaden their distribution and are starting to build audience bases. DIY delivered the best prime time ratings in its history during September with viewership among young adults improving more than 40 percent. DIY and Fine Living's revenue has grown 32% and 24%, respectively during 2008. Affiliate fee revenue also grew strongly reflecting general rate increases and solid subscriber growth at DIY and Fine Living. Lifestyle Media continues to focus on driving ratings growth at HGTV and Food Network through popular programming, expanding the distribution of our emerging networks, broadening our Internet-based offerings, and identifying opportunities to extend our nationally recognized brands to create new revenue streams.

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Our Interactive Services division also delivered improved results for the year-to-date period of 2008 compared with the same period in 2007. Revenue grew 17 percent to \$207 million, while segment profit was \$49 million compared with \$15 million in 2007. Revenue growth was primarily driven by Shopzilla's improved ability to monetize traffic and significant growth in sessions in European markets. While traffic grew both domestically and abroad, international traffic was up more than 50 percent compared with the first nine months of 2007. Increased energy switching activity and lower operating expenses at uSwitch drove improved results within that business. Additionally, Interactive Services' segment profit was negatively impacted \$15 million in 2007 for leadership transition costs incurred at Shopzilla and increased marketing expenses at uSwitch. We continue to focus on making improvements to the consumer experience at Shopzilla and driving traffic to the site, and we plan to continue to operate uSwitch with a pared down cost structure to better manage through the volatile energy switching environment we have experienced in recent periods.

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 Combined Financial Statements included in our Registration Statement on Form 10, as amended on June 11, 2008, describes the significant accounting policies we have selected for use in the preparation of our financial statements and related disclosures. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used could materially change the financial statements. We believe the accounting for Programs and Program Licenses, Revenue Recognition, Acquisitions, Goodwill and Other Indefinite-Lived Intangible Assets, Finite-Lived Intangible Assets, Income Taxes and Pension Plans to be our most critical accounting policies and estimates. A detailed description of these accounting policies is included in the Critical Accounting Policies section of Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Registration Statement on Form 10 as amended on June 11, 2008.

There have been no significant changes in those accounting policies or other significant accounting policies.

RESULTS OF OPERATIONS

The trends and underlying economic conditions affecting the operating performance and future prospects differ for each of our business segments, although the competitive landscape in both segments is affected by multiple media platforms competing for consumers and advertising dollars. In our Lifestyle Media division, we need to continue to create popular programming that resonates across a variety of demographic groups, develop new brands and find additional channels through which we can capitalize on the recognition of our existing brands and distribute our lifestyle-related content. In the Interactive Services division we must continually find ways to attract and monetize traffic to our sites, both by making changes to enhance the consumer experience and by finding ways to efficiently attract traffic. Additionally, our transition from a wholly-owned subsidiary to a stand-alone company will create certain challenges company-wide in the coming year. Such challenges include incurring increased overhead costs as a result of being a stand-alone company and developing an infrastructure to handle certain operational capacities that will be performed by E. W. Scripps on a short-term basis under transition service agreements.

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Consolidated and Combined Results of Operations – consolidated and combined results of operations were as follows:

<i>(in thousands)</i>	Three months ended September 30,			Nine months ended September 30,		
	2008	Change	2007	2008	Change	2007
Operating revenues	\$ 374,711	8.9%	\$ 343,965	\$ 1,179,117	13.0%	\$ 1,043,548
Costs and expenses	(239,677)	14.1%	(210,028)	(709,432)	11.1%	(638,324)
Depreciation and amortization of intangible assets	(18,635)	(7.9)%	(20,226)	(54,602)	(15.7)%	(64,744)
Losses on disposal of PP&E			(368)	(835)	32.1%	(632)
Operating income	116,399	2.7%	113,343	414,248	21.9%	339,848
Interest expense	(1,569)	(82.2)%	(8,810)	(12,679)	(56.4)%	(29,108)
Equity in earnings of affiliates	5,418	50.0%	3,613	14,177	16.8%	12,135
Gains (losses) on repurchases of debt			928	(26,380)		1,245
Miscellaneous, net	917	60.0%	573			2,186
Income from continuing operations before income taxes and minority interests	121,165	10.5%	109,647	389,366	19.3%	326,306
Provision for income taxes	44,517	30.1%	34,216	146,241	44.3%	101,328
Income from continuing operations before minority interests	76,648	1.6%	75,431	243,125	8.1%	224,978
Minority interest	19,321	7.5%	17,974	66,021	16.2%	56,809
Income from continuing operations	57,327	(0.2)%	57,457	177,104	5.3%	168,169
Income from discontinued operations, net of tax			441			4,223
Net income	\$ 57,327	(1.0)%	\$ 57,898	\$ 177,104	2.7%	\$ 172,392

Continuing Operations – The increase in operating revenues for the year-to-date period of 2008 compared with the prior-year period was due to double-digit growth in advertising sales and affiliate fee revenue at our national television networks and increases in referral fee revenues at our Interactive Services division. The increase in advertising sales at Lifestyle Media was primarily the result of improved audience viewership at HGTV and Food Network and strong pricing in the scatter advertising market during the first half of 2008. The increase in operating revenues at Interactive Services was attributed to Shopzilla effectively increasing and monetizing user traffic, successfully expanding the business in Western Europe, and increasing energy switching activity at uSwitch.

The increase in costs and expenses for the 2008 year-to-date period was primarily attributed to the expanded hours of original programming at our national networks. Lower costs and expenses at our Interactive Services division partially offset the increase at Lifestyle Media. Interactive Services' costs and expenses in 2007 include approximately \$15 million of costs attributed to both a leadership transition at Shopzilla and increased marketing expenses at uSwitch.

The decrease in depreciation and amortization was primarily attributed to the write-down of uSwitch's intangible assets during the fourth quarter of 2007, which resulted in lower amortization expense during 2008.

Interest expense includes interest incurred on outstanding borrowings and deferred compensation and other employment agreements. Interest incurred on outstanding borrowings decreased in 2008 due to lower average debt levels. The average balance of outstanding borrowings for the nine month period of 2008 was \$407 million at an average rate of 3.5% compared with \$672 million at an average rate of 5.1% in 2007. The average balance of outstanding obligations for the third quarter of 2008 was \$267 million at an average rate of 2.3% compared with \$594 million at an average rate of 5.0% for the third quarter of 2007.

In the second quarter of 2008, E. W. Scripps redeemed their outstanding notes which were previously allocated to us in our consolidated and combined financial statements. The associated loss on extinguishment of \$26.4 million from such redemption has been allocated to us in our statement of operations.

Our effective tax rate was 37.6% in the year-to-date period of 2008 and 31.1% in the year-to-date period of 2007. During 2008, we were allocated a loss on the extinguishment of debt which we expect will not be deductible for income tax purposes. Additionally, our deferred tax balances were re-measured in the third quarter of 2008 to reflect enacted state rates we expect to apply as a stand-alone company. The re-measurement of our deferred tax liability balances resulted in a one-time \$4.5 million charge to our tax provision in 2008.

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

Minority interest increased in the third quarter and year-to-date periods of 2008 due to the increased profitability of the Food Network. Food Network's profits are allocated in proportion to each partner's residual interests in the partnership. Minority interest expense is expected to be \$25 million to \$26 million in the fourth quarter.

Business Segment Results - As discussed in Note 13 to the condensed consolidated and combined financial statements, our chief operating decision maker (as defined by FAS 131 - Segment Reporting) evaluates the operating performance of our business segments using a performance measure we call segment profit. Segment profit excludes interest, income taxes, depreciation and amortization, divested operating units, restructuring activities, investment results and certain other items that are included in net income determined in accordance with accounting principles generally accepted in the United States of America.

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

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

<i>(in thousands)</i>	Three months ended September 30,			Nine months ended September 30,		
	2008	Change	2007	2008	Change	2007
Segment operating revenues:						
Lifestyle Media	\$ 312,000	7.8%	\$ 289,376	\$ 972,059	12.1%	\$ 867,003
Interactive Services	62,625	14.7%	54,589	206,972	17.2%	176,545
Corporate	86			86		
Total operating revenues	<u>\$ 374,711</u>	<u>8.9%</u>	<u>\$ 343,965</u>	<u>\$ 1,179,117</u>	<u>13.0%</u>	<u>\$ 1,043,548</u>
Segment profit (loss):						
Lifestyle Media	\$ 144,393	5.1%	\$ 137,434	\$ 471,286	9.6%	\$ 430,014
Interactive Services	12,783	47.5%	8,665	48,815		15,071
Corporate	<u>(16,724)</u>	<u>95.6%</u>	<u>(8,549)</u>	<u>(36,239)</u>	<u>30.7%</u>	<u>(27,726)</u>
Total segment profit	140,452	2.1%	137,550	483,862	15.9%	417,359
Depreciation and amortization of intangible assets	(18,635)	(7.9)%	(20,226)	(54,602)	(15.7)%	(64,744)
Losses on disposal of PP&E			(368)	(835)	32.1%	(632)
Interest expense	(1,569)	(82.2)%	(8,810)	(12,679)	(56.4)%	(29,108)
Gains (losses) on repurchases of debt			928	(26,380)		1,245
Miscellaneous, net	917	60.0%	573			2,186
Income from continuing operations before income taxes and minority interests	<u>\$ 121,165</u>	<u>10.5%</u>	<u>\$ 109,647</u>	<u>\$ 389,366</u>	<u>19.3%</u>	<u>\$ 326,306</u>

Corporate costs for the first six months of 2008 and the full-year period of 2007 reflect an estimate of SNI's portion of The E. W. Scripps Company's corporate expenses. These estimates may not be representative of costs we will incur as a stand-alone company.

Corporate expenses, excluding costs related to the Company's spin-off from E. W. Scripps, are expected to be \$10 million to \$12 million in the fourth quarter.

Discussions of the operating performance of each of our reportable business segments begin on page F-27.

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A reconciliation of segment profit to operating income determined in accordance with accounting principles generally accepted in the United States of America for each business segment was as follows:

<i>(in thousands)</i>	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Operating Income	\$ 116,399	\$ 113,343	\$ 414,248	\$ 339,848
Equity in earnings of affiliates:				
Lifestyle Media	5,418	3,613	14,177	12,135
Depreciation and amortization:				
Lifestyle Media	6,996	5,868	20,640	16,969
Interactive Services	11,577	14,136	33,793	47,093
Corporate	62	222	169	682
Losses on disposal of PP&E:				
Lifestyle Media		1	764	69
Interactive Services		356		552
Corporate		11	71	11
Total segment profit	<u>\$ 140,452</u>	<u>\$ 137,550</u>	<u>\$ 483,862</u>	<u>\$ 417,359</u>

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Lifestyle Media – Lifestyle Media includes five national television networks, HGTV, Food Network, DIY Network (“DIY”), Fine Living and Great American Country (“GAC”); SN Digital which consists of our national television networks affiliated Web sites and other Web sites dedicated to the food and shelter categories; and our 7.25% interest in Fox-BRV Southern Sports Holdings, LLC which comprises the Sports South and Fox Sports Net South regional television networks. Our networks also operate internationally through licensing agreements and joint ventures with foreign entities.

Advertising and network affiliate fees provide substantially all of each network’s operating revenues and employee costs and programming costs are the primary expenses. The demand for national television advertising is the primary economic factor that impacts the operating performance of our networks.

Operating results for Lifestyle Media were as follows:

<i>(in thousands)</i>	Three months ended September 30,			Nine months ended September 30,		
	2008	Change	2007	2008	Change	2007
Segment operating revenues:						
Advertising	\$ 235,523	5.4%	\$ 223,401	\$ 742,270	10.2%	\$ 673,678
Network affiliate fees, net	69,877	15.6%	60,427	206,991	17.0%	176,951
Other	6,600	19.0%	5,548	22,798	39.2%	16,374
Total segment operating revenues	<u>312,000</u>	<u>7.8%</u>	<u>289,376</u>	<u>972,059</u>	<u>12.1%</u>	<u>867,003</u>
Segment costs and expenses:						
Employee compensation and benefits	44,395	21.5%	36,531	127,904	17.5%	108,871
Programs and program licenses	74,536	10.5%	67,446	211,099	19.4%	176,775
Other segment costs and expenses	54,094	4.9%	51,578	175,947	7.6%	163,478
Total segment costs and expenses	<u>173,025</u>	<u>11.2%</u>	<u>155,555</u>	<u>514,950</u>	<u>14.7%</u>	<u>449,124</u>
Segment profit before equity in earnings of affiliates	138,975	3.9%	133,821	457,109	9.4%	417,879
Equity in earnings of affiliates	5,418	50.0%	3,613	14,177	16.8%	12,135
Segment profit	<u>\$ 144,393</u>	<u>5.1%</u>	<u>\$ 137,434</u>	<u>\$ 471,286</u>	<u>9.6%</u>	<u>\$ 430,014</u>
Supplemental Information:						
Billed network affiliate fees	\$ 77,689		\$ 64,861	\$ 230,077		\$ 191,374
Program payments	65,621		65,208	212,503		217,433
Depreciation and amortization	6,996		5,868	20,640		16,969
Capital expenditures	<u>13,804</u>		<u>14,191</u>	<u>31,710</u>		<u>24,328</u>

Advertising revenues increased primarily due to an increased demand for advertising time and higher advertising rates at our networks. Improved ratings and viewership, particularly at HGTV and Food Network, and strong pricing in the scatter advertising market during the first half of the year contributed to the increases in advertising revenues during 2008 compared with 2007.

Distribution agreements with cable and satellite television systems currently in force require the payment of affiliate fees over the terms of the agreements. The increase in network affiliate fees is attributed to higher rates negotiated for contract renewals of HGTV in the latter half of 2007, modest increases in current agreements for Food’s distribution and growing household penetration at DIY and Fine Living.

SN Digital continued to show growth in 2008. Online revenues were approximately \$19.1 million in the third quarter of 2008 compared with \$17.8 million in the third quarter of 2007. Year-to-date online revenues were \$56.8 million in 2008 compared with \$53.1 million in 2007.

We expect total operating revenues at our Lifestyle Media segment will be up mid-single digits year-over-year in the fourth quarter of 2008.

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Employee compensation and benefits increased primarily due to the hiring of additional employees to support our interactive growth initiatives.

Programs and program licenses increased due to the improved quality and variety of programming, and higher costs attributed to investing in high-definition programming.

Lifestyle Media's total segment expenses are expected to increase a mid to high single digit percent in the fourth quarter of 2008 as we continue to invest in our interactive content businesses and expand internationally.

Supplemental financial information for Lifestyle Media is as follows:

<i>(in thousands)</i>	Three months ended September 30,			Nine months ended September 30,		
	2008	Change	2007	2008	Change	2007
Operating revenues by brand:						
HGTV	\$ 143,391	5.1%	\$ 136,397	\$ 447,738	10.1%	\$ 406,775
Food Network	112,874	8.8%	103,755	358,359	13.8%	314,972
DIY	16,006	28.3%	12,478	47,338	31.9%	35,888
Fine Living	12,873	24.0%	10,385	39,637	24.0%	31,976
GAC	5,890	(3.2)%	6,085	18,088	(1.5)%	18,363
SN Digital	19,137	7.4%	17,812	56,846	7.1%	53,098
Other	1,829	(25.8)%	2,464	4,053	(31.7)%	5,931
Total segment operating revenue	<u>\$ 312,000</u>	<u>7.8%</u>	<u>\$ 289,376</u>	<u>\$ 972,059</u>	<u>12.1%</u>	<u>\$ 867,003</u>
Homes reached in September (1):						
HGTV				97,400	1.7%	95,800
Food Network				97,500	2.0%	95,600
DIY				48,300	1.3%	47,700
Fine Living				51,800	4.4%	49,600
GAC				54,000	6.5%	50,700

- (1) Approximately 100 million homes in the United States receive cable or satellite television. Homes reached are according to the Nielsen Homevideo Index ("Nielsen"), with the exception of Fine Living which is not yet rated by Nielsen and represent comparable amounts calculated by us.

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Interactive Services - Interactive Services includes our online comparison shopping services, Shopzilla and uSwitch.

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

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

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

Financial information for Interactive Services is as follows:

<i>(in thousands)</i>	Three months ended September 30,			Nine months ended September 30,		
	2008	Change	2007	2008	Change	2007
Segment operating revenues	\$ 62,625	14.7%	\$ 54,589	\$ 206,972	17.2%	\$ 176,545
Segment costs and expenses:						
Employee compensation and benefits	16,138	(1.7)%	16,415	47,431	(12.7)%	54,311
Marketing and advertising	28,683	12.8%	25,418	94,907	5.4%	90,082
Other segment costs and expenses	5,021	22.7%	4,091	15,819	(7.4)%	17,081
Total segment costs and expenses	49,842	8.5%	45,924	158,157	(2.1)%	161,474
Segment profit	\$ 12,783	47.5%	\$ 8,665	\$ 48,815		\$ 15,071
Supplemental Information:						
Depreciation and amortization	\$ 11,577		\$ 14,136	\$ 33,793		\$ 47,093
Capital expenditures	6,166		7,286	16,499		26,777

Improved results at both Shopzilla and uSwitch contributed to the 17% increase in our Interactive Service's operating revenues in 2008 compared with 2007. The increase in Shopzilla's year-to-date operating revenues was attributed to growth in revenues from Western European markets and Shopzilla's effectiveness in increasing and monetizing user traffic. Shopzilla's net revenue, when considering search marketing costs incurred, increased 16% in the year-to-date period of 2008 compared with 2007. uSwitch's operating revenues in 2008 benefited from an increase in volatility in the energy markets which correlated to an increase in switching activity.

Segment results for the year-to-date period of 2007 were also impacted by \$10 million of costs incurred to build brand awareness for uSwitch and \$5 million of costs incurred related to the transition in leadership at Shopzilla.

Interactive Services is expected to generate segment profit of \$16 million to \$18 million in the fourth quarter of 2008.

Table of Contents**LIQUIDITY AND CAPITAL RESOURCES**

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

<i>(in thousands)</i>	Nine months ended September 30,	
	2008	2007
Net cash provided by continuing operating activities	\$ 447,625	\$ 262,128
Net cash provided by discontinued operations		45,742
Distributions paid, including to minority interest	(86,267)	(62,968)
Employee stock option proceeds	5,194	
Other financing activities	(1,056)	
Change in parent company investment, net	96,457	(9,515)
Cash flow available for acquisitions, investments, and debt repayment	<u>\$ 461,953</u>	<u>\$ 235,387</u>
Sources and uses of available cash flow:		
Business acquisitions and net investment activity	\$ (9,684)	\$ (29,981)
Capital expenditures	(45,209)	(51,664)
Other investing activity	1,278	(5)
Premium payment on repurchases of debt	(22,517)	
Decrease in long-term debt	<u>(371,303)</u>	<u>(160,918)</u>

Our cash flow has been used primarily to fund acquisitions and investments, develop new businesses, and repay debt. Net cash provided by operating activities has increased year-over-year due to the improved operating performance of our business segments. We expect cash flow from operating activities in 2008 will provide sufficient liquidity to continue the development of our emerging brands and to fund the capital expenditures necessary to support our businesses.

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

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

On June 30, 2008, we entered into a Competitive Advance and Revolving Credit Facility that permits \$550 million in aggregate borrowings and expires in June 2013. We borrowed \$325 million under the credit facility on June 30, 2008. Utilizing existing cash on hand and the proceeds from these borrowings, we paid a dividend of \$430 million to E. W. Scripps prior to the consummation of the spin-off. During the third quarter of 2008, payments on long-term debt reduced the aggregate borrowings under the credit facility to \$135 million.

Pursuant to the terms of the Food Network general partnership agreement, the partnership is required to distribute available cash to the general partners. Cash distributions to Food Network's non-controlling interests were \$74.0 million in the year-to-date period of 2008 and \$63.0 million in the year-to-date period of 2007. We expect the cash distributions to the minority partner will approximate \$17.0 million in the fourth quarter of 2008.

Management does not believe that the costs associated with the Transition Services Agreement, Tax Allocation Agreement and Employee Matters Agreement will have a material impact on the future results of operations, financial condition or liquidity. We incurred expenses of \$2.7 million and recorded income of \$0.9 million under the Transition Services Agreement in the first three months after the Separation (see footnote 9—*Related Party Transactions*).

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QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Earnings and cash flow can be affected by, among other things, economic conditions, interest rate changes, and foreign currency fluctuations.

On June 30, 2008, we entered into a Competitive Advance and Revolving Credit Facility that permits \$550 million in aggregate borrowings and expires in June 2013. Borrowings under the credit facility totaled \$135 million on September 30, 2008 at a weighted-average interest rate of 4.0%. We are subject to interest rate risk associated with our credit facility as borrowings are available on a committed revolving credit basis at our choice of three short-term rates or through an auction procedure at the time of each borrowing. Accordingly, the interest we pay on our borrowings is dependent on interest rate conditions and the timing of our financing needs. Assuming our borrowings were to remain at \$135 million for twelve months with a weighted-average interest rate of 4.0%, a quarter point change in interest rates would result in a \$0.3 million change in annual interest expense.

Our primary exposure to foreign currencies is the exchange rates between the U.S. dollar and the British pound. Reported earnings and assets may be reduced in periods in which the U.S. dollar increases in value relative to those currencies. Included in shareholders' equity is \$47.7 million of foreign currency translation adjustment gains resulting primarily from the devaluation of the U.S. dollar relative to the British pound from our March 2006 acquisition of uSwitch through December 2007.

Our objective in managing exposure to foreign currency fluctuations is to reduce volatility of earnings and cash flow. Accordingly, we may enter into foreign currency derivative instruments that change in value as foreign exchange rates change, such as foreign currency forward contracts or foreign currency options. We held no foreign currency derivative financial instruments at September 30, 2008.

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CONTROLS AND PROCEDURES

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

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

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

The effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) was evaluated as of the date of the financial statements. This evaluation was carried out under the supervision of and with the participation of management, including the Chief Executive Officer and the Chief Financial Officer. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures are effective.

<u>Exhibit No.</u>	<u>Item</u>
10.31	Employment Agreement between the Company and Anatolio B. Cruz III
10.32	Employment Agreement between the Company and Joseph G. NeCastro
10.33	Employment Agreement between the Company and Mark S. Hale
10.34	Employment Agreement between the Company and John F. Lansing
31(a)	Section 302 Certifications
31(b)	Section 302 Certifications
32(a)	Section 906 Certifications
32(b)	Section 906 Certifications



Kenneth W. Lowe
Chairman, President & CEO

ken.lowe@scrippsnetworks.com

October 15, 2008

Mr. Anatolio B. Cruz III
c/o Scripps Networks Interactive, Inc.
312 Walnut Street
2800 Scripps Center
Cincinnati, OH 45202

Re: Employment Agreement

Dear A.B.:

Scripps Networks Interactive, Inc. (the "Company") agrees to employ you and you agree to accept such employment upon the following terms and conditions:

1. Term. Subject to the provisions for earlier termination provided in paragraph 10 below, the term of your employment hereunder shall become effective as of October 16, 2008 (the "Effective Date") and shall continue through and until the third anniversary of the Effective Date. Such period shall be referred to as the "Term," notwithstanding any earlier termination of your employment for any reason. The Company shall provide you with at least ninety (90) days' notice prior to the expiration of the Term if the Company does not intend to continue to employ you beyond the expiration of the Term. If the Company does not provide you with such notice and the parties do not otherwise agree in writing to renew, extend, or replace this Agreement, the Term shall automatically renew for one one-year term.

2. Duties. You will be the Executive Vice President, Chief Legal Officer and Corporate Secretary, reporting to the Chairman, President & Chief Executive Officer of the Company ("Reporting Senior"). You agree to devote substantially all your business time, and apply your best reasonable efforts, to promote the business and affairs of the Company and its affiliated companies during your employment. You will perform such duties and responsibilities commensurate with your position and title during the Term, and as may be reasonably assigned to you from time to time by your Reporting Senior. You shall not, without the prior written consent of the Company, directly or indirectly, during the Term, other than in the performance of duties naturally inherent to the businesses of the Company and in furtherance thereof, render services of a business, professional, or commercial nature to any other person or firm, whether for compensation or otherwise; provided, however, that so long as it does not materially interfere with the performance of your duties hereunder, you may serve as a director, trustee or officer of, or otherwise participate in, educational, welfare, social, religious, civic, professional, or trade organizations.

Assistant: Nancy Tretter
513.824.3223 fax 513.977.3024
nancy.tretter@scrippsnetworks.com
312 Walnut Street, Cincinnati, OH 45202

This provision is not intended to prevent or restrict in any material way your ongoing participation in and service as a member of the U.S. Navy Reserve, which shall be governed by the Uniformed Services Employment & Reemployment Act of 1994 and the Company's Military Leave of Absence Policy as applicable. Your principal place of business shall be in Cincinnati, Ohio.

3. Compensation.

(a) Annual Salary. For all the services rendered by you in any capacity under this Agreement, the Company agrees to pay you five hundred and forty thousand dollars (\$540,000) a year in base salary ("Annual Salary"), less applicable deductions and withholding taxes, in accordance with the Company's payroll practices as they may exist from time to time during the Term. Your Annual Salary may be increased by the Company's Compensation Committee in conjunction with your annual performance review conducted pursuant to the guidelines and procedures of the Company applicable to similarly situated executives, but in no event shall your Annual Salary be less than the annual salary amount established under this paragraph 3(a) for the immediately previous calendar year.

(b) Annual Incentive. You shall participate in the Company's Executive Annual Incentive Plan, as amended, or any successor to such plan (the "Annual Incentive Plan") with a target annual incentive opportunity of 55% of your Annual Salary as established under paragraph 3(a) ("Annual Incentive"). The Annual Incentive amount actually paid shall be based on your attainment, within the range of the minimum and maximum performance objectives, of strategic and financial goals established for you by the Company and approved by the Company's Compensation Committee. The Company shall pay to you any Annual Incentive under this paragraph 3(b) in accordance with the terms and subject to the conditions of the Annual Incentive Plan.

4. Benefits. During your employment hereunder, you shall be eligible to participate in all equity incentive plans of the Company applicable to similarly situated executives of the Company, as shall be determined by the Company's Compensation Committee. During your employment hereunder, you shall also be entitled to participate in any employee retirement, pension and welfare benefit plan or program available to similarly situated executives of the Company, or to the Company's employees generally, as such plans and programs may be in effect from time to time, including, without limitation, pension, profit sharing, savings, estate preservation and other retirement plans or programs, 401(k), medical, dental, life insurance, short-term and long-term disability insurance plans, accidental death and dismemberment protection, travel accident protection, and all other plans that the Company may have or establish from time to time and in which you would be entitled to participate under the terms of the applicable plan. This provision is not intended, nor shall it have the effect of, reducing any benefit to which you were entitled as of the Effective Date. However, this provision shall not be construed to

require the Company to establish any welfare, compensation or long-term incentive plans, or to prevent the modification or termination of any plan once established, and no action or inaction with respect to any plan shall affect this Agreement. You shall be entitled to be reimbursed by the Company for tax and financial planning up to a maximum of \$15,000 per year, and for the annual membership fees and other dues associated with one luncheon club. In addition, the Company shall pay the costs of an annual "senior executive" physical examination. You shall be entitled to no less than five (5) weeks of Paid Time Off ("PTO") per calendar year.

5. Business Expenses. During your employment hereunder, the Company shall reimburse you for reasonable travel and other expenses incurred in the performance of your duties as are customarily reimbursed to similarly situated executives of the Company.

6. Entitlements in Event of Death. In the event of your death during your employment hereunder, your beneficiary or estate shall receive a lump sum payment equal to your Annual Salary, as in effect on the date of your death. Such payment shall be made within 60 days after your death. Also, your family members who are covered under a Company medical plan at the time of your death shall be entitled to receive commensurate medical coverage under COBRA at the Company's expense throughout the one-year period immediately following your death, which period of coverage shall run concurrently with the period of continuation coverage under Section 4980B of the Code. In addition, your beneficiary or estate shall receive (i) any Annual Incentive earned in the prior calendar year, but that has not yet been paid, in accordance with the terms of the Annual Incentive Plan; (ii) a lump sum payment equal to the target Annual Incentive opportunity for the calendar year of your death, multiplied by the number of years and fractions thereof in the period commencing on January 1 of the calendar year of your death and ending on the first anniversary of your death (with each full and partial month counting as one-twelfth (1/12th) of a year), payable, less applicable deductions and withholding taxes, within 60 days after your death; which such Annual Incentive shall be in lieu of any Annual Incentive that you would have otherwise been entitled to receive under the terms of the Annual Incentive Plan for that year; and (iii) reimbursement for all documented business expenses previously incurred for which you have not been reimbursed.

7. Entitlements in Event of Permanent Disability. In the event of your permanent disability during your employment hereunder (as defined under and covered by a Company employee disability plan), your employment hereunder shall terminate and you shall receive a lump sum payment equal to your Annual Salary, as in effect on the date of your disability. Such payment shall be made within 60 days after your disability and shall serve as an offset to any benefits provided under the applicable Company employee disability plan to the extent provided in that plan. Also, you and your family members who are covered under a Company medical plan at the time of your permanent disability shall be entitled to receive

commensurate medical coverage at the Company's expense for the longer of (i) the one-year period immediately following your disability, or (ii) the period set forth in the then-applicable Company employee disability plan. In addition, you shall receive (i) any Annual Incentive earned in the prior calendar year, but that has not yet been paid, in accordance with the terms of the Annual Incentive Plan; (ii) a lump sum payment equal to the target Annual Incentive opportunity for the calendar year of your disability, multiplied by the number of years and fractions thereof in the period commencing on January 1 of the calendar year of your disability and ending on the first anniversary of your disability (with each full and partial month counting as one-twelfth (1/12th) of a year), payable, less applicable deductions and withholding taxes, within 60 days after your disability; which such Annual Incentive shall be in lieu of any Annual Incentive that you would have otherwise been entitled to receive under the terms of the Annual Incentive Plan for that year; and (iii) reimbursement for all documented business expenses previously incurred for which you have not been reimbursed.

8. Change in Control Protections. You shall be included in and covered by the Company's Executive Change in Control Plan (the "CIC Plan"), which is incorporated herein by reference. Your Termination Pay Multiple, as defined in the CIC Plan, will be at least "2.5". If a "Change in Control" occurs (as defined in the CIC Plan) during the Term and on or after the date that you have attained age 50 with at least 5 "years of service" (within the meaning of the Supplemental Executive Retirement Plan as in effect immediately prior to the Change in Control), then notwithstanding anything contained in the CIC Plan to the contrary, and solely for purposes of determining your "Pension Enhancement" under Section 5.4 of the CIC Plan or its successor (but not for purposes of determining any other benefits under that plan), the term "Termination Pay Multiple" shall be deemed to refer to the greater of (i) your Termination Pay Multiple or (ii) the number of years (and fractions thereof) in the period commencing on the day immediately following your date of termination and ending on the date that you would have attained both age 55 with at least 10 "years of service" (as defined above) had you continued to be employed by the Company. In the event that the CIC Plan is terminated or you are excluded from that plan for any reason during the Term, the Company agrees to promptly amend this Agreement so that you are similarly covered and eligible for the same benefits and protection thereunder.

9. Non-Competition, Confidential Information, Etc.

(a) Non-Competition. You agree that your employment with the Company is on an exclusive basis and that, while you are employed by the Company, you will not engage in any other business activity that would otherwise conflict with your duties and obligations (including your commitment of substantially all business time) under this Agreement. You agree that, during the Non-Compete Period (as defined below), you shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any

business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent you from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system. The Non-Compete Period shall cover the entire Term; provided, however, that, if your employment terminates before the end of the Term, the Non-Compete Period shall terminate, if earlier, (i) six (6) months after you terminate your employment for Good Reason or the Company terminates your employment without Cause, or on such earlier date as you may make the election under paragraph 9(i) (which relates to your ability to terminate your obligations under this paragraph 9(a) in exchange for waiving your right to certain compensation and benefits); or (ii) twelve (12) months after the Company terminates your employment for Cause. (Defined terms used without definitions in the preceding sentence have the meanings provided in paragraphs 10(a) and (b).)

(b)Confidential Information. You agree that, during the Term or at any time thereafter, (i) you shall not use for any purpose other than the duly authorized business of the Company, or disclose to any third party, any information relating to the Company or any of its affiliated companies which is proprietary to the Company or any of its affiliated companies ("Confidential Information"), including any trade secret or any written (including in any electronic form) or oral communication incorporating Confidential Information in any way (except as may be required by law or in the performance of your duties under this Agreement consistent with the Company's policies); and (ii) you will comply with any and all confidentiality obligations of the Company to a third party, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information which (x) is or becomes generally available to the public other than as a result of a disclosure by you or at your direction or by any other person who directly or indirectly receives such information from you, or (y) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you.

(c)No Solicitation or Interference. You agree that, during the Term and for one (1) year thereafter, you shall not, directly or indirectly:

- (i) employ or solicit the employment of any person who is then or has been within six (6) months prior thereto, an employee of the Company or any of its affiliated companies; or
- (ii) interfere with, disturb or interrupt the relationships (whether or not such relationships have been reduced to formal contracts) of the Company or any of its affiliated companies with any customer, supplier or consultant.

(d)Ownership of Works. The results and proceeds of your services under this Agreement, including, without limitation, any works of authorship resulting from your services to the Company or any of its affiliates during your employment with

the Company and/or any of its affiliated companies and any works in progress resulting from such services, shall be works-made-for-hire and the Company shall be deemed the sole owner throughout the universe of any and all rights of every nature in such works, whether such rights are now known or hereafter defined or discovered, with the right to use the works in perpetuity in any manner the Company determines in its sole discretion without any further payment to you. If, for any reason, any of such results and proceeds are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to the Company under the preceding sentence, then you hereby irrevocably assign and agree to assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, whether now known or hereafter defined or discovered, and the Company shall have the right to use the work in perpetuity throughout the universe in any manner the Company determines in its sole discretion without any further payment to you. You shall, as may be requested by the Company from time to time, do any and all things which the Company may deem useful or desirable to establish or document the Company's rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents and, if you are unavailable or unwilling to execute such documents, you hereby irrevocably designate your Reporting Senior or his designee as your attorney-in-fact with the power to execute such documents on your behalf. To the extent you have any rights in the results and proceeds of your services under this Agreement that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 9(d) is subject to, and does not limit, restrict, or constitute a waiver by the Company or any of its affiliated companies of any ownership rights to which the Company or any of its affiliated companies may be entitled by operation of law by virtue of being your employer.

(e) Litigation.

- (i) You agree that, during the Term, for one (1) year thereafter and, if longer, during the pendency of any litigation or other proceeding, and except as may be required by law or legal process, (x) you shall not communicate with anyone (other than your own attorneys and tax advisors), except to the extent necessary in the performance of your duties under this Agreement, with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving the Company or any of its affiliated companies, other than any litigation or other proceeding in which you are a party-in-opposition, without giving prior notice to the Company's Chief Executive Officer; and (y) in the event that any other party attempts to obtain information or documents from you with respect to such matter, either through formal legal process such as a subpoena or by informal

means such as interviews, you shall promptly notify the Company's Chief Executive Officer before providing any information or documents.

- (ii) You agree to cooperate with the Company and its attorneys, both during employment and during the five-year period following termination of your employment, in connection with any litigation or other proceeding arising out of or relating to matters in which you were involved prior to the termination of your employment. Your cooperation shall include, without limitation, providing assistance to the Company's counsel, experts or consultants, and providing truthful testimony in pretrial and trial or hearing proceedings. In the event that your cooperation is requested after the termination of your employment, the Company will (x) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (y) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses.
- (iii) Except as required by law or legal process, you agree that you will not testify in any lawsuit or other proceeding which directly or indirectly involves the Company or any of its affiliated companies, or which may create the impression that such testimony is endorsed or approved by the Company or any of its affiliated companies. In all events, you shall give advance notice to the Company's Chief Executive Officer of such testimony promptly after you become aware that you may be required to provide it. The Company expressly reserves its attorney-client and other privileges except if expressly waived in writing.

(f)Return of Property. All documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with the Company or any of its affiliated companies shall remain the exclusive property of the Company. In the event of the termination of your employment for any reason, the Company reserves the right, to the extent permitted by law and in addition to any other remedy either may have, to deduct from any monies otherwise payable to you the following: (i) all amounts you may directly owe to the Company or any of its affiliated companies at the time of or subsequent to the termination of your employment with the Company; and (ii) the reasonable value of the Company property which you retain in your possession after the termination of your employment with the Company. In the event that the law of any state or other jurisdiction requires the consent of an employee for such deductions, this Agreement shall serve as such consent.

(g)Non-Disparagement. During the Term hereof and for one (1) year following the termination hereof for any reason, you shall not make, nor cause any one else to

make or cause on your behalf, any public disparaging or derogatory statements or comments regarding the Company or its affiliated companies, or its officers or directors; likewise the Company will not make, nor cause any one else to make, any public disparaging or derogatory statements or comments regarding you.

(h)Injunctive Relief. The Company has entered into this Agreement in order to obtain the benefit of your unique skills, talent, and experience. You and the Company acknowledge and agree that your violation of paragraphs 9(a) through (h) of this Agreement may result in irreparable damage to the Company and/or its affiliated companies and, accordingly, the Company may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to the Company.

(i)Survival: Modification of Terms. The obligations set forth under paragraphs 9(a) through (i) shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment under this Agreement for any reason or the expiration of the Term;provided, however, that your obligations under paragraph 9(a) (but not under any other provision of this Agreement) shall cease if you terminate your employment for Good Reason or the Company terminates your employment without Cause and you notify the Company in writing that you have elected to waive your right to receive, or to continue to receive, termination payments and benefits under paragraphs 10(d)(i) through (iv). You and the Company agree that the restrictions and remedies contained in paragraphs 9(a) through (h) are reasonable and that it is your intention and the intention of the Company that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If a court of competent jurisdiction shall find that any such restriction or remedy is unenforceable but would be enforceable if some part were deleted or the period or area of application reduced, then such restriction or remedy shall apply with the modification necessary to make it enforceable.

10. Termination

(a)Termination for Cause. The Company may, at its option, terminate your employment under this Agreement for Cause and thereafter shall have no obligations under this Agreement, including, without limitation, any obligation to pay Annual Salary or Annual Incentive or provide benefits. "Cause" shall mean exclusively: (i) embezzlement, fraud or other conduct that would constitute a felony (other than traffic-related citations); (ii) willful unauthorized disclosure of Confidential Information; (iii) your material breach of this Agreement; (iv) your gross misconduct or gross neglect in the performance of your duties hereunder; (v) your willful failure to cooperate with a bona fide internal investigation or investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other material reasonably known to be relevant to such an

investigation, or the willful inducement of others to fail to cooperate or to destroy or fail to produce documents or other material; or (vi) your willful and material violation of the Company's written conduct policies, including but not limited to the Company's Employment Handbook and Ethics Code. The Company will give you written notice prior to terminating your employment pursuant to (iii), (iv), (v), or (vi), of this paragraph 10(a), setting forth the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, you shall have twenty (20) business days from the giving of such notice within which to cure any failure, breach or refusal under (iii), (iv), (v), or (vi) of this paragraph 10(a); provided, however, that, if the Company reasonably expects irreparable injury from a delay of twenty (20) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances.

(b)Good Reason Termination. You may terminate your employment under this Agreement for Good Reason at any time during the Term by written notice to the Company. Good Reason shall mean without your consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with your Permanent Disability) exclusively: (i) a material diminution in your authority, duties, or responsibilities; (ii) a material diminution in the authority, duties, or responsibilities of the supervisor to whom you are required to report; (iii) a material diminution in the budget over which you retain authority (except for good faith budget adjustments necessitated by the legitimate business needs of the Company); (iv) a material change in geographic location at which you must perform services under this Agreement from the Company's offices at which you were principally employed; or (v) any other action or inaction that constitutes a material breach by the Company of the terms of the Agreement. A termination of your employment shall not be deemed to be for Good Reason unless (1) you provide notice to the Company of the existence of the event or condition constituting the basis for your Good Reason termination within thirty (30) days after such event or condition initially occurs or exists, (2) the Company fails to cure such event or condition within thirty (30) days after receiving such notice, and (3) your termination of employment occurs not later than ninety (90) days after such event or condition initially occurs or exists.

(c)Termination Without Cause. The Company may terminate your employment under this Agreement without Cause at any time during the Term by written notice to you.

(d)Termination Payments/Benefits. In the event that your employment terminates under paragraph 10(b) or (c), you shall thereafter receive the following, less applicable deductions and withholding taxes:

- (i) A lump sum payment equal to your Annual Salary, as in effect on the date on which your employment terminates, pro-rated through the end of

the Term. Such payment shall be made within thirty (30) days after the termination of your employment;

- (ii) A lump sum payment equal to your Annual Incentive that would have been payable for the calendar year of your termination under the Annual Incentive Plan if you had remained employed for the entire year, based on actual performance during the entire year and without regard to any discretionary adjustments that have the effect of reducing the amount of your Annual Incentive (other than discretionary adjustments applicable to all similarly situated executives in the plan who did not terminate employment), pro-rated for the portion of the year through the date of termination. Such payment shall be made at the same time that payments are made to other participants in the Annual Incentive Plan for that year and shall be in lieu of any Annual Incentive that you would have otherwise been entitled to receive under the terms of the Annual Incentive Plan for the year of termination;
- (iii) A lump sum payment equal to your target Annual Incentive in effect on the date on which your employment terminates, multiplied by the remaining number of years and fractions thereof in the Term (with each full and partial month counting as one-twelfth (1/12th) of a year). Such payment shall be made within thirty (30) days after the termination of your employment;
- (iv) Medical and dental insurance coverage provided under COBRA (or early retiree medical if eligible for such coverage and elected) at no cost to you (except as hereafter described) pursuant to the plans then covering the employees of the Company (until the end of the Term or, if earlier, the date on which you become eligible for medical and dental coverage from a third party, which period of coverage shall run concurrently with the period of continuation coverage under Section 4980B of the Code); provided, that, during the period that the Company provides you with this coverage, an amount equal to the applicable COBRA premiums (or such other amounts as may be required by law) will be included in your income for tax purposes to the extent required by law and the Company may withhold taxes from your compensation for this purpose; and provided, further, that you may elect to continue your medical and dental insurance coverage under COBRA, if applicable, at your own expense for the balance, if any, of the period required by law; and
- (v) The Company shall take all steps reasonably necessary to continue the life insurance coverage pursuant to the policy then covering the employees of the Company (and if the policy cannot be continued in its then-current form, the Company shall exercise any required conversion

features to continue the policy) in the amount then furnished to the Company employees, at no cost to you, until the end of the Term. The amount of such coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third party employer.

Notwithstanding the foregoing, in the event your employment is terminated pursuant to paragraphs 10(b) or (c) with less than 18 months remaining in the Term, then for purposes of determining the payments and benefits described in paragraphs 10(d)(i), (iii), (iv), and (v), the Term shall be deemed to have 18 months remaining at the time of your termination of employment. You understand and agree that notice given by the Company in accordance with paragraph 1 that it does not intend to continue to employ you beyond the expiration of the Term does not constitute termination pursuant to paragraph 10(c).

(e) Termination of Benefits. Notwithstanding anything in this Agreement to the contrary (except as otherwise provided in paragraph 10(d) with respect to medical and dental benefits and life insurance), participation in all the Company benefit plans and programs will terminate upon the termination of your employment except to the extent otherwise expressly provided in such plans or programs and subject to any vested rights you may have under the terms of such plans or programs.

(f) Resignation from Official Positions. If your employment with the Company terminates for any reason, you shall be deemed to have resigned at that time from any and all officer or director positions that you may have held with the Company or any of its affiliated companies and all board seats or other positions in other entities you held on behalf of the Company. If, for any reason, this paragraph 10(f) is deemed insufficient to effectuate such resignation, you agree to execute, upon the request of the Company, any documents or instruments which the Company may deem necessary or desirable to effectuate such resignation or resignations, and you hereby authorize the Secretary and any Assistant Secretary of the Company to execute any such documents or instruments as your attorney-in-fact.

11. Severance Contingent On Release, Waiver and Non-Compete Agreement If, pursuant to paragraph 1, the Company gives proper notice that it does not intend to employ you beyond the expiration of the Term, and your employment hereunder ends as a result, if you execute and do not later revoke or materially violate the Release, Waiver and Non-Compete Agreement in a form materially similar to the document attached hereto as Exhibit A, you will be entitled to the benefits described in paragraphs 10(d)(i) – (v); provided, however, that for purposes of determining the payments and benefits described in paragraphs 10(d)(i), (iii), (iv), and (v), the Term shall be deemed to have twelve (12) months remaining at the time of your termination of employment. The Release, Waiver and Non-Compete Agreement must be executed by you and become effective and irrevocable in accordance with its terms no later than the thirtieth (30th) day following termination of your employment (the “Release Date”), or such longer period as required by law.

Payment of the benefits described in paragraphs 10(d)(i) and (ii) shall be made within thirty (30) days after the Release Date, but in no event later than March 15 of the calendar year immediately following the calendar year in which your employment terminates.

12. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit your continuing or future participation in any plan, program, policy or practice provided by the Company or its affiliates and for which you may qualify. Amounts that are vested benefits or that you are otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or its affiliates at or subsequent to the date of termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

13. Company's Policies. You agree that, during your employment hereunder, you will comply in all material respects with all of the Company's written policies, including, but not limited to, the Company's Employee Handbook and Ethics Code.

14. Indemnification; D&O Liability Insurance. If you are made a party to, are threatened to be made a party to, receive any legal process in, or receive any discovery request or request for information in connection with, any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that you were an officer, director, employee, or agent of the Company or any of its affiliated companies, or were serving at the request of or on behalf of the Company or any of its affiliated companies, the Company shall indemnify and hold you harmless to the fullest extent permitted or authorized by the Company's Articles of Incorporation or Code of Regulations or, if greater, by the laws of the State of Ohio, against all costs, expenses, liabilities and losses you incur in connection therewith. Such indemnification shall continue even if you have ceased to be an officer, director, employee or agent of the Company or any of its affiliated companies, and shall inure to the benefit of your heirs, executors and administrators. The Company shall reimburse you for all costs and expenses you incur in connection with any Proceeding within 20 business days after receipt by the Company of a written requests for such reimbursement and appropriate documentation associated with such expenses. In addition, the Company agrees to maintain a director's and officer's liability insurance policy or policies covering you at a level and on terms and conditions commensurate to the coverage the Company provides other similarly situated executives of the Company.

15. Notices. All notices under this Agreement must be given in writing, by personal delivery facsimile or by mail, if to you, to the address shown on this Agreement (or any other address designated in writing by you), with a copy to any other person you designate in writing, and, if to the Company, to the address shown on this Agreement (or any other address designated in writing by the Company), with a copy, to the attention of the Company's Chief Executive Officer. Any notice

given by mail shall be deemed to have been given three days following such mailing.

16. Assignment. This is an Agreement for the performance of personal services by you and may not be assigned by you, without the prior written consent of the Company, otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by your legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Except as provided in the immediately following sentence, this Agreement shall not be assignable by the Company without your prior written consent. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. "Company" means the Company as defined in this Agreement and any successor to its business and/or assets as described above that assumes and agrees to perform this Agreement by operation of law or otherwise.

17. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio.

18. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on the Company or you to renew this Agreement or any portion thereof. The parties intend to be bound only upon execution of a written agreement and no negotiation, exchange of draft or partial performance shall be deemed to imply an agreement. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of the Term.

19. Entire Understanding. Except where specifically stated otherwise herein, this Agreement contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement, and can be changed only by a writing signed by both parties.

20. Void Provisions. If any provision of this Agreement, as applied to either party or to any circumstances, shall be found by a court of competent jurisdiction to be unenforceable but would be enforceable if some part were deleted or the period or area of application were reduced, then such provision shall apply with the modification necessary to make it enforceable, and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

21. Supersedes Prior Agreements. With respect to the period covered by the Term, this Agreement supersedes and cancels all prior agreements relating to your employment by the Company or any of its affiliated companies, including, but not

limited to, the employment agreement between you and The E. W. Scripps Company dated July 31, 2007, which was assumed by the Company on July 1, 2008.

22. Deductions and Withholdings. All amounts payable under this Agreement shall be paid less deductions and income and payroll tax withholdings as may be required under applicable law and any property (including shares of the Company's Class A Common Stock), benefits and perquisites provided to you under this Agreement shall be taxable to you as may be required under applicable law.

23. Compliance with Section 409 A of the Code.

(a) Section 409A of the Internal Revenue Code ("Section 409A") imposes payment restrictions on "separation pay" (*i.e.*, payments owed to you upon termination of employment). Failure to comply with these restrictions could result in negative tax consequences to *you*, including immediate taxation, interest and a 20% penalty tax. It is the Company's intent that this Agreement be exempt from the application of, or otherwise complies with, the requirements of Section 409A. Specifically, any taxable benefits or payments provided under this Agreement are intended to be separate payments that qualify for the "short-term deferral" exception to Section 409A to the maximum extent possible, and to the extent they do not so qualify, are intended to qualify for the involuntary separation pay exceptions to Section 409A of the Code, to the maximum extent possible. If neither of these exceptions applies, then notwithstanding any provision in this Agreement to the contrary:

- (i) All amounts that would otherwise be paid or provided during the first six months following the date of termination shall instead be accumulated through and paid or provided (together with interest on any delayed payment at the applicable federal rate under the Internal Revenue Code), on the first business day following the six-month anniversary of your termination of employment.
- (ii) Any expense eligible for reimbursement must be incurred, or any entitlement to a benefit must be used, during the Term (or the applicable expense reimbursement or benefit continuation period provided in this Agreement). The amount of the reimbursable expense or benefit to which you are entitled during a calendar year will not affect the amount to be provided in any other calendar year, and your right to receive the reimbursement or benefit is not subject to liquidation or exchange for another benefit. Provided the requisite documentation is submitted, the Company will reimburse the eligible expenses on or before the last day of the calendar year following the calendar year in which the expense was incurred.

(b) For purposes of this Agreement, "termination of employment" or words or phrases to that effect shall mean a "separation from service" within the meaning of Section 409A.

Mr. Anatolio B. Cruz III
October 15, 2008
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If the foregoing correctly sets forth our understanding, please sign, date and return all three (3) copies of this Agreement to the undersigned for execution on behalf of the Company; after this Agreement has been executed by the Company and a fully-executed copy returned to you, it shall constitute a binding agreement between us.

Sincerely yours,

SCRIPPS NETWORKS INTERACTIVE, INC.

/s/ Kenneth W. Lowe

Kenneth W. Lowe
Chairman, President & Chief Executive Officer

ACCEPTED AND AGREED:

/s/ Anatolio B. Cruz III

Anatolio B. Cruz III

Dated: 10/16/08

EXHIBIT A

RELEASE, WAIVER AND NON-COMPETE AGREEMENT

This Release, Waiver and Non-Compete Agreement (the "Agreement") is entered by and between _____ (the "Executive") and Scripps Networks Interactive, Inc. (the "Company").

WITNESSETH:

WHEREAS, the Company and Executive entered into that certain Employment Agreement dated _____ (the "Employment Agreement");

WHEREAS, paragraph 11 of the Employment Agreement specifically provides that the Executive is required to sign this Agreement to receive the payment of certain severance benefits under the that paragraph following termination of employment;

WHEREAS, the Company and Executive desire to enter into this Agreement to give effect to the foregoing, and to agree on and/or reaffirm certain rights, obligations and understandings that shall survive the Employment Agreement; and

NOW, THEREFORE, in consideration of the mutual promises contained herein and in the Employment Agreement and other valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Reference and Definitions. The Employment Agreement shall be incorporated herein for reference, but only to the extent specifically called for hereunder. The capitalized terms contained in this Agreement shall, to the extent they are the same as those used in the Employment Agreement, shall carry the same meaning as in the Employment Agreement.

2. Severance and Other Benefits. In consideration for Executive executing and not revoking or materially violating this Agreement and for his/her compliance with its terms and those certain Covenants that shall survive the Employment Agreement specified in paragraph 5 below, the Company shall provide the payments and benefits described in paragraph 11 of the Agreement (the "Severance Benefits") at the times set forth in the Agreement.

3. General Release and Waiver of Claims. In exchange for and in consideration of the Severance Benefits, Executive, on behalf of himself/herself and his/her successors, assigns, heirs, executors, and administrators, hereby releases and forever discharges the Company and its parents, affiliates, associated entities, representatives, successors and assigns, and their officers, directors, shareholders, agents and employees from all liability, claims and demands, actions and causes of action, damages, costs, payments and expenses of every kind, nature or description arising out of his/her employment relationship with the Company, or the ending of his/her employment on _____, 20___. These claims, demands, actions or causes of action include, but are not limited to, actions sounding in contract, tort, discrimination of any kind, and causes of action or claims arising under federal, state, or local laws, including, but not

limited to, claims under Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act of 1990, the Americans With Disabilities Act, and any similar state or local laws. Executive further agrees that Executive will neither seek nor accept any further benefit or consideration from any source whatsoever in respect to any claims which Executive has asserted or could have asserted against the Company. Executive represents to his/her knowledge neither Executive nor any person or entity acting on Executive's behalf or with Executive's authority has asserted with any federal, state, or local judicial or administrative body any claim of any kind based on or arising out of any aspect of Executive's employment with the Company or the ending of that employment. If Executive, or any person or entity representing Executive, or any federal, state, or local agency, asserts any such claim, this Release and Waiver Agreement will act as a total and complete bar to recovery of any judgment, award, damages, or remedy of any kind.

4. No Admission of Liability. It is understood and agreed that this Agreement is a compromise of any alleged claims and that the making of this offer, the entering into of this Agreement, and the benefits paid to Executive are not to be construed as an admission of liability on the part of the Company, and that all liability is expressly denied by the Company.

5. Non-Compete. In exchange for and in consideration of the Severance Benefits, Executive agrees that, for the twelve (12) months following the effective date hereof, he/she shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent Executive from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system.

6. SURVIVING COVENANTS. EXECUTIVE AND THE COMPANY HEREBY ACKNOWLEDGE AND AFFIRM, TO THE EXTENT APPLICABLE, THEIR RESPECTIVE CONTINUING OBLIGATIONS WITH RESPECT TO THOSE CERTAIN COVENANTS CONTAINED IN THE EMPLOYMENT AGREEMENT, WHICH ARE INCORPORATED HEREIN BY REFERENCE, SPECIFICALLY: SECTION 9(B) CONFIDENTIAL INFORMATION; SECTION 9(C) NO SOLICITATION OR INTERFERENCE; SECTION 9(E) LITIGATION; AND SECTION 9(G) NON-DISPARAGEMENT.

7. Return of Property. Executive agrees to return, as soon as practicable and no later than three (3) business days after his/her execution hereof, any and all property, including duplicates or copies thereof, belonging to the Company, including, but not limited to: keys, security cards, documents, equipment, supplies, customer lists, customer information, and confidential information.

8. Business Expense Reports and Reconciliation of Company Charge Card Expenses. Executive agrees that the Severance Benefits shall not be paid until Executive submits all required business expense reports, if any, and pays for any and all non-

business charges on the Company's charge card or otherwise for which he/she is personally responsible, within thirty (30) days following termination of employment with the Company.

9. Severability/Waivers. Executive agrees that if any provision of this Agreement shall be held invalid or unenforceable, that such provision shall be modified to the extent necessary to comply with the law, or if necessary stricken, but the parties agree that the remainder of this Agreement shall nevertheless remain in full force and effect. No waiver of any term or condition of this Agreement or any part thereof shall be deemed a waiver of any other terms or conditions of this Agreement or of any later breach of this Agreement.

10. Confidentiality. The terms of this Agreement shall remain confidential, and neither Executive nor the Company will publish or publicize the terms of this Agreement in any manner, unless specifically required to do so by valid law or regulatory requirement, which, in such case, the disclosing party shall provide the other party reasonable advance notice. Executive shall not discuss or reveal the terms of this Agreement to any persons other than his/her immediate family, personal attorney, and financial advisors.

11. Binding Agreement. The rights and obligations of the Company under this Agreement shall inure to the benefit of, and shall be binding on, the Company and its successors and assigns, and the rights and obligations (other than obligations to perform services) of Executive under this Agreement shall inure to the benefit of, and shall be binding upon, Executive and his/her heirs, personal representatives and successors and assigns. Except to the extent specifically provided for in paragraphs 1, 2 and 5 above, upon its execution, this Agreement shall supersede and render null and void any and all previous agreements, arrangements, or understandings between you and the Company pertaining to Executive's employment with the Company, including, but not limited to the Employment Agreement.

12. Notices. Notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by certified mail, postage prepaid, addressed to the intended recipient at the address set forth below, or at such other address as such intended recipient hereafter may have designated most recently to the other party hereto with specific reference to this Section.

If to the Company: Scripps Networks Interactive, Inc.
28 th Floor
312 Walnut Street
Cincinnati, Ohio 45202
Attn: Jennifer Weber, Senior Vice President, Human Resources
Attn: Ken Lowe, Chairman, President, and Chief Executive Officer

If to Executive:

13. Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the laws of the State of Ohio. The Parties agree that any conflict of law rule that might require reference to the laws of some jurisdiction other than Ohio shall be disregarded. Each Party hereby agrees for itself and its properties that the courts sitting in Hamilton County, Ohio shall have sole and exclusive jurisdiction and venue over any matter arising out of or relating to this Agreement, or from the relationship of the Parties, or from the Executive's employment with the Company, or from the termination of the Executive's employment with the Company, whether arising from contract, tort, statute, or otherwise, and hereby submits itself and its property to the venue and jurisdiction of such courts.

14. Revocation Period. Executive agrees that Executive has read this Agreement and is hereby advised and fully understands his/her right to discuss all aspects of this Agreement with Executive's attorney prior to signing this Agreement. Executive has carefully read and fully understands all of the provisions of this Agreement. Executive acknowledges that he/she has been given at least twenty-one (21) days to discuss, review, and consider all of the terms, conditions, and covenants of this Agreement. Executive understands that this Agreement does not become effective or enforceable until seven (7) days after it has been executed by Executive. During the seven-day period following its execution, Executive may revoke this Agreement in its entirety by providing written revocation to the Company by notice to the Company pursuant to paragraph 12, in which case this Agreement shall be on no further legal force or effect.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the date(s) specified below.

EXECUTIVE

Name: _____
(please print)

Signature: _____

Date: _____

Witness's Name: _____

Witness's
Signature: _____

Date: _____

SCRIPPS NETWORKS INTERACTIVE, INC.

By: _____

Its: _____

Date: _____

October 15, 2008

Mr. Joseph G. NeCastro
c/o Scripps Networks Interactive, Inc.
312 Walnut Street
2800 Scripps Center
Cincinnati, OH 45202

Re: Employment Agreement

Dear Joe:

Scripps Networks Interactive, Inc. (the "Company") agrees to employ you and you agree to accept such employment upon the following terms and conditions:

1. Term. Subject to the provisions for earlier termination provided in paragraph 10 below, the term of your employment hereunder shall become effective as of October 16, 2008 (the "Effective Date") and shall continue through and until the third anniversary of the Effective Date. Such period shall be referred to as the "Term," notwithstanding any earlier termination of your employment for any reason. The Company shall provide you with at least ninety (90) days' notice prior to the expiration of the Term if the Company does not intend to continue to employ you beyond the expiration of the Term. If the Company does not provide you with such notice and the parties do not otherwise agree in writing to renew, extend, or replace this Agreement, the Term shall automatically renew for one one-year term.

2. Duties. You will be the Executive Vice President and Chief Financial Officer, reporting to the Chairman, President & Chief Executive Officer of the Company ("Reporting Senior"). You agree to devote substantially all your business time, and apply your best reasonable efforts, to promote the business and affairs of the Company and its affiliated companies during your employment. You will perform such duties and responsibilities commensurate with your position and title during the Term, and as may be reasonably assigned to you from time to time by your Reporting Senior. You shall not, without the prior written consent of the Company, directly or indirectly, during the Term, other than in the performance of duties naturally inherent to the businesses of the Company and in furtherance thereof, render services of a business, professional, or commercial nature to any other person or firm, whether for compensation or otherwise; provided, however, that so long as it does not materially interfere with the performance of your duties hereunder, you may serve as a director, trustee or officer of, or otherwise participate in, educational, welfare, social, religious, civic, professional, or trade organizations. Your principal place of business shall be in Cincinnati, Ohio.

Assistant: Nancy Tretter
513.824.3223 fax 513.977.3024
nancy.tretter@scrippsnetworks.com
312 Walnut Street, Cincinnati, OH 45202

3. Compensation.

(a) Annual Salary. For all the services rendered by you in any capacity under this Agreement, the Company agrees to pay you six hundred and seventy-five thousand dollars (\$675,000) a year in base salary ("Annual Salary"), less applicable deductions and withholding taxes, in accordance with the Company's payroll practices as they may exist from time to time during the Term. Your Annual Salary may be increased by the Company's Compensation Committee in conjunction with your annual performance review conducted pursuant to the guidelines and procedures of the Company applicable to similarly situated executives, but in no event shall your Annual Salary be less than the annual salary amount established under this paragraph 3(a) for the immediately previous calendar year.

(b) Annual Incentive. You shall participate in the Company's Executive Annual Incentive Plan, as amended, or any successor to such plan (the "Annual Incentive Plan") with a target annual incentive opportunity of 70% of your Annual Salary as established under paragraph 3(a) ("Annual Incentive"). The Annual Incentive amount actually paid shall be based on your attainment, within the range of the minimum and maximum performance objectives, of strategic and financial goals established for you by the Company and approved by the Company's Compensation Committee. The Company shall pay to you any Annual Incentive under this paragraph 3(b) in accordance with the terms and subject to the conditions of the Annual Incentive Plan.

4. Benefits. During your employment hereunder, you shall be eligible to participate in all equity incentive plans of the Company applicable to similarly situated executives of the Company, as shall be determined by the Company's Compensation Committee. During your employment hereunder, you shall also be entitled to participate in any employee retirement, pension and welfare benefit plan or program available to similarly situated executives of the Company, or to the Company's employees generally, as such plans and programs may be in effect from time to time, including, without limitation, pension, profit sharing, savings, estate preservation and other retirement plans or programs, 401(k), medical, dental, life insurance, short-term and long-term disability insurance plans, accidental death and dismemberment protection, travel accident protection, and all other plans that the Company may have or establish from time to time and in which you would be entitled to participate under the terms of the applicable plan. This provision is not intended, nor shall it have the effect of, reducing any benefit to which you were entitled as of the Effective Date. However, this provision shall not be construed to require the Company to establish any welfare, compensation or long-term incentive plans, or to prevent the modification or termination of any plan once established, and no action or inaction with respect to any plan shall affect this Agreement. You shall be entitled to be reimbursed by the Company for tax and financial planning up to a maximum of \$15,000 per year, and for the annual membership fees and other dues associated with one luncheon club. In addition, the Company shall pay the

costs of an annual "senior executive" physical examination. You shall be entitled to no less than five (5) weeks of Paid Time Off ("PTO") per calendar year.

5. Business Expenses. During your employment hereunder, the Company shall reimburse you for reasonable travel and other expenses incurred in the performance of your duties as are customarily reimbursed to similarly situated executives of the Company.

6. Entitlements in Event of Death. In the event of your death during your employment hereunder, your beneficiary or estate shall receive a lump sum payment equal to your Annual Salary, as in effect on the date of your death. Such payment shall be made within 60 days after your death. Also, your family members who are covered under a Company medical plan at the time of your death shall be entitled to receive commensurate medical coverage under COBRA at the Company's expense throughout the one-year period immediately following your death, which period of coverage shall run concurrently with the period of continuation coverage under Section 4980B of the Code. In addition, your beneficiary or estate shall receive (i) any Annual Incentive earned in the prior calendar year, but that has not yet been paid, in accordance with the terms of the Annual Incentive Plan; (ii) a lump sum payment equal to the target Annual Incentive opportunity for the calendar year of your death, multiplied by the number of years and fractions thereof in the period commencing on January 1 of the calendar year of your death and ending on the first anniversary of your death (with each full and partial month counting as one-twelfth (1/12th) of a year), payable, less applicable deductions and withholding taxes, within 60 days after your death; which such Annual Incentive shall be in lieu of any Annual Incentive that you would have otherwise been entitled to receive under the terms of the Annual Incentive Plan for that year; and (iii) reimbursement for all documented business expenses previously incurred for which you have not been reimbursed.

7. Entitlements in Event of Permanent Disability. In the event of your permanent disability during your employment hereunder (as defined under and covered by a Company employee disability plan), your employment hereunder shall terminate and you shall receive a lump sum payment equal to your Annual Salary, as in effect on the date of your disability. Such payment shall be made within 60 days after your disability and shall serve as an offset to any benefits provided under the applicable Company employee disability plan to the extent provided in that plan. Also, you and your family members who are covered under a Company medical plan at the time of your permanent disability shall be entitled to receive commensurate medical coverage at the Company's expense for the longer of (i) the one-year period immediately following your disability, or (ii) the period set forth in the then-applicable Company employee disability plan. In addition, you shall receive (i) any Annual Incentive earned in the prior calendar year, but that has not yet been paid, in accordance with the terms of the Annual Incentive Plan; (ii) a lump sum payment equal to the target Annual Incentive opportunity for the calendar

year of your disability, multiplied by the number of years and fractions thereof in the period commencing on January 1 of the calendar year of your disability and ending on the first anniversary of your disability (with each full and partial month counting as one-twelfth (1/12th) of a year), payable, less applicable deductions and withholding taxes, within 60 days after your disability; which such Annual Incentive shall be in lieu of any Annual Incentive that you would have otherwise been entitled to receive under the terms of the Annual Incentive Plan for that year; and (iii) reimbursement for all documented business expenses previously incurred for which you have not been reimbursed.

8. Change in Control Protections. You shall be included in and covered by the Company's Executive Change in Control Plan (the "CIC Plan"), which is incorporated herein by reference. Your Termination Pay Multiple, as defined in the CIC Plan, will be at least "2.5". If a "Change in Control" occurs (as defined in the CIC Plan) during the Term and on or after the date that you have attained age 50 with at least 5 "years of service" (within the meaning of the Supplemental Executive Retirement Plan as in effect immediately prior to the Change in Control) then notwithstanding anything contained in the CIC Plan to the contrary, and solely for purposes of determining your "Pension Enhancement" under Section 5.4 of the CIC Plan or its successor (but not for purposes of determining any other benefits under that plan), the term "Termination Pay Multiple" shall be deemed to refer to the greater of (i) your Termination Pay Multiple or (ii) the number of years (and fractions thereof) in the period commencing on the day immediately following your date of termination and ending on the date that you would have attained both age 55 with at least 10 "years of service" (as defined above) had you continued to be employed by the Company. In the event that the CIC Plan is terminated or you are excluded from that plan for any reason during the Term, the Company agrees to promptly amend this Agreement so that you are similarly covered and eligible for the same benefits and protection thereunder.

9. Non-Competition, Confidential Information, Etc.

(a) Non-Competition. You agree that your employment with the Company is on an exclusive basis and that, while you are employed by the Company, you will not engage in any other business activity that would otherwise conflict with your duties and obligations (including your commitment of substantially all business time) under this Agreement. You agree that, during the Non-Compete Period (as defined below), you shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent you from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system. The Non-Compete Period shall cover the entire Term; provided, however, that, if your employment terminates before the end of the Term, the

Non-Compete Period shall terminate, if earlier, (i) six (6) months after you terminate your employment for Good Reason or the Company terminates your employment without Cause, or on such earlier date as you may make the election under paragraph 9(i) (which relates to your ability to terminate your obligations under this paragraph 9(a) in exchange for waiving your right to certain compensation and benefits); or (ii) twelve (12) months after the Company terminates your employment for Cause. (Defined terms used without definitions in the preceding sentence have the meanings provided in paragraphs 10(a) and (b).)

(b)Confidential Information. You agree that, during the Term or at any time thereafter, (i) you shall not use for any purpose other than the duly authorized business of the Company, or disclose to any third party, any information relating to the Company or any of its affiliated companies which is proprietary to the Company or any of its affiliated companies ("Confidential Information"), including any trade secret or any written (including in any electronic form) or oral communication incorporating Confidential Information in any way (except as may be required by law or in the performance of your duties under this Agreement consistent with the Company's policies); and (ii) you will comply with any and all confidentiality obligations of the Company to a third party, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information which (x) is or becomes generally available to the public other than as a result of a disclosure by you or at your direction or by any other person who directly or indirectly receives such information from you, or (y) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you.

(c)No Solicitation or Interference. You agree that, during the Term and for one (1) year thereafter, you shall not, directly or indirectly:

- (i) employ or solicit the employment of any person who is then or has been within six (6) months prior thereto, an employee of the Company or any of its affiliated companies; or
- (ii) interfere with, disturb or interrupt the relationships (whether or not such relationships have been reduced to formal contracts) of the Company or any of its affiliated companies with any customer, supplier or consultant.

(d)Ownership of Works. The results and proceeds of your services under this Agreement, including, without limitation, any works of authorship resulting from your services to the Company or any of its affiliates during your employment with the Company and/or any of its affiliated companies and any works in progress resulting from such services, shall be works-made-for-hire and the Company shall be deemed the sole owner throughout the universe of any and all rights of every nature in such works, whether such rights are now known or hereafter defined or discovered, with the right to use the works in perpetuity in any manner the Company determines in its sole discretion without any further payment to you. If,

for any reason, any of such results and proceeds are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to the Company under the preceding sentence, then you hereby irrevocably assign and agree to assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, whether now known or hereafter defined or discovered, and the Company shall have the right to use the work in perpetuity throughout the universe in any manner the Company determines in its sole discretion without any further payment to you. You shall, as may be requested by the Company from time to time, do any and all things which the Company may deem useful or desirable to establish or document the Company's rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents and, if you are unavailable or unwilling to execute such documents, you hereby irrevocably designate your Reporting Senior or his designee as your attorney-in-fact with the power to execute such documents on your behalf. To the extent you have any rights in the results and proceeds of your services under this Agreement that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 9(d) is subject to, and does not limit, restrict, or constitute a waiver by the Company or any of its affiliated companies of any ownership rights to which the Company or any of its affiliated companies may be entitled by operation of law by virtue of being your employer.

(e) Litigation.

- (i) You agree that, during the Term, for one (1) year thereafter and, if longer, during the pendency of any litigation or other proceeding, and except as may be required by law or legal process, (x) you shall not communicate with anyone (other than your own attorneys and tax advisors), except to the extent necessary in the performance of your duties under this Agreement, with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving the Company or any of its affiliated companies, other than any litigation or other proceeding in which you are a party-in-opposition, without giving prior notice to the Company's Chief Legal Officer; and (y) in the event that any other party attempts to obtain information or documents from you with respect to such matter, either through formal legal process such as a subpoena or by informal means such as interviews, you shall promptly notify the Company's Chief Legal Officer before providing any information or documents.
- (ii) You agree to cooperate with the Company and its attorneys, both during employment and during the five-year period following termination of your employment, in connection with any litigation or other proceeding

arising out of or relating to matters in which you were involved prior to the termination of your employment. Your cooperation shall include, without limitation, providing assistance to the Company's counsel, experts or consultants, and providing truthful testimony in pretrial and trial or hearing proceedings. In the event that your cooperation is requested after the termination of your employment, the Company will (x) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (y) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses.

- (iii) Except as required by law or legal process, you agree that you will not testify in any lawsuit or other proceeding which directly or indirectly involves the Company or any of its affiliated companies, or which may create the impression that such testimony is endorsed or approved by the Company or any of its affiliated companies. In all events, you shall give advance notice to the Company's Chief Legal Officer of such testimony promptly after you become aware that you may be required to provide it. The Company expressly reserves its attorney-client and other privileges except if expressly waived in writing.

(f)Return of Property. All documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with the Company or any of its affiliated companies shall remain the exclusive property of the Company. In the event of the termination of your employment for any reason, the Company reserves the right, to the extent permitted by law and in addition to any other remedy either may have, to deduct from any monies otherwise payable to you the following: (i) all amounts you may directly owe to the Company or any of its affiliated companies at the time of or subsequent to the termination of your employment with the Company; and (ii) the reasonable value of the Company property which you retain in your possession after the termination of your employment with the Company. In the event that the law of any state or other jurisdiction requires the consent of an employee for such deductions, this Agreement shall serve as such consent.

(g)Non-Disparagement. During the Term hereof and for one (1) year following the termination hereof for any reason, you shall not make, nor cause any one else to make or cause on your behalf, any public disparaging or derogatory statements or comments regarding the Company or its affiliated companies, or its officers or directors; likewise the Company will not make, nor cause any one else to make, any public disparaging or derogatory statements or comments regarding you.

(h)Injunctive Relief. The Company has entered into this Agreement in order to obtain the benefit of your unique skills, talent, and experience. You and the Company acknowledge and agree that your violation of paragraphs 9(a) through (h) of this Agreement may result in irreparable damage to the Company and/or its affiliated companies and, accordingly, the Company may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to the Company.

(i)Survival; Modification of Terms. The obligations set forth under paragraphs 9(a) through (i) shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment under this Agreement for any reason or the expiration of the Term;provided, however, that your obligations under paragraph 9(a) (but not under any other provision of this Agreement) shall cease if you terminate your employment for Good Reason or the Company terminates your employment without Cause and you notify the Company in writing that you have elected to waive your right to receive, or to continue to receive, termination payments and benefits under paragraphs 10(d)(i) through (iv). You and the Company agree that the restrictions and remedies contained in paragraphs 9(a) through (h) are reasonable and that it is your intention and the intention of the Company that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If a court of competent jurisdiction shall find that any such restriction or remedy is unenforceable but would be enforceable if some part were deleted or the period or area of application reduced, then such restriction or remedy shall apply with the modification necessary to make it enforceable.

10. Termination.

(a)Termination for Cause. The Company may, at its option, terminate your employment under this Agreement for Cause and thereafter shall have no obligations under this Agreement, including, without limitation, any obligation to pay Annual Salary or Annual Incentive or provide benefits. "Cause" shall mean exclusively: (i) embezzlement, fraud or other conduct that would constitute a felony (other than traffic-related citations); (ii) willful unauthorized disclosure of Confidential Information; (iii) your material breach of this Agreement; (iv) your gross misconduct or gross neglect in the performance of your duties hereunder; (v) your willful failure to cooperate with a bona fide internal investigation or investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other material reasonably known to be relevant to such an investigation, or the willful inducement of others to fail to cooperate or to destroy or fail to produce documents or other material; or (vi) your willful and material violation of the Company's written conduct policies, including but not limited to the Company's Employment Handbook and Ethics Code. The Company will give you written notice prior to terminating your employment pursuant to (iii), (iv), (v), or

(vi), of this paragraph 10(a), setting forth the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, you shall have twenty (20) business days from the giving of such notice within which to cure any failure, breach or refusal under (iii), (iv), (v), or (vi) of this paragraph 10(a); provided, however, that, if the Company reasonably expects irreparable injury from a delay of twenty (20) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances.

(b) Good Reason Termination. You may terminate your employment under this Agreement for Good Reason at any time during the Term by written notice to the Company. Good Reason shall mean without your consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with your Permanent Disability) exclusively: (i) a material diminution in your authority, duties, or responsibilities; (ii) a material diminution in the authority, duties, or responsibilities of the supervisor to whom you are required to report; (iii) a material diminution in the budget over which you retain authority (except for good faith budget adjustments necessitated by the legitimate business needs of the Company); (iv) a material change in geographic location at which you must perform services under this Agreement from the Company's offices at which you were principally employed; or (v) any other action or inaction that constitutes a material breach by the Company of the terms of the Agreement. A termination of your employment shall not be deemed to be for Good Reason unless (1) you provide notice to the Company of the existence of the event or condition constituting the basis for your Good Reason termination within thirty (30) days after such event or condition initially occurs or exists, (2) the Company fails to cure such event or condition within thirty (30) days after receiving such notice, and (3) your termination of employment occurs not later than ninety (90) days after such event or condition initially occurs or exists.

(c) Termination Without Cause. The Company may terminate your employment under this Agreement without Cause at any time during the Term by written notice to you.

(d) Termination Payments/Benefits. In the event that your employment terminates under paragraph 10(b) or (c), you shall thereafter receive the following, less applicable deductions and withholding taxes:

- (i) A lump sum payment equal to your Annual Salary, as in effect on the date on which your employment terminates, pro-rated through the end of the Term. Such payment shall be made within thirty (30) days after the termination of your employment;
- (ii) A lump sum payment equal to your Annual Incentive that would have been payable for the calendar year of your termination under the Annual

Incentive Plan if you had remained employed for the entire year, based on actual performance during the entire year and without regard to any discretionary adjustments that have the effect of reducing the amount of your Annual Incentive (other than discretionary adjustments applicable to all similarly situated executives in the plan who did not terminate employment), pro-rated for the portion of the year through the date of termination. Such payment shall be made at the same time that payments are made to other participants in the Annual Incentive Plan for that year and shall be in lieu of any Annual Incentive that you would have otherwise been entitled to receive under the terms of the Annual Incentive Plan for the year of termination;

- (iii) A lump sum payment equal to your target Annual Incentive in effect on the date on which your employment terminates, multiplied by the remaining number of years and fractions thereof in the Term (with each full and partial month counting as one-twelfth (1/12th) of a year). Such payment shall be made within thirty (30) days after the termination of your employment;
- (iv) Medical and dental insurance coverage provided under COBRA (or early retiree medical if eligible for such coverage and elected) at no cost to you (except as hereafter described) pursuant to the plans then covering the employees of the Company (until the end of the Term or, if earlier, the date on which you become eligible for medical and dental coverage from a third party, which period of coverage shall run concurrently with the period of continuation coverage under Section 4980B of the Code); provided, that, during the period that the Company provides you with this coverage, an amount equal to the applicable COBRA premiums (or such other amounts as may be required by law) will be included in your income for tax purposes to the extent required by law and the Company may withhold taxes from your compensation for this purpose; and provided, further, that you may elect to continue your medical and dental insurance coverage under COBRA, if applicable, at your own expense for the balance, if any, of the period required by law; and
- (v) The Company shall take all steps reasonably necessary to continue the life insurance coverage pursuant to the policy then covering the employees of the Company (and if the policy cannot be continued in its then-current form, the Company shall exercise any required conversion features to continue the policy) in the amount then furnished to the Company employees, at no cost to you, until the end of the Term. The amount of such coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third party employer.

Notwithstanding the foregoing, in the event your employment is terminated pursuant to paragraphs 10(b) or (c) with less than 18 months remaining in the Term, then for purposes of determining the payments and benefits described in paragraphs 10(d)(i), (iii), (iv), and (v), the Term shall be deemed to have 18 months remaining at the time of your termination of employment. You understand and agree that notice given by the Company in accordance with paragraph 1 that it does not intend to continue to employ you beyond the expiration of the Term does not constitute termination pursuant to paragraph 10(c).

(e)Termination of Benefits. Notwithstanding anything in this Agreement to the contrary (except as otherwise provided in paragraph 10(d) with respect to medical and dental benefits and life insurance), participation in all the Company benefit plans and programs will terminate upon the termination of your employment except to the extent otherwise expressly provided in such plans or programs and subject to any vested rights you may have under the terms of such plans or programs.

(f)Resignation from Official Positions. If your employment with the Company terminates for any reason, you shall be deemed to have resigned at that time from any and all officer or director positions that you may have held with the Company or any of its affiliated companies and all board seats or other positions in other entities you held on behalf of the Company. If, for any reason, this paragraph 10(f) is deemed insufficient to effectuate such resignation, you agree to execute, upon the request of the Company, any documents or instruments which the Company may deem necessary or desirable to effectuate such resignation or resignations, and you hereby authorize the Secretary and any Assistant Secretary of the Company to execute any such documents or instruments as your attorney-in-fact.

11.Severance Contingent On Release, Waiver and Non-Compete Agreement. If, pursuant to paragraph 1, the Company gives proper notice that it does not intend to employ you beyond the expiration of the Term, and your employment hereunder ends as a result, if you execute and do not later revoke or materially violate the Release, Waiver and Non-Compete Agreement in a form materially similar to the document attached hereto as Exhibit A, you will be entitled to the benefits described in paragraphs 10(d)(i) – (v); provided, however, that for purposes of determining the payments and benefits described in paragraphs 10(d)(i), (iii), (iv), and (v), the Term shall be deemed to have twelve (12) months remaining at the time of your termination of employment. The Release, Waiver and Non-Compete Agreement must be executed by you and become effective and irrevocable in accordance with its terms no later than the thirtieth (30th) day following termination of your employment (the “Release Date”), or such longer period as required by law. Payment of the benefits described in paragraphs 10(d)(i) and (ii) shall be made within thirty (30) days after the Release Date, but in no event later than March 15 of the calendar year immediately following the calendar year in which your employment terminates.

12. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit your continuing or future participation in any plan, program, policy or practice provided by the Company or its affiliates and for which you may qualify. Amounts that are vested benefits or that you are otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or its affiliates at or subsequent to the date of termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

13. Company's Policies. You agree that, during your employment hereunder, you will comply in all material respects with all of the Company's written policies, including, but not limited to, the Company's Employee Handbook and Ethics Code.

14. Indemnification; D&O Liability Insurance. If you are made a party to, are threatened to be made a party to, receive any legal process in, or receive any discovery request or request for information in connection with, any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that you were an officer, director, employee, or agent of the Company or any of its affiliated companies, or were serving at the request of or on behalf of the Company or any of its affiliated companies, the Company shall indemnify and hold you harmless to the fullest extent permitted or authorized by the Company's Articles of Incorporation or Code of Regulations or, if greater, by the laws of the State of Ohio, against all costs, expenses, liabilities and losses you incur in connection therewith. Such indemnification shall continue even if you have ceased to be an officer, director, employee or agent of the Company or any of its affiliated companies, and shall inure to the benefit of your heirs, executors and administrators. The Company shall reimburse you for all costs and expenses you incur in connection with any Proceeding within 20 business days after receipt by the Company of a written requests for such reimbursement and appropriate documentation associated with such expenses. In addition, the Company agrees to maintain a director's and officer's liability insurance policy or policies covering you at a level and on terms and conditions commensurate to the coverage the Company provides other similarly situated executives of the Company.

15. Notices. All notices under this Agreement must be given in writing, by personal delivery facsimile or by mail, if to you, to the address shown on this Agreement (or any other address designated in writing by you), with a copy to any other person you designate in writing, and, if to the Company, to the address shown on this Agreement (or any other address designated in writing by the Company), with a copy, to the attention of the Company's Chief Legal Officer. Any notice given by mail shall be deemed to have been given three days following such mailing.

16. Assignment. This is an Agreement for the performance of personal services by you and may not be assigned by you, without the prior written consent of the

Company, otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by your legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Except as provided in the immediately following sentence, this Agreement shall not be assignable by the Company without your prior written consent. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. "Company" means the Company as defined in this Agreement and any successor to its business and/or assets as described above that assumes and agrees to perform this Agreement by operation of law or otherwise.

17. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio.

18. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on the Company or you to renew this Agreement or any portion thereof. The parties intend to be bound only upon execution of a written agreement and no negotiation, exchange of draft or partial performance shall be deemed to imply an agreement. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of the Term.

19. Entire Understanding. Except where specifically stated otherwise herein, this Agreement contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement, and can be changed only by a writing signed by both parties.

20. Void Provisions. If any provision of this Agreement, as applied to either party or to any circumstances, shall be found by a court of competent jurisdiction to be unenforceable but would be enforceable if some part were deleted or the period or area of application were reduced, then such provision shall apply with the modification necessary to make it enforceable, and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

21. Supersedes Prior Agreements. With respect to the period covered by the Term, this Agreement supersedes and cancels all prior agreements relating to your employment by the Company or any of its affiliated companies, including, but not limited to, the employment agreement between you and The E. W. Scripps Company dated June 16, 2006, as amended and restated July 30, 2007, which was assumed by the Company on July 1, 2008.

22. Deductions and Withholding. All amounts payable under this Agreement shall be paid less deductions and income and payroll tax withholdings as may be required under applicable law and any property (including shares of the Company's Class A Common Stock), benefits and perquisites provided to you under this Agreement shall be taxable to you as may be required under applicable law.

23. Compliance with Section 409A of the Code.

(a) Section 409A of the Internal Revenue Code ("Section 409A") imposes payment restrictions on "separation pay" (*i.e.*, payments owed to you upon termination of employment). Failure to comply with these restrictions could result in negative tax consequences to **you**, including immediate taxation, interest and a 20% penalty tax. It is the Company's intent that this Agreement be exempt from the application of, or otherwise complies with, the requirements of Section 409A. Specifically, any taxable benefits or payments provided under this Agreement are intended to be separate payments that qualify for the "short-term deferral" exception to Section 409A to the maximum extent possible, and to the extent they do not so qualify, are intended to qualify for the involuntary separation pay exceptions to Section 409A of the Code, to the maximum extent possible. If neither of these exceptions applies, then notwithstanding any provision in this Agreement to the contrary:

(i) All amounts that would otherwise be paid or provided during the first six months following the date of termination shall instead be accumulated through and paid or provided (together with interest on any delayed payment at the applicable federal rate under the Internal Revenue Code), on the first business day following the six-month anniversary of your termination of employment.

(ii) Any expense eligible for reimbursement must be incurred, or any entitlement to a benefit must be used, during the Term (or the applicable expense reimbursement or benefit continuation period provided in this Agreement). The amount of the reimbursable expense or benefit to which you are entitled during a calendar year will not affect the amount to be provided in any other calendar year, and your right to receive the reimbursement or benefit is not subject to liquidation or exchange for another benefit. Provided the requisite documentation is submitted, the Company will reimburse the eligible expenses on or before the last day of the calendar year following the calendar year in which the expense was incurred.

(b) For purposes of this Agreement, "termination of employment" or words or phrases to that effect shall mean a "separation from service" within the meaning of Section 409A.

If the foregoing correctly sets forth our understanding, please sign, date and return all three (3) copies of this Agreement to the undersigned for execution on behalf of the Company; after this Agreement has been executed by the Company

Mr. Joseph G. NeCastro
October 15, 2008
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and a fully-executed copy returned to you, it shall constitute a binding agreement between us.

Sincerely yours,

SCRIPPS NETWORKS INTERACTIVE, INC.

/s/ Kenneth W. Lowe

Kenneth W. Lowe
Chairman, President & Chief Executive Officer

ACCEPTED AND AGREED:

/s/ Joseph G. NeCastro

Joseph G. NeCastro

Dated: 10-16-08

EXHIBIT A

RELEASE, WAIVER AND NON-COMPETE AGREEMENT

This Release, Waiver and Non-Compete Agreement (the "Agreement") is entered by and between _____ (the "Executive") and Scripps Networks Interactive, Inc. (the "Company").

WITNESSETH:

WHEREAS, the Company and Executive entered into that certain Employment Agreement dated _____ (the "Employment Agreement");

WHEREAS, paragraph 11 of the Employment Agreement specifically provides that the Executive is required to sign this Agreement to receive the payment of certain severance benefits under the that paragraph following termination of employment;

WHEREAS, the Company and Executive desire to enter into this Agreement to give effect to the foregoing, and to agree on and/or reaffirm certain rights, obligations and understandings that shall survive the Employment Agreement; and

NOW, THEREFORE, in consideration of the mutual promises contained herein and in the Employment Agreement and other valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Reference and Definitions. The Employment Agreement shall be incorporated herein for reference, but only to the extent specifically called for hereunder. The capitalized terms contained in this Agreement shall, to the extent they are the same as those used in the Employment Agreement, shall carry the same meaning as in the Employment Agreement.

2. Severance and Other Benefits. In consideration for Executive executing and not revoking or materially violating this Agreement and for his/her compliance with its terms and those certain Covenants that shall survive the Employment Agreement specified in paragraph 5 below, the Company shall provide the payments and benefits described in paragraph 11 of the Agreement (the "Severance Benefits") at the times set forth in the Agreement.

3. General Release and Waiver of Claims. In exchange for and in consideration of the Severance Benefits, Executive, on behalf of himself/herself and his/her successors, assigns, heirs, executors, and administrators, hereby releases and forever discharges the Company and its parents, affiliates, associated entities, representatives, successors and assigns, and their officers, directors, shareholders, agents and employees from all liability, claims and demands, actions and causes of action, damages, costs, payments and expenses of every kind, nature or description arising out of his/her employment relationship with the Company, or the ending of his/her employment on _____, 20____. These claims, demands, actions or causes of action include, but are not limited to, actions sounding in contract, tort, discrimination of any kind, and causes of action or claims arising under federal, state, or local laws, including, but not

limited to, claims under Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act of 1990, the Americans With Disabilities Act, and any similar state or local laws. Executive further agrees that Executive will neither seek nor accept any further benefit or consideration from any source whatsoever in respect to any claims which Executive has asserted or could have asserted against the Company. Executive represents to his/her knowledge neither Executive nor any person or entity acting on Executive's behalf or with Executive's authority has asserted with any federal, state, or local judicial or administrative body any claim of any kind based on or arising out of any aspect of Executive's employment with the Company or the ending of that employment. If Executive, or any person or entity representing Executive, or any federal, state, or local agency, asserts any such claim, this Release and Waiver Agreement will act as a total and complete bar to recovery of any judgment, award, damages, or remedy of any kind.

4. No Admission of Liability. It is understood and agreed that this Agreement is a compromise of any alleged claims and that the making of this offer, the entering into of this Agreement, and the benefits paid to Executive are not to be construed as an admission of liability on the part of the Company, and that all liability is expressly denied by the Company.

5. Non-Compete. In exchange for and in consideration of the Severance Benefits, Executive agrees that, for the twelve (12) months following the effective date hereof, he/she shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent Executive from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system.

6. SURVIVING COVENANTS. EXECUTIVE AND THE COMPANY HEREBY ACKNOWLEDGE AND AFFIRM, TO THE EXTENT APPLICABLE, THEIR RESPECTIVE CONTINUING OBLIGATIONS WITH RESPECT TO THOSE CERTAIN COVENANTS CONTAINED IN THE EMPLOYMENT AGREEMENT, WHICH ARE INCORPORATED HEREIN BY REFERENCE, SPECIFICALLY: SECTION 9(B) CONFIDENTIAL INFORMATION; SECTION 9(C) NO SOLICITATION OR INTERFERENCE; SECTION 9(E) LITIGATION; AND SECTION 9(G) NON-DISPARAGEMENT.

7. Return of Property. Executive agrees to return, as soon as practicable and no later than three (3) business days after his/her execution hereof, any and all property, including duplicates or copies thereof, belonging to the Company, including, but not limited to: keys, security cards, documents, equipment, supplies, customer lists, customer information, and confidential information.

8. Business Expense Reports and Reconciliation of Company Charge Card Expenses. Executive agrees that the Severance Benefits shall not be paid until Executive submits all required business expense reports, if any, and pays for any and all non-

business charges on the Company's charge card or otherwise for which he/she is personally responsible, within thirty (30) days following termination of employment with the Company.

9. Severability/Waivers. Executive agrees that if any provision of this Agreement shall be held invalid or unenforceable, that such provision shall be modified to the extent necessary to comply with the law, or if necessary stricken, but the parties agree that the remainder of this Agreement shall nevertheless remain in full force and effect. No waiver of any term or condition of this Agreement or any part thereof shall be deemed a waiver of any other terms or conditions of this Agreement or of any later breach of this Agreement.

10. Confidentiality. The terms of this Agreement shall remain confidential, and neither Executive nor the Company will publish or publicize the terms of this Agreement in any manner, unless specifically required to do so by valid law or regulatory requirement, which, in such case, the disclosing party shall provide the other party reasonable advance notice. Executive shall not discuss or reveal the terms of this Agreement to any persons other than his/her immediate family, personal attorney, and financial advisors.

11. Binding Agreement. The rights and obligations of the Company under this Agreement shall inure to the benefit of, and shall be binding on, the Company and its successors and assigns, and the rights and obligations (other than obligations to perform services) of Executive under this Agreement shall inure to the benefit of, and shall be binding upon, Executive and his/her heirs, personal representatives and successors and assigns. Except to the extent specifically provided for in paragraphs 1, 2 and 5 above, upon its execution, this Agreement shall supersede and render null and void any and all previous agreements, arrangements, or understandings between you and the Company pertaining to Executive's employment with the Company, including, but not limited to the Employment Agreement.

12. Notices. Notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by certified mail, postage prepaid, addressed to the intended recipient at the address set forth below, or at such other address as such intended recipient hereafter may have designated most recently to the other party hereto with specific reference to this Section.

If to the Company: Scripps Networks Interactive, Inc.
28th Floor
312 Walnut Street
Cincinnati, Ohio 45202
Attn: Jennifer Weber, Senior Vice President, Human Resources
A.B. Cruz III, Executive Vice President, Chief Legal Officer & Corporate Secretary

If to Executive:

13. Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the laws of the State of Ohio. The Parties agree that any conflict of law rule that might require reference to the laws of some jurisdiction other than Ohio shall be disregarded. Each Party hereby agrees for itself and its properties that the courts sitting in Hamilton County, Ohio shall have sole and exclusive jurisdiction and venue over any matter arising out of or relating to this Agreement, or from the relationship of the Parties, or from the Executive's employment with the Company, or from the termination of the Executive's employment with the Company, whether arising from contract, tort, statute, or otherwise, and hereby submits itself and its property to the venue and jurisdiction of such courts.

14. Revocation Period. Executive agrees that Executive has read this Agreement and is hereby advised and fully understands his/her right to discuss all aspects of this Agreement with Executive's attorney prior to signing this Agreement. Executive has carefully read and fully understands all of the provisions of this Agreement. Executive acknowledges that he/she has been given at least twenty-one (21) days to discuss, review, and consider all of the terms, conditions, and covenants of this Agreement. Executive understands that this Agreement does not become effective or enforceable until seven (7) days after it has been executed by Executive. During the seven-day period following its execution, Executive may revoke this Agreement in its entirety by providing written revocation to the Company by notice to the Company pursuant to paragraph 12, in which case this Agreement shall be on no further legal force or effect.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the date(s) specified below.

EXECUTIVE

Name: _____
(please print)

Signature: _____

Date: _____

Witness's Name: _____

Witness's
Signature: _____

Date: _____

SCRIPPS NETWORKS INTERACTIVE, INC.

By: _____

Its: _____

Date: _____

Scripps Networks Interactive, Inc.
312 Walnut Street, 28th Floor
Cincinnati, OH 45202

Kenneth W. Lowe
Chairman, President and
Chief Executive Officer

PHONE (513) 824-3228
FAX (513) 824-3390
E-MAIL ken.lowe@scrippsnetworks.com



July 29, 2008

Mr. Mark S. Hale
c/o Scripps Networks Interactive, Inc.
312 Walnut Street
2800 Scripps Center
Cincinnati, OH 45202

Re: Employment Agreement

Dear Mark:

Scripps Networks Interactive, Inc. (the "Company") agrees to employ you and you agree to accept such employment upon the following terms and conditions:

1. Term. Subject to the provisions for earlier termination provided in paragraph 10 below, the term of your employment hereunder shall become effective as of July 29, 2008 (the "Effective Date") and shall continue through and until the third anniversary of the Effective Date. Such period shall be referred to as the "Term," notwithstanding any earlier termination of your employment for any reason. The Company shall provide you with at least ninety (90) days' notice prior to the expiration of the Term if the Company does not intend to continue to employ you beyond the expiration of the Term. If the Company does not provide you with such notice and the parties do not otherwise agree in writing to renew, extend, or replace this Agreement, the Term shall automatically renew for up to two one-year terms.

2. Duties. You will be the Senior Vice President Technology Operations and Chief Technology Officer of the Company, reporting to the Executive Vice President and Chief Financial Officer of the Company ("Reporting Senior"). You will also maintain your current Scripps Networks, Inc. related duties and responsibilities as executive vice president-operations, including serving as a member of the Scripps Networks, Inc. executive management committee under the immediate direction of the president or senior executive of Scripps Networks, Inc. You agree to devote substantially all your business time, and apply your best reasonable efforts, to promote the business and affairs of the Company and its affiliated companies during your employment. You will perform such duties and responsibilities commensurate with your position and title during the Term, and as may be reasonably assigned to you from time to time by your Reporting Senior.

You shall not, without the prior written consent of the Company, directly or indirectly, during the Term, other than in the performance of duties naturally inherent to the businesses of the Company and in furtherance thereof, render services of a business, professional, or commercial nature to any other person or firm, whether for compensation or otherwise; provided, however, that so long as it does not materially interfere with the performance of your duties hereunder, you may serve as a director, trustee or officer of, or otherwise participate in, educational, welfare, social, religious, civic, professional, or trade organizations. Your principal place of business shall be in Knoxville, Tennessee.

3. Compensation.

(a) Annual Salary. For all the services rendered by you in any capacity under this Agreement, the Company agrees to pay you four hundred and thirty-five thousand dollars (\$435,000) a year in base salary ("Annual Salary"), less applicable deductions and withholding taxes, in accordance with the Company's payroll practices as they may exist from time to time during the Term. Your Annual Salary may be increased by the Company's Compensation Committee in conjunction with your annual performance review conducted pursuant to the guidelines and procedures of the Company applicable to similarly situated executives, but in no event shall your Annual Salary be less than the annual salary amount established under this paragraph 3(a) for the immediately previous calendar year.

(b) Annual Incentive. You shall participate in the Company's Executive Annual Incentive Plan, as amended, or any successor to such plan (the "Annual Incentive Plan") with a target annual incentive opportunity of 50% of your Annual Salary as established under paragraph 3(a) ("Annual Incentive"). The Annual Incentive amount actually paid shall be based on your attainment, within the range of the minimum and maximum performance objectives, of strategic and financial goals established for you by the Company and approved by the Company's Compensation Committee. The Company shall pay to you any Annual Incentive under this paragraph 3(b) in accordance with the terms and subject to the conditions of the Annual Incentive Plan.

4. Benefits. During your employment hereunder, you shall be eligible to participate in all equity incentive plans of the Company applicable to similarly situated executives of the Company, as shall be determined by the Company's Compensation Committee. During your employment hereunder, you shall also be entitled to participate in any employee retirement, pension and welfare benefit plan or program available to similarly situated executives of the Company, or to the Company's employees generally, as such plans and programs may be in effect from time to time, including, without limitation, pension, profit sharing, savings, estate preservation and other retirement plans or programs, 401(k), medical, dental, life insurance, short-term and long-term disability insurance plans, accidental death and dismemberment protection, travel accident protection, and all other plans that the

Company may have or establish from time to time and in which you would be entitled to participate under the terms of the applicable plan. This provision is not intended, nor shall it have the effect of, reducing any benefit to which you were entitled as of the Effective Date. However, this provision shall not be construed to require the Company to establish any welfare, compensation or long-term incentive plans, or to prevent the modification or termination of any plan once established, and no action or inaction with respect to any plan shall affect this Agreement. You shall be entitled to be reimbursed by the Company for tax and financial planning up to a maximum of \$10,000 per year, and for the annual membership fees and other dues associated with one luncheon club. In addition, the Company shall pay the costs of an annual "senior executive" physical examination. You shall be entitled to no less than five (5) weeks of Paid Time Off ("PTO") per calendar year.

5. Business Expenses. During your employment hereunder, the Company shall reimburse you for reasonable travel and other expenses incurred in the performance of your duties as are customarily reimbursed to similarly situated executives of the Company.

6. Entitlements in Event of Death. In the event of your death during your employment hereunder, your beneficiary or estate shall receive a lump sum payment equal to your Annual Salary, as in effect on the date of your death. Such payment shall be made within 60 days after your death. Also, your family members who are covered under a Company medical plan at the time of your death shall be entitled to receive commensurate medical coverage under COBRA at the Company's expense throughout the one-year period immediately following your death, which period of coverage shall run concurrently with the period of continuation coverage under Section 4980B of the Code. In addition, your beneficiary or estate shall receive (i) any Annual Incentive earned in the prior calendar year, but that has not yet been paid, in accordance with the terms of the Annual Incentive Plan; (ii) a lump sum payment equal to the target Annual Incentive opportunity for the calendar year of your death, pro-rated for the portion of the year through the date of death, payable, less applicable deductions and withholding taxes, within 60 days after your death; which such Annual Incentive shall be in lieu of any Annual Incentive that you would have otherwise been entitled to receive under the terms of the Annual Incentive Plan for that year; and (iii) reimbursement for all documented business expenses previously incurred for which you have not been reimbursed.

7. Entitlements in Event of Permanent Disability. In the event of your permanent disability during your employment hereunder (as defined under and covered by a Company employee disability plan), your employment hereunder shall terminate and you shall receive a lump sum payment equal to your Annual Salary, as in effect on the date of your disability. Such payment shall be made within 60 days after your disability and shall serve as an offset to any benefits provided under the applicable Company employee disability plan to the extent provided in that

plan. Also, you and your family members who are covered under a Company medical plan at the time of your permanent disability shall be entitled to receive commensurate medical coverage at the Company's expense for the longer of (i) the one-year period immediately following your disability, or (ii) the period set forth in the then-applicable Company employee disability plan. In addition, you shall receive (i) any Annual Incentive earned in the prior calendar year, but that has not yet been paid, in accordance with the terms of the Annual Incentive Plan; (ii) a lump sum payment equal to the target Annual Incentive opportunity for the calendar year of your disability, pro-rated for the portion of the year through the date of disability, payable, less applicable deductions and withholding taxes, within 60 days after your disability; which such Annual Incentive shall be in lieu of any Annual Incentive that you would have otherwise been entitled to receive under the terms of the Annual Incentive Plan for that year; and (iii) reimbursement for all documented business expenses previously incurred for which you have not been reimbursed.

8. Change in Control Protections. You shall be included in and covered by the Company's Executive Change in Control Plan, which is incorporated herein by reference. Your Termination Pay Multiple, as defined in the Plan, will be at least "2.0". In the event that such plan is terminated or you are excluded from the plan for any reason during the Term, the Company agrees to promptly amend this Agreement so that you are similarly covered and eligible for the same benefits and protection thereunder.

9. Non-Competition, Confidential Information, Etc.

(a) Non-Competition. You agree that your employment with the Company is on an exclusive basis and that, while you are employed by the Company, you will not engage in any other business activity that would otherwise conflict with your duties and obligations (including your commitment of substantially all business time) under this Agreement. You agree that, during the Non-Compete Period (as defined below), you shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent you from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system. The Non-Compete Period shall cover the entire Term; provided, however, that, if your employment terminates before the end of the Term, the Non-Compete Period shall terminate, if earlier, (i) six (6) months after you terminate your employment for Good Reason or the Company terminates your employment without Cause, or on such earlier date as you may make the election under paragraph 9(i) (which relates to your ability to terminate your obligations under this paragraph 9(a) in exchange for waiving your right to certain compensation and benefits); or (ii) twelve (12) months after the Company

terminates your employment for Cause. (Defined terms used without definitions in the preceding sentence have the meanings provided in paragraphs 10(a) and (b).)

(b)Confidential Information. You agree that, during the Term or at any time thereafter, (i) you shall not use for any purpose other than the duly authorized business of the Company, or disclose to any third party, any information relating to the Company or any of its affiliated companies which is proprietary to the Company or any of its affiliated companies ("Confidential Information"), including any trade secret or any written (including in any electronic form) or oral communication incorporating Confidential Information in any way (except as may be required by law or in the performance of your duties under this Agreement consistent with the Company's policies); and (ii) you will comply with any and all confidentiality obligations of the Company to a third party, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information which (x) is or becomes generally available to the public other than as a result of a disclosure by you or at your direction or by any other person who directly or indirectly receives such information from you, or (y) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you.

(c)No Solicitation or Interference. You agree that, during the Term and for one (1) year thereafter, you shall not, directly or indirectly:

- (i) employ or solicit the employment of any person who is then or has been within six (6) months prior thereto, an employee of the Company or any of its affiliated companies; or
- (ii) interfere with, disturb or interrupt the relationships (whether or not such relationships have been reduced to formal contracts) of the Company or any of its affiliated companies with any customer, supplier or consultant.

(d)Ownership of Works. The results and proceeds of your services under this Agreement, including, without limitation, any works of authorship resulting from your services to the Company or any of its affiliates during your employment with the Company and/or any of its affiliated companies and any works in progress resulting from such services, shall be works-made-for-hire and the Company shall be deemed the sole owner throughout the universe of any and all rights of every nature in such works, whether such rights are now known or hereafter defined or discovered, with the right to use the works in perpetuity in any manner the Company determines in its sole discretion without any further payment to you. If, for any reason, any of such results and proceeds are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to the Company under the preceding sentence, then you hereby irrevocably assign and agree to assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets,

trademarks and/or other rights of every nature in the work, whether now known or hereafter defined or discovered, and the Company shall have the right to use the work in perpetuity throughout the universe in any manner the Company determines in its sole discretion without any further payment to you. You shall, as may be requested by the Company from time to time, do any and all things which the Company may deem useful or desirable to establish or document the Company's rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents and, if you are unavailable or unwilling to execute such documents, you hereby irrevocably designate your Reporting Senior or his designee as your attorney-in-fact with the power to execute such documents on your behalf. To the extent you have any rights in the results and proceeds of your services under this Agreement that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 9(d) is subject to, and does not limit, restrict, or constitute a waiver by the Company or any of its affiliated companies of any ownership rights to which the Company or any of its affiliated companies may be entitled by operation of law by virtue of being your employer.

(e)Litigation.

- (i) You agree that, during the Term, for one (1) year thereafter and, if longer, during the pendency of any litigation or other proceeding, and except as may be required by law or legal process, (x) you shall not communicate with anyone (other than your own attorneys and tax advisors), except to the extent necessary in the performance of your duties under this Agreement, with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving the Company or any of its affiliated companies, other than any litigation or other proceeding in which you are a party-in-opposition, without giving prior notice to the Company's Chief Legal Officer; and (y) in the event that any other party attempts to obtain information or documents from you with respect to such matter, either through formal legal process such as a subpoena or by informal means such as interviews, you shall promptly notify the Company's Chief Legal Officer before providing any information or documents.
- (ii) You agree to cooperate with the Company and its attorneys, both during employment and during the five-year period following termination of your employment, in connection with any litigation or other proceeding arising out of or relating to matters in which you were involved prior to the termination of your employment. Your cooperation shall include, without limitation, providing assistance to the Company's counsel, experts or consultants, and providing truthful testimony in pretrial and trial or hearing proceedings. In the event that your cooperation is

requested after the termination of your employment, the Company will (x) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (y) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses.

- (iii) Except as required by law or legal process, you agree that you will not testify in any lawsuit or other proceeding which directly or indirectly involves the Company or any of its affiliated companies, or which may create the impression that such testimony is endorsed or approved by the Company or any of its affiliated companies. In all events, you shall give advance notice to the Company's Chief Legal Officer of such testimony promptly after you become aware that you may be required to provide it. The Company expressly reserves its attorney-client and other privileges except if expressly waived in writing.

(f)Return of Property. All documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with the Company or any of its affiliated companies shall remain the exclusive property of the Company. In the event of the termination of your employment for any reason, the Company reserves the right, to the extent permitted by law and in addition to any other remedy either may have, to deduct from any monies otherwise payable to you the following: (i) all amounts you may directly owe to the Company or any of its affiliated companies at the time of or subsequent to the termination of your employment with the Company; and (ii) the reasonable value of the Company property which you retain in your possession after the termination of your employment with the Company. In the event that the law of any state or other jurisdiction requires the consent of an employee for such deductions, this Agreement shall serve as such consent.

(g)Non-Disparagement. During the Term hereof and for one (1) year following the termination hereof for any reason, you shall not make, nor cause any one else to make or cause on your behalf, any public disparaging or derogatory statements or comments regarding the Company or its affiliated companies, or its officers or directors; likewise the Company will not make, nor cause any one else to make, any public disparaging or derogatory statements or comments regarding you.

(h)Injunctive Relief. The Company has entered into this Agreement in order to obtain the benefit of your unique skills, talent, and experience. You and the Company acknowledge and agree that your violation of paragraphs 9(a) through (h) of this Agreement may result in irreparable damage to the Company and/or its affiliated companies and, accordingly, the Company may obtain injunctive and

other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to the Company.

(i)Survival; Modification of Terms. The obligations set forth under paragraphs 9(a) through (i) shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment under this Agreement for any reason or the expiration of the Term;provided, however, that your obligations under paragraph 9(a) (but not under any other provision of this Agreement) shall cease if you terminate your employment for Good Reason or the Company terminates your employment without Cause and you notify the Company in writing that you have elected to waive your right to receive, or to continue to receive, termination payments and benefits under paragraphs 10(d)(i) through (iv). You and the Company agree that the restrictions and remedies contained in paragraphs 9(a) through (h) are reasonable and that it is your intention and the intention of the Company that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If a court of competent jurisdiction shall find that any such restriction or remedy is unenforceable but would be enforceable if some part were deleted or the period or area of application reduced, then such restriction or remedy shall apply with the modification necessary to make it enforceable.

10.Termination.

(a)Termination for Cause. The Company may, at its option, terminate your employment under this Agreement for Cause and thereafter shall have no obligations under this Agreement, including, without limitation, any obligation to pay Annual Salary or Annual Incentive or provide benefits. "Cause" shall mean exclusively: (i) embezzlement, fraud or other conduct that would constitute a felony (other than traffic-related citations); (ii) willful unauthorized disclosure of Confidential Information; (iii) your material breach of this Agreement; (iv) your gross misconduct or gross neglect in the performance of your duties hereunder; (v) your willful failure to cooperate with a bona fide internal investigation or investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other material reasonably known to be relevant to such an investigation, or the willful inducement of others to fail to cooperate or to destroy or fail to produce documents or other material; or (vi) your willful and material violation of the Company's written conduct policies, including but not limited to the Company's Employment Handbook and Ethics Code. The Company will give you written notice prior to terminating your employment pursuant to (iii), (iv), (v), or (vi), of this paragraph 10(a), setting forth the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, you shall have twenty (20) business days from the giving of such notice within which to cure any failure, breach or refusal under (iii), (iv), (v), or (vi) of this

paragraph 10(a):provided, however, that, if the Company reasonably expects irreparable injury from a delay of twenty (20) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances.

(b)Good Reason Termination. You may terminate your employment under this Agreement for Good Reason at any time during the Term by written notice to the Company. Good Reason shall mean without your consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with your Permanent Disability) exclusively: (i) a material diminution in your authority, duties, or responsibilities; (ii) a material diminution in the authority, duties, or responsibilities of the supervisor to whom you are required to report; (iii) a change in reporting structure that you report to someone else other than the Chief Executive Officer or Executive Vice President and Chief Financial Officer of the Company or similar positions then in effect; (iv) a material diminution in the budget over which you retain authority (except for good faith budget adjustments necessitated by the legitimate business needs of the Company); (v) a material change in geographic location at which you must perform services under this Agreement from the Company's offices at which you were principally employed; or (vi) any other action or inaction that constitutes a material breach by the Company of the terms of the Agreement. A termination of your employment shall not be deemed to be for Good Reason unless (1) you provide notice to the Company of the existence of the event or condition constituting the basis for your Good Reason termination within thirty (30) days after such event or condition initially occurs or exists, (2) the Company fails to cure such event or condition within thirty (30) days after receiving such notice, and (3) your termination of employment occurs not later than ninety (90) days after such event or condition initially occurs or exists.

(c)Termination Without Cause. The Company may terminate your employment under this Agreement without Cause at any time during the Term by written notice to you.

(d)Termination Payments/Benefits. In the event that your employment terminates under paragraph 10(b) or (c), you shall thereafter receive the following, less applicable deductions and withholding taxes:

- (i) A lump sum payment equal to your Annual Salary, as in effect on the date on which your employment terminates, calculated through the end of the Term. Such payment shall be made within thirty (30) days after the termination of your employment;
- (ii) A lump sum payment equal to your Annual Incentive that would have been payable for the calendar year of your termination under the Annual Incentive Plan if you had remained employed for the entire year, based on actual performance during the entire year and without regard to any discretionary adjustments that have the effect of reducing the amount of

your Annual Incentive (other than discretionary adjustments applicable to all similarly situated executives in the plan who did not terminate employment), pro-rated for the portion of the year through the date of termination. Such payment shall be made at the same time that payments are made to other participants in the Annual Incentive Plan for that year and shall be in lieu of any Annual Incentive that you would have otherwise been entitled to receive under the terms of the Annual Incentive Plan for the year of termination;

- (iii) A lump sum payment equal to your target Annual Incentive in effect on the date on which your employment terminates, multiplied by the remaining number of years and fractions thereof in the Term (with each full and partial month counting as one-twelfth (1/12th) of a year). Such payment shall be made within thirty (30) days after the termination of your employment;
- (iv) Medical and dental insurance coverage provided under COBRA (or early retiree medical if eligible for such coverage and elected) at no cost to you (except as hereafter described) pursuant to the plans then covering the employees of the Company (until the end of the Term or, if earlier, the date on which you become eligible for medical and dental coverage from a third party, which period of coverage shall run concurrently with the period of continuation coverage under Section 4980B of the Code); provided, that, during the period that the Company provides you with this coverage, an amount equal to the applicable COBRA premiums (or such other amounts as may be required by law) will be included in your income for tax purposes to the extent required by law and the Company may withhold taxes from your compensation for this purpose; and provided, further, that you may elect to continue your medical and dental insurance coverage under COBRA, if applicable, at your own expense for the balance, if any, of the period required by law; and
- (v) The Company shall take all steps reasonably necessary to continue the life insurance coverage pursuant to the policy then covering the employees of the Company (and if the policy cannot be continued in its then-current form, the Company shall exercise any required conversion features to continue the policy) in the amount then furnished to the Company employees, at no cost to you, until the end of the Term. The amount of such coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third party employer.

Notwithstanding the foregoing, in the event your employment is terminated pursuant to paragraphs 10(b) or (c) with less than one (1) year remaining in the Term, then for purposes of determining the payments and benefits described in

paragraphs 10(d)(i), (iii), (iv), and (v), the Term shall be deemed to have one (1) year remaining at the time of your termination of employment. You understand and agree that notice given by the Company in accordance with paragraph 1 that it does not intend to continue to employ you beyond the expiration of the Term does not constitute termination pursuant to paragraph 10(c).

(e) Termination of Benefits. Notwithstanding anything in this Agreement to the contrary (except as otherwise provided in paragraph 10(d) with respect to medical and dental benefits and life insurance), participation in all the Company benefit plans and programs will terminate upon the termination of your employment except to the extent otherwise expressly provided in such plans or programs and subject to any vested rights you may have under the terms of such plans or programs.

(f) Resignation from Official Positions. If your employment with the Company terminates for any reason, you shall be deemed to have resigned at that time from any and all officer or director positions that you may have held with the Company or any of its affiliated companies and all board seats or other positions in other entities you held on behalf of the Company. If, for any reason, this paragraph 10(f) is deemed insufficient to effectuate such resignation, you agree to execute, upon the request of the Company, any documents or instruments which the Company may deem necessary or desirable to effectuate such resignation or resignations, and you hereby authorize the Secretary and any Assistant Secretary of the Company to execute any such documents or instruments as your attorney-in-fact.

11. Severance Contingent On Release, Waiver and Non-Compete Agreement. If, pursuant to paragraph 1, the Company gives proper notice that it does not intend to employ you beyond the expiration of the Term, and your employment hereunder ends as a result, if you execute and do not later revoke or materially violate the Release, Waiver and Non-Compete Agreement in a form materially similar to the document attached hereto as Exhibit A, you will be entitled to the benefits described in paragraphs 10(d)(i) – (v); provided, however, that for purposes of determining the payments and benefits described in paragraphs 10(d)(i), (iii), (iv), and (v), the Term shall be deemed to have six (6) months remaining at the time of your termination of employment. The Release, Waiver and Non-Compete Agreement must be executed by you and become effective and irrevocable in accordance with its terms no later than the thirtieth (30th) day following termination of your employment (the “Release Date”), or such longer period as required by law. Payment of the benefits described in paragraphs 10(d)(i) and (ii) shall be made within thirty (30) days after the Release Date, but in no event later than March 15 of the calendar year immediately following the calendar year in which your employment terminates.

12. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit your continuing or future participation in any plan, program, policy or practice provided by the Company or its affiliates and for which you may qualify. Amounts

that are vested benefits or that you are otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or its affiliates at or subsequent to the date of termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

13. Company's Policies. You agree that, during your employment hereunder, you will comply in all material respects with all of the Company's written policies, including, but not limited to, the Company's Employee Handbook and Ethics Code.

14. Indemnification; D&O Liability Insurance. If you are made a party to, are threatened to be made a party to, receive any legal process in, or receive any discovery request or request for information in connection with, any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that you were an officer, director, employee, or agent of the Company or any of its affiliated companies, or were serving at the request of or on behalf of the Company or any of its affiliated companies, the Company shall indemnify and hold you harmless to the fullest extent permitted or authorized by the Company's Articles of Incorporation or Code of Regulations or, if greater, by the laws of the State of Ohio, against all costs, expenses, liabilities and losses you incur in connection therewith. Such indemnification shall continue even if you have ceased to be an officer, director, employee or agent of the Company or any of its affiliated companies, and shall inure to the benefit of your heirs, executors and administrators. The Company shall reimburse you for all costs and expenses you incur in connection with any Proceeding within 20 business days after receipt by the Company of a written requests for such reimbursement and appropriate documentation associated with such expenses. In addition, the Company agrees to maintain a director's and officer's liability insurance policy or policies covering you at a level and on terms and conditions commensurate to the coverage the Company provides other similarly situated executives of the Company.

15. Notices. All notices under this Agreement must be given in writing, by personal delivery facsimile or by mail, if to you, to the address shown on this Agreement (or any other address designated in writing by you), with a copy to any other person you designate in writing, and, if to the Company, to the address shown on this Agreement (or any other address designated in writing by the Company), with a copy, to the attention of the Company's Chief Legal Officer. Any notice given by mail shall be deemed to have been given three days following such mailing.

16. Assignment. This is an Agreement for the performance of personal services by you and may not be assigned by you, without the prior written consent of the Company, otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by your legal representatives. This Agreement shall inure to the benefit of and be binding upon

the Company and its successors and assigns. Except as provided in the immediately following sentence, this Agreement shall not be assignable by the Company without your prior written consent. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. "Company" means the Company as defined in this Agreement and any successor to its business and/or assets as described above that assumes and agrees to perform this Agreement by operation of law or otherwise.

17. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio.

18. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on the Company or you to renew this Agreement or any portion thereof. The parties intend to be bound only upon execution of a written agreement and no negotiation, exchange of draft or partial performance shall be deemed to imply an agreement. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of the Term.

19. Entire Understanding. Except where specifically stated otherwise herein, this Agreement contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement, and can be changed only by a writing signed by both parties.

20. Void Provisions. If any provision of this Agreement, as applied to either party or to any circumstances, shall be found by a court of competent jurisdiction to be unenforceable but would be enforceable if some part were deleted or the period or area of application were reduced, then such provision shall apply with the modification necessary to make it enforceable, and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

21. Supersedes Prior Agreements. With respect to the period covered by the Term, this Agreement supersedes and cancels all prior agreements relating to your employment by the Company or any of its affiliated companies, including, but not limited to, the employment agreement between you and The E. W. Scripps Company dated July 7, 2005, which was assumed by the Company.

22. Deductions and Withholdings. All amounts payable under this Agreement shall be paid less deductions and income and payroll tax withholdings as may be required under applicable law and any property (including shares of the Company's Class A Common Stock), benefits and perquisites provided to you under this Agreement shall be taxable to you as may be required under applicable law.

23. Compliance with Section 409A of the Code.

(a) Section 409A of the Internal Revenue Code (“Section 409A”) imposes payment restrictions on “separation pay” (*i.e.*, payments owed to you upon termination of employment). Failure to comply with these restrictions could result in negative tax consequences to **you**, including immediate taxation, interest and a 20% penalty tax. It is the Company’s intent that this Agreement be exempt from the application of, or otherwise complies with, the requirements of Section 409A. Specifically, any taxable benefits or payments provided under this Agreement are intended to be separate payments that qualify for the “short-term deferral” exception to Section 409A to the maximum extent possible, and to the extent they do not so qualify, are intended to qualify for the involuntary separation pay exceptions to Section 409A of the Code, to the maximum extent possible. If neither of these exceptions applies, then notwithstanding any provision in this Agreement to the contrary:

- (i) All amounts that would otherwise be paid or provided during the first six months following the date of termination shall instead be accumulated through and paid or provided (together with interest on any delayed payment at the applicable federal rate under the Internal Revenue Code), on the first business day following the six-month anniversary of your termination of employment.
- (ii) Any expense eligible for reimbursement must be incurred, or any entitlement to a benefit must be used, during the Term (or the applicable expense reimbursement or benefit continuation period provided in this Agreement). The amount of the reimbursable expense or benefit to which you are entitled during a calendar year will not affect the amount to be provided in any other calendar year, and your right to receive the reimbursement or benefit is not subject to liquidation or exchange for another benefit. Provided the requisite documentation is submitted, the Company will reimburse the eligible expenses on or before the last day of the calendar year following the calendar year in which the expense was incurred.

(b) For purposes of this Agreement, “termination of employment” or words or phrases to that effect shall mean a “separation from service” within the meaning of Section 409A.

If the foregoing correctly sets forth our understanding, please sign, date and return all three (3) copies of this Agreement to the undersigned for execution on behalf of the Company; after this Agreement has been executed by the Company and a fully-executed copy returned to you, it shall constitute a binding agreement between us.

Mr. Mark S. Hale
July 29, 2008
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Sincerely yours,

SCRIPPS NETWORKS INTERACTIVE, INC.

/s/ Kenneth W. Lowe

Kenneth W. Lowe

Chairman, President and Chief Executive Officer

ACCEPTED AND AGREED:

/s/ Mark S. Hale

Mark S. Hale

Dated: 7/31/2008

EXHIBIT A

RELEASE, WAIVER AND NON-COMPETE AGREEMENT

This Release, Waiver and Non-Compete Agreement (the "Agreement") is entered by and between _____ (the "Executive") and Scripps Networks Interactive, Inc. (the "Company").

WITNESSETH:

WHEREAS, the Company and Executive entered into that certain Employment Agreement dated _____ (the "Employment Agreement");

WHEREAS, paragraph 11 of the Employment Agreement specifically provides that the Executive is required to sign this Agreement to receive the payment of certain severance benefits under the that paragraph following termination of employment;

WHEREAS, the Company and Executive desire to enter into this Agreement to give effect to the foregoing, and to agree on and/or reaffirm certain rights, obligations and understandings that shall survive the Employment Agreement; and

NOW, THEREFORE, in consideration of the mutual promises contained herein and in the Employment Agreement and other valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Reference and Definitions. The Employment Agreement shall be incorporated herein for reference, but only to the extent specifically called for hereunder. The capitalized terms contained in this Agreement shall, to the extent they are the same as those used in the Employment Agreement, shall carry the same meaning as in the Employment Agreement.

2. Severance and Other Benefits. In consideration for Executive executing and not revoking or materially violating this Agreement and for his/her compliance with its terms and those certain Covenants that shall survive the Employment Agreement specified in paragraph 5 below, the Company shall provide the payments and benefits described in paragraph 11 of the Agreement (the "Severance Benefits") at the times set forth in the Agreement.

3. General Release and Waiver of Claims. In exchange for and in consideration of the Severance Benefits, Executive, on behalf of himself/herself and his/her successors, assigns, heirs, executors, and administrators, hereby releases and forever discharges the Company and its parents, affiliates, associated entities, representatives, successors and assigns, and their officers, directors, shareholders, agents and employees from all liability, claims and demands, actions and causes of action, damages, costs, payments and expenses of every kind, nature or description arising out of his/her employment relationship with the Company, or the ending of his/her employment on _____, 20___. These claims, demands, actions or causes of action include, but are not limited to, actions sounding in contract, tort, discrimination of any kind, and causes of action or claims arising under federal, state, or local laws, including, but not

limited to, claims under Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act of 1990, the Americans With Disabilities Act, and any similar state or local laws. Executive further agrees that Executive will neither seek nor accept any further benefit or consideration from any source whatsoever in respect to any claims which Executive has asserted or could have asserted against the Company. Executive represents to his/her knowledge neither Executive nor any person or entity acting on Executive's behalf or with Executive's authority has asserted with any federal, state, or local judicial or administrative body any claim of any kind based on or arising out of any aspect of Executive's employment with the Company or the ending of that employment. If Executive, or any person or entity representing Executive, or any federal, state, or local agency, asserts any such claim, this Release and Waiver Agreement will act as a total and complete bar to recovery of any judgment, award, damages, or remedy of any kind.

4. No Admission of Liability. It is understood and agreed that this Agreement is a compromise of any alleged claims and that the making of this offer, the entering into of this Agreement, and the benefits paid to Executive are not to be construed as an admission of liability on the part of the Company, and that all liability is expressly denied by the Company.

5. Non-Compete. In exchange for and in consideration of the Severance Benefits, Executive agrees that, for the twelve (12) months following the effective date hereof, he/she shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent Executive from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system.

6. SURVIVING COVENANTS. EXECUTIVE AND THE COMPANY HEREBY ACKNOWLEDGE AND AFFIRM, TO THE EXTENT APPLICABLE, THEIR RESPECTIVE CONTINUING OBLIGATIONS WITH RESPECT TO THOSE CERTAIN COVENANTS CONTAINED IN THE EMPLOYMENT AGREEMENT, WHICH ARE INCORPORATED HEREIN BY REFERENCE, SPECIFICALLY: SECTION 9(B) CONFIDENTIAL INFORMATION; SECTION 9(C) NO SOLICITATION OR INTERFERENCE; SECTION 9(E) LITIGATION; AND SECTION 9(G) NON-DISPARAGEMENT.

7. Return of Property. Executive agrees to return, as soon as practicable and no later than three (3) business days after his/her execution hereof, any and all property, including duplicates or copies thereof, belonging to the Company, including, but not limited to: keys, security cards, documents, equipment, supplies, customer lists, customer information, and confidential information.

8. Business Expense Reports and Reconciliation of Company Charge Card Expenses. Executive agrees that the Severance Benefits shall not be paid until Executive submits all required business expense reports, if any, and pays for any and all non-

business charges on the Company's charge card or otherwise for which he/she is personally responsible, within thirty (30) days following termination of employment with the Company.

9. Severability/Waivers. Executive agrees that if any provision of this Agreement shall be held invalid or unenforceable, that such provision shall be modified to the extent necessary to comply with the law, or if necessary stricken, but the parties agree that the remainder of this Agreement shall nevertheless remain in full force and effect. No waiver of any term or condition of this Agreement or any part thereof shall be deemed a waiver of any other terms or conditions of this Agreement or of any later breach of this Agreement.

10. Confidentiality. The terms of this Agreement shall remain confidential, and neither Executive nor the Company will publish or publicize the terms of this Agreement in any manner, unless specifically required to do so by valid law or regulatory requirement, which, in such case, the disclosing party shall provide the other party reasonable advance notice. Executive shall not discuss or reveal the terms of this Agreement to any persons other than his/her immediate family, personal attorney, and financial advisors.

11. Binding Agreement. The rights and obligations of the Company under this Agreement shall inure to the benefit of, and shall be binding on, the Company and its successors and assigns, and the rights and obligations (other than obligations to perform services) of Executive under this Agreement shall inure to the benefit of, and shall be binding upon, Executive and his/her heirs, personal representatives and successors and assigns. Except to the extent specifically provided for in paragraphs 1, 2 and 5 above, upon its execution, this Agreement shall supersede and render null and void any and all previous agreements, arrangements, or understandings between you and the Company pertaining to Executive's employment with the Company, including, but not limited to the Employment Agreement.

12. Notices. Notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by certified mail, postage prepaid, addressed to the intended recipient at the address set forth below, or at such other address as such intended recipient hereafter may have designated most recently to the other party hereto with specific reference to this Section.

If to the Company: Scripps Networks Interactive, Inc.
 28th Floor
 312 Walnut Street
 Cincinnati, Ohio 45202
 Attn: Jennifer Weber, Senior Vice President, Human Resources
 A.B. Cruz III, Executive Vice President, Chief Legal Officer & Corporate Secretary

If to Executive:

13. Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the laws of the State of Ohio. The Parties agree that any conflict of law rule that might require reference to the laws of some jurisdiction other than Ohio shall be disregarded. Each Party hereby agrees for itself and its properties that the courts sitting in Hamilton County, Ohio shall have sole and exclusive jurisdiction and venue over any matter arising out of or relating to this Agreement, or from the relationship of the Parties, or from the Executive's employment with the Company, or from the termination of the Executive's employment with the Company, whether arising from contract, tort, statute, or otherwise, and hereby submits itself and its property to the venue and jurisdiction of such courts.

14. Revocation Period. Executive agrees that Executive has read this Agreement and is hereby advised and fully understands his/her right to discuss all aspects of this Agreement with Executive's attorney prior to signing this Agreement. Executive has carefully read and fully understands all of the provisions of this Agreement. Executive acknowledges that he/she has been given at least twenty-one (21) days to discuss, review, and consider all of the terms, conditions, and covenants of this Agreement. Executive understands that this Agreement does not become effective or enforceable until seven (7) days after it has been executed by Executive. During the seven-day period following its execution, Executive may revoke this Agreement in its entirety by providing written revocation to the Company by notice to the Company pursuant to paragraph 12, in which case this Agreement shall be on no further legal force or effect.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the date(s) specified below.

EXECUTIVE

Name: _____
(please print)

Signature: _____

Date: _____

Witness's Name: _____

Witness's
Signature: _____

Date: _____

SCRIPPS NETWORKS INTERACTIVE, INC.

By: _____

Its: _____

Date: _____

July 7, 2005

Mr. Mark S. Hale
Insert address

Dear Mark:

The purpose of this letter is simply to provide you with a summary of some of the key terms of your employment as Vice President of Technology Operations for The E.W. Scripps Company, which became effective as of May 20, 2005.

- While you now have company-wide responsibilities, you will maintain your current Scripps Networks responsibilities, including a direct reporting relationship to the President of Scripps Networks.
- We will recommend to the board of directors that you be elected an officer of the corporation.
- Your annual base pay will be increased to \$375,000. Your annual target bonus opportunity for will remain at 40%.
- You will continue to be eligible to participate in the company's long term incentive plan under which you may receive periodic grants of stock options and/or restricted stock shares. We will recommend to the compensation committee that you be awarded a grant of options at the next board meeting in July in recognition of your new responsibilities.
- As a corporate vice president, you will eligible for a luncheon club membership, personal financial planning assistance at the level of \$7,500 per year, and executive physical examinations. Further, we will recommend to the compensation committee that you be included for coverage under the Scripps Senior Executive Change in Control Plan with a multiple of 1.5 as is currently defined in the plan document.
- You will continue to be entitled to participate in all group benefit plans offered to similarly situated executives of the company including, but not limited to, health, life, disability and retirement plans.

Mr. Mark S. Hale
Page 2
July 7, 2005

Mark, I think I have covered the essentials. I remind you that this letter does *not* represent a contract for continued employment and that you are employed strictly on an "at will" basis as defined under Ohio state law. In addition, please remember that compensation and benefit plans are subject to change at the company's discretion and participants may be affected accordingly.

Finally, for the company, I extend to you and your family a warm welcome. It's great to have you on the team.

Sincerely yours,

Joseph G. NeCastro
Senior Vice President & Chief Financial Officer

ACKNOWLEDGED & ACCEPTED:

Mark S. Hale

October 15, 2008

Mr. John F. Lansing
c/o Scripps Networks Interactive, Inc.
312 Walnut Street
2800 Scripps Center
Cincinnati, OH 45202

Re: Employment Agreement

Dear John:

Scripps Networks Interactive, Inc. (the "Company") agrees to employ you and you agree to accept such employment upon the following terms and conditions:

1. Term. Subject to the provisions for earlier termination provided in paragraph 10 below, the term of your employment hereunder shall become effective as of October 16, 2008 (the "Effective Date") and shall continue through and until the third anniversary of the Effective Date. Such period shall be referred to as the "Term," notwithstanding any earlier termination of your employment for any reason. The Company shall provide you with at least ninety (90) days' notice prior to the expiration of the Term if the Company does not intend to continue to employ you beyond the expiration of the Term. If the Company does not provide you with such notice and the parties do not otherwise agree in writing to renew, extend, or replace this Agreement, the Term shall automatically renew for one one-year term.

2. Duties. You will be the President, Scripps Networks, Inc., reporting to the Chairman, President and Chief Executive Officer of the Company ("Reporting Senior"). You agree to devote substantially all your business time, and apply your best reasonable efforts, to promote the business and affairs of the Company and its affiliated companies during your employment. You will perform such duties and responsibilities commensurate with your position and title during the Term, and as may be reasonably assigned to you from time to time by your Reporting Senior. You shall not, without the prior written consent of the Company, directly or indirectly, during the Term, other than in the performance of duties naturally inherent to the businesses of the Company and in furtherance thereof, render services of a business, professional, or commercial nature to any other person or firm, whether for compensation or otherwise; provided, however, that so long as it does not materially interfere with the performance of your duties hereunder, you may serve as a director, trustee or officer of, or otherwise participate in, educational, welfare, social, religious, civic, professional, or trade organizations. Your principal place of business shall be in Knoxville, Tennessee.

Assistant: Nancy Tretter
513.824.3223 fax 513.977.3024
nancy.tretter@scrippsnetworks.com
312 Walnut Street, Cincinnati, OH 45202

3. Compensation.

(a) Annual Salary. For all the services rendered by you in any capacity under this Agreement, the Company agrees to pay you seven hundred thousand dollars (\$700,000) a year in base salary ("Annual Salary"), less applicable deductions and withholding taxes, in accordance with the Company's payroll practices as they may exist from time to time during the Term. Your Annual Salary may be increased by the Company's Compensation Committee in conjunction with your annual performance review conducted pursuant to the guidelines and procedures of the Company applicable to similarly situated executives, but in no event shall your Annual Salary be less than the annual salary amount established under this paragraph 3 (a) for the immediately previous calendar year.

(b) Annual Incentive. You shall participate in the Company's Executive Annual Incentive Plan, as amended, or any successor to such plan (the "Annual Incentive Plan") with a target annual incentive opportunity of 70% of your Annual Salary as established under paragraph 3(a) ("Annual Incentive"). The Annual Incentive amount actually paid shall be based on your attainment, within the range of the minimum and maximum performance objectives, of strategic and financial goals established for you by the Company and approved by the Company's Compensation Committee. The Company shall pay to you any Annual Incentive under this paragraph 3(b) in accordance with the terms and subject to the conditions of the Annual Incentive Plan.

4. Benefits. During your employment hereunder, you shall be eligible to participate in all equity incentive plans of the Company applicable to similarly situated executives of the Company, as shall be determined by the Company's Compensation Committee. During your employment hereunder, you shall also be entitled to participate in any employee retirement, pension and welfare benefit plan or program available to similarly situated executives of the Company, or to the Company's employees generally, as such plans and programs may be in effect from time to time, including, without limitation, pension, profit sharing, savings, estate preservation and other retirement plans or programs, 401(k), medical, dental, life insurance, short-term and long-term disability insurance plans, accidental death and dismemberment protection, travel accident protection, and all other plans that the Company may have or establish from time to time and in which you would be entitled to participate under the terms of the applicable plan. This provision is not intended, nor shall it have the effect of, reducing any benefit to which you were entitled as of the Effective Date. However, this provision shall not be construed to require the Company to establish any welfare, compensation or long-term incentive plans, or to prevent the modification or termination of any plan once established, and no action or inaction with respect to any plan shall affect this Agreement. You shall be entitled to be reimbursed by the Company for tax and financial planning up to a maximum of \$15,000 per year, and for the annual membership fees and other dues associated with one luncheon club. In addition, the Company shall pay the

costs of an annual "senior executive" physical examination. You shall be entitled to no less than five (5) weeks of Paid Time Off ("PTO") per calendar year.

5. Business Expenses. During your employment hereunder, the Company shall reimburse you for reasonable travel and other expenses incurred in the performance of your duties as are customarily reimbursed to similarly situated executives of the Company.

6. Entitlements in Event of Death. In the event of your death during your employment hereunder, your beneficiary or estate shall receive a lump sum payment equal to your Annual Salary, as in effect on the date of your death. Such payment shall be made within 60 days after your death. Also, your family members who are covered under a Company medical plan at the time of your death shall be entitled to receive commensurate medical coverage under COBRA at the Company's expense throughout the one-year period immediately following your death, which period of coverage shall run concurrently with the period of continuation coverage under Section 4980B of the Code. In addition, your beneficiary or estate shall receive (i) any Annual Incentive earned in the prior calendar year, but that has not yet been paid, in accordance with the terms of the Annual Incentive Plan; (ii) a lump sum payment equal to the target Annual Incentive opportunity for the calendar year of your death, multiplied by the number of years and fractions thereof in the period commencing on January 1 of the calendar year of your death and ending on the first anniversary of your death (with each full and partial month counting as one-twelfth (1/12th) of a year), payable, less applicable deductions and withholding taxes, within 60 days after your death; which such Annual Incentive shall be in lieu of any Annual Incentive that you would have otherwise been entitled to receive under the terms of the Annual Incentive Plan for that year; and (iii) reimbursement for all documented business expenses previously incurred for which you have not been reimbursed.

7. Entitlements in Event of Permanent Disability. In the event of your permanent disability during your employment hereunder (as defined under and covered by a Company employee disability plan), your employment hereunder shall terminate and you shall receive a lump sum payment equal to your Annual Salary, as in effect on the date of your disability. Such payment shall be made within 60 days after your disability and shall serve as an offset to any benefits provided under the applicable Company employee disability plan to the extent provided in that plan. Also, you and your family members who are covered under a Company medical plan at the time of your permanent disability shall be entitled to receive commensurate medical coverage at the Company's expense for the longer of (i) the one-year period immediately following your disability, or (ii) the period set forth in the then-applicable Company employee disability plan. In addition, you shall receive (i) any Annual Incentive earned in the prior calendar year, but that has not yet been paid, in accordance with the terms of the Annual Incentive Plan; (ii) a lump sum payment equal to the target Annual Incentive opportunity for the calendar

year of your disability, multiplied by the number of years and fractions thereof in the period commencing on January 1 of the calendar year of your disability and ending on the first anniversary of your disability (with each full and partial month counting as one-twelfth (1/12th) of a year), payable, less applicable deductions and withholding taxes, within 60 days after your disability; which such Annual Incentive shall be in lieu of any Annual Incentive that you would have otherwise been entitled to receive under the terms of the Annual Incentive Plan for that year; and (iii) reimbursement for all documented business expenses previously incurred for which you have not been reimbursed.

8. Change in Control Protections. You shall be included in and covered by the Company's Executive Change in Control Plan (the "CIC Plan"), which is incorporated herein by reference. Your Termination Pay Multiple, as defined in the CIC Plan, will be at least "2.5". If a "Change in Control" occurs (as defined in the CIC Plan) during the Term and on or after the date that you have attained age 50 with at least 5 "years of service" (within the meaning of the Supplemental Executive Retirement Plan as in effect immediately prior to the Change in Control), then notwithstanding anything contained in the CIC Plan to the contrary, and solely for purposes of determining your "Pension Enhancement" under Section 5.4 of the CIC Plan or its successor (but not for purposes of determining any other benefits under that plan), the term "Termination Pay Multiple" shall be deemed to refer to the greater of (i) your Termination Pay Multiple or (ii) the number of years (and fractions thereof) in the period commencing on the day immediately following your date of termination and ending on the date that you would have attained both age 55 with at least 10 "years of service" (as defined above) had you continued to be employed by the Company. In the event that the CIC Plan is terminated or you are excluded from that plan for any reason during the Term, the Company agrees to promptly amend this Agreement so that you are similarly covered and eligible for the same benefits and protection thereunder.

9. Non-Competition, Confidential Information, Etc.

(a) Non-Competition. You agree that your employment with the Company is on an exclusive basis and that, while you are employed by the Company, you will not engage in any other business activity that would otherwise conflict with your duties and obligations (including your commitment of substantially all business time) under this Agreement. You agree that, during the Non-Compete Period (as defined below), you shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent you from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system. The Non-Compete Period shall cover the entire Term; provided, however, that, if your employment terminates before the end of the Term, the

Non-Compete Period shall terminate, if earlier, (i) six (6) months after you terminate your employment for Good Reason or the Company terminates your employment without Cause, or on such earlier date as you may make the election under paragraph 9(i) (which relates to your ability to terminate your obligations under this paragraph 9(a) in exchange for waiving your right to certain compensation and benefits); or (ii) twelve (12) months after the Company terminates your employment for Cause. (Defined terms used without definitions in the preceding sentence have the meanings provided in paragraphs 10(a) and (b).)

(b)Confidential Information. You agree that, during the Term or at any time thereafter, (i) you shall not use for any purpose other than the duly authorized business of the Company, or disclose to any third party, any information relating to the Company or any of its affiliated companies which is proprietary to the Company or any of its affiliated companies ("Confidential Information"), including any trade secret or any written (including in any electronic form) or oral communication incorporating Confidential Information in any way (except as may be required by law or in the performance of your duties under this Agreement consistent with the Company's policies); and (ii) you will comply with any and all confidentiality obligations of the Company to a third party, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information which (x) is or becomes generally available to the public other than as a result of a disclosure by you or at your direction or by any other person who directly or indirectly receives such information from you, or (y) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you.

(c)No Solicitation or Interference. You agree that, during the Term and for one (1) year thereafter, you shall not, directly or indirectly:

- (i) employ or solicit the employment of any person who is then or has been within six (6) months prior thereto, an employee of the Company or any of its affiliated companies; or
- (ii) interfere with, disturb or interrupt the relationships (whether or not such relationships have been reduced to formal contracts) of the Company or any of its affiliated companies with any customer, supplier or consultant.

(d)Ownership of Works. The results and proceeds of your services under this Agreement, including, without limitation, any works of authorship resulting from your services to the Company or any of its affiliates during your employment with the Company and/or any of its affiliated companies and any works in progress resulting from such services, shall be works-made-for-hire and the Company shall be deemed the sole owner throughout the universe of any and all rights of every nature in such works, whether such rights are now known or hereafter defined or discovered, with the right to use the works in perpetuity in any manner the Company determines in its sole discretion without any further payment to you. If,

for any reason, any of such results and proceeds are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to the Company under the preceding sentence, then you hereby irrevocably assign and agree to assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, whether now known or hereafter defined or discovered, and the Company shall have the right to use the work in perpetuity throughout the universe in any manner the Company determines in its sole discretion without any further payment to you. You shall, as may be requested by the Company from time to time, do any and all things which the Company may deem useful or desirable to establish or document the Company's rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents and, if you are unavailable or unwilling to execute such documents, you hereby irrevocably designate your Reporting Senior or his designee as your attorney-in-fact with the power to execute such documents on your behalf. To the extent you have any rights in the results and proceeds of your services under this Agreement that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 9(d) is subject to, and does not limit, restrict, or constitute a waiver by the Company or any of its affiliated companies of any ownership rights to which the Company or any of its affiliated companies may be entitled by operation of law by virtue of being your employer.

(e) Litigation.

- (i) You agree that, during the Term, for one (1) year thereafter and, if longer, during the pendency of any litigation or other proceeding, and except as may be required by law or legal process, (x) you shall not communicate with anyone (other than your own attorneys and tax advisors), except to the extent necessary in the performance of your duties under this Agreement, with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving the Company or any of its affiliated companies, other than any litigation or other proceeding in which you are a party-in-opposition, without giving prior notice to the Company's Chief Legal Officer; and (y) in the event that any other party attempts to obtain information or documents from you with respect to such matter, either through formal legal process such as a subpoena or by informal means such as interviews, you shall promptly notify the Company's Chief Legal Officer before providing any information or documents.
- (ii) You agree to cooperate with the Company and its attorneys, both during employment and during the five-year period following termination of your employment, in connection with any litigation or other proceeding

arising out of or relating to matters in which you were involved prior to the termination of your employment. Your cooperation shall include, without limitation, providing assistance to the Company's counsel, experts or consultants, and providing truthful testimony in pretrial and trial or hearing proceedings. In the event that your cooperation is requested after the termination of your employment, the Company will (x) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (y) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses.

- (iii) Except as required by law or legal process, you agree that you will not testify in any lawsuit or other proceeding which directly or indirectly involves the Company or any of its affiliated companies, or which may create the impression that such testimony is endorsed or approved by the Company or any of its affiliated companies. In all events, you shall give advance notice to the Company's Chief Legal Officer of such testimony promptly after you become aware that you may be required to provide it. The Company expressly reserves its attorney-client and other privileges except if expressly waived in writing.

(f)Return of Property. All documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with the Company or any of its affiliated companies shall remain the exclusive property of the Company. In the event of the termination of your employment for any reason, the Company reserves the right, to the extent permitted by law and in addition to any other remedy either may have, to deduct from any monies otherwise payable to you the following: (i) all amounts you may directly owe to the Company or any of its affiliated companies at the time of or subsequent to the termination of your employment with the Company; and (ii) the reasonable value of the Company property which you retain in your possession after the termination of your employment with the Company. In the event that the law of any state or other jurisdiction requires the consent of an employee for such deductions, this Agreement shall serve as such consent.

(g)Non-Disparagement. During the Term hereof and for one (1) year following the termination hereof for any reason, you shall not make, nor cause any one else to make or cause on your behalf, any public disparaging or derogatory statements or comments regarding the Company or its affiliated companies, or its officers or directors; likewise the Company will not make, nor cause any one else to make, any public disparaging or derogatory statements or comments regarding you.

(h)Injunctive Relief. The Company has entered into this Agreement in order to obtain the benefit of your unique skills, talent, and experience. You and the Company acknowledge and agree that your violation of paragraphs 9(a) through (h) of this Agreement may result in irreparable damage to the Company and/or its affiliated companies and, accordingly, the Company may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to the Company.

(i)Survival; Modification of Terms. The obligations set forth under paragraphs 9(a) through (i) shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment under this Agreement for any reason or the expiration of the Term;provided, however, that your obligations under paragraph 9(a) (but not under any other provision of this Agreement) shall cease if you terminate your employment for Good Reason or the Company terminates your employment without Cause and you notify the Company in writing that you have elected to waive your right to receive, or to continue to receive, termination payments and benefits under paragraphs 10(d)(i) through (iv). You and the Company agree that the restrictions and remedies contained in paragraphs 9(a) through (h) are reasonable and that it is your intention and the intention of the Company that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If a court of competent jurisdiction shall find that any such restriction or remedy is unenforceable but would be enforceable if some part were deleted or the period or area of application reduced, then such restriction or remedy shall apply with the modification necessary to make it enforceable.

10. Termination.

(a)Termination for Cause. The Company may, at its option, terminate your employment under this Agreement for Cause and thereafter shall have no obligations under this Agreement, including, without limitation, any obligation to pay Annual Salary or Annual Incentive or provide benefits. "Cause" shall mean exclusively: (i) embezzlement, fraud or other conduct that would constitute a felony (other than traffic-related citations); (ii) willful unauthorized disclosure of Confidential Information; (iii) your material breach of this Agreement; (iv) your gross misconduct or gross neglect in the performance of your duties hereunder; (v) your willful failure to cooperate with a bona fide internal investigation or investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other material reasonably known to be relevant to such an investigation, or the willful inducement of others to fail to cooperate or to destroy or fail to produce documents or other material; or (vi) your willful and material violation of the Company's written conduct policies, including but not limited to the Company's Employment Handbook and Ethics Code. The Company will give you written notice prior to terminating your employment pursuant to (iii), (iv), (v), or

(vi), of this paragraph 10(a), setting forth the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, you shall have twenty (20) business days from the giving of such notice within which to cure any failure, breach or refusal under (iii), (iv), (v), or (vi) of this paragraph 10(a); provided, however, that, if the Company reasonably expects irreparable injury from a delay of twenty (20) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances.

(b)Good Reason Termination. You may terminate your employment under this Agreement for Good Reason at any time during the Term by written notice to the Company. Good Reason shall mean without your consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with your Permanent Disability) exclusively: (i) a material diminution in your authority, duties, or responsibilities; (ii) a material diminution in the authority, duties, or responsibilities of the supervisor to whom you are required to report; (iii) a material diminution in the budget over which you retain authority (except for good faith budget adjustments necessitated by the legitimate business needs of the Company); (iv) a material change in geographic location at which you must perform services under this Agreement from the Company's offices at which you were principally employed; or (v) any other action or inaction that constitutes a material breach by the Company of the terms of the Agreement. A termination of your employment shall not be deemed to be for Good Reason unless (1) you provide notice to the Company of the existence of the event or condition constituting the basis for your Good Reason termination within thirty (30) days after such event or condition initially occurs or exists, (2) the Company fails to cure such event or condition within thirty (30) days after receiving such notice, and (3) your termination of employment occurs not later than ninety (90) days after such event or condition initially occurs or exists.

(c)Termination Without Cause. The Company may terminate your employment under this Agreement without Cause at any time during the Term by written notice to you.

(d)Termination Payments/Benefits. In the event that your employment terminates under paragraph 10(b) or (c), you shall thereafter receive the following, less applicable deductions and withholding taxes:

- (i) A lump sum payment equal to your Annual Salary, as in effect on the date on which your employment terminates, pro-rated through the end of the Term. Such payment shall be made within thirty (30) days after the termination of your employment;
- (ii) A lump sum payment equal to your Annual Incentive that would have been payable for the calendar year of your termination under the Annual

Incentive Plan if you had remained employed for the entire year, based on actual performance during the entire year and without regard to any discretionary adjustments that have the effect of reducing the amount of your Annual Incentive (other than discretionary adjustments applicable to all similarly situated executives in the plan who did not terminate employment), pro-rated for the portion of the year through the date of termination. Such payment shall be made at the same time that payments are made to other participants in the Annual Incentive Plan for that year and shall be in lieu of any Annual Incentive that you would have otherwise been entitled to receive under the terms of the Annual Incentive Plan for the year of termination;

- (iii) A lump sum payment equal to your target Annual Incentive in effect on the date on which your employment terminates, multiplied by the remaining number of years and fractions thereof in the Term (with each full and partial month counting as one-twelfth (1/12th) of a year). Such payment shall be made within thirty (30) days after the termination of your employment;
- (iv) Medical and dental insurance coverage provided under COBRA (or early retiree medical if eligible for such coverage and elected) at no cost to you (except as hereafter described) pursuant to the plans then covering the employees of the Company (until the end of the Term or, if earlier, the date on which you become eligible for medical and dental coverage from a third party, which period of coverage shall run concurrently with the period of continuation coverage under Section 4980B of the Code); provided, that, during the period that the Company provides you with this coverage, an amount equal to the applicable COBRA premiums (or such other amounts as may be required by law) will be included in your income for tax purposes to the extent required by law and the Company may withhold taxes from your compensation for this purpose; and provided, further, that you may elect to continue your medical and dental insurance coverage under COBRA, if applicable, at your own expense for the balance, if any, of the period required by law; and
- (v) The Company shall take all steps reasonably necessary to continue the life insurance coverage pursuant to the policy then covering the employees of the Company (and if the policy cannot be continued in its then-current form, the Company shall exercise any required conversion features to continue the policy) in the amount then furnished to the Company employees, at no cost to you, until the end of the Term. The amount of such coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third party employer.

Notwithstanding the foregoing, in the event your employment is terminated pursuant to paragraphs 10(b) or (c) with less than 18 months remaining in the Term, then for purposes of determining the payments and benefits described in paragraphs 10(d)(i), (iii), (iv), and (v), the Term shall be deemed to have 18 months remaining at the time of your termination of employment. You understand and agree that notice given by the Company in accordance with paragraph 1 that it does not intend to continue to employ you beyond the expiration of the Term does not constitute termination pursuant to paragraph 10(c).

(e)Termination of Benefits. Notwithstanding anything in this Agreement to the contrary (except as otherwise provided in paragraph 10(d) with respect to medical and dental benefits and life insurance), participation in all the Company benefit plans and programs will terminate upon the termination of your employment except to the extent otherwise expressly provided in such plans or programs and subject to any vested rights you may have under the terms of such plans or programs.

(f)Resignation from Official Positions. If your employment with the Company terminates for any reason, you shall be deemed to have resigned at that time from any and all officer or director positions that you may have held with the Company or any of its affiliated companies and all board seats or other positions in other entities you held on behalf of the Company. If, for any reason, this paragraph 10(f) is deemed insufficient to effectuate such resignation, you agree to execute, upon the request of the Company, any documents or instruments which the Company may deem necessary or desirable to effectuate such resignation or resignations, and you hereby authorize the Secretary and any Assistant Secretary of the Company to execute any such documents or instruments as your attorney-in-fact.

11. Severance Contingent On Release, Waiver and Non-Compete Agreement. If, pursuant to paragraph 1, the Company gives proper notice that it does not intend to employ you beyond the expiration of the Term, and your employment hereunder ends as a result, if you execute and do not later revoke or materially violate the Release, Waiver and Non-Compete Agreement in a form materially similar to the document attached hereto as Exhibit A, you will be entitled to the benefits described in paragraphs 10(d)(i) – (v); provided, however, that for purposes of determining the payments and benefits described in paragraphs 10(d)(i), (iii), (iv), and (v), the Term shall be deemed to have twelve (12) months remaining at the time of your termination of employment. The Release, Waiver and Non-Compete Agreement must be executed by you and become effective and irrevocable in accordance with its terms no later than the thirtieth (30th) day following termination of your employment (the “Release Date”), or such longer period as required by law. Payment of the benefits described in paragraphs 10(d)(i) and (ii) shall be made within thirty (30) days after the Release Date, but in no event later than March 15 of the calendar year immediately following the calendar year in which your employment terminates.

12. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit your continuing or future participation in any plan, program, policy or practice provided by the Company or its affiliates and for which you may qualify. Amounts that are vested benefits or that you are otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or its affiliates at or subsequent to the date of termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

13. Company's Policies. You agree that, during your employment hereunder, you will comply in all material respects with all of the Company's written policies, including, but not limited to, the Company's Employee Handbook and Ethics Code.

14. Indemnification; D&O Liability Insurance. If you are made a party to, are threatened to be made a party to, receive any legal process in, or receive any discovery request or request for information in connection with, any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that you were an officer, director, employee, or agent of the Company or any of its affiliated companies, or were serving at the request of or on behalf of the Company or any of its affiliated companies, the Company shall indemnify and hold you harmless to the fullest extent permitted or authorized by the Company's Articles of Incorporation or Code of Regulations or, if greater, by the laws of the State of Ohio, against all costs, expenses, liabilities and losses you incur in connection therewith. Such indemnification shall continue even if you have ceased to be an officer, director, employee or agent of the Company or any of its affiliated companies, and shall inure to the benefit of your heirs, executors and administrators. The Company shall reimburse you for all costs and expenses you incur in connection with any Proceeding within 20 business days after receipt by the Company of a written requests for such reimbursement and appropriate documentation associated with such expenses. In addition, the Company agrees to maintain a director's and officer's liability insurance policy or policies covering you at a level and on terms and conditions commensurate to the coverage the Company provides other similarly situated executives of the Company.

15. Notices. All notices under this Agreement must be given in writing, by personal delivery facsimile or by mail, if to you, to the address shown on this Agreement (or any other address designated in writing by you), with a copy to any other person you designate in writing, and, if to the Company, to the address shown on this Agreement (or any other address designated in writing by the Company), with a copy, to the attention of the Company's Chief Legal Officer. Any notice given by mail shall be deemed to have been given three days following such mailing.

16. Assignment. This is an Agreement for the performance of personal services by you and may not be assigned by you, without the prior written consent of the

Company, otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by your legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Except as provided in the immediately following sentence, this Agreement shall not be assignable by the Company without your prior written consent. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. "Company" means the Company as defined in this Agreement and any successor to its business and/or assets as described above that assumes and agrees to perform this Agreement by operation of law or otherwise.

17. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio.

18. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on the Company or you to renew this Agreement or any portion thereof. The parties intend to be bound only upon execution of a written agreement and no negotiation, exchange of draft or partial performance shall be deemed to imply an agreement. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of the Term.

19. Entire Understanding. Except where specifically stated otherwise herein, this Agreement contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement, and can be changed only by a writing signed by both parties.

20. Void Provisions. If any provision of this Agreement, as applied to either party or to any circumstances, shall be found by a court of competent jurisdiction to be unenforceable but would be enforceable if some part were deleted or the period or area of application were reduced, then such provision shall apply with the modification necessary to make it enforceable, and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

21. Supersedes Prior Agreements. With respect to the period covered by the Term, this Agreement supersedes and cancels all prior agreements relating to your employment by the Company or any of its affiliated companies including but not limited to the employment agreement between you and Scripps Networks, Inc. dated December 1, 2003, as amended December 9, 2005.

22. Deductions and Withholding. All amounts payable under this Agreement shall be paid less deductions and income and payroll tax withholdings as may be

required under applicable law and any property (including shares of the Company's Class A Common Stock), benefits and perquisites provided to you under this Agreement shall be taxable to you as may be required under applicable law.

23. Compliance with Section 409 A of the Code.

(a) Section 409 A of the Internal Revenue Code ("Section 409 A") imposes payment restrictions on "separation pay" (*i.e.*, payments owed to you upon termination of employment). Failure to comply with these restrictions could result in negative tax consequences to *you*, including immediate taxation, interest and a 20% penalty tax. It is the Company's intent that this Agreement be exempt from the application of, or otherwise complies with, the requirements of Section 409A. Specifically, any taxable benefits or payments provided under this Agreement are intended to be separate payments that qualify for the "short-term deferral" exception to Section 409A to the maximum extent possible, and to the extent they do not so qualify, are intended to qualify for the involuntary separation pay exceptions to Section 409 A of the Code, to the maximum extent possible. If neither of these exceptions applies, then notwithstanding any provision in this Agreement to the contrary:

- (i) All amounts that would otherwise be paid or provided during the first six months following the date of termination shall instead be accumulated through and paid or provided (together with interest on any delayed payment at the applicable federal rate under the Internal Revenue Code), on the first business day following the six-month anniversary of your termination of employment.
- (ii) Any expense eligible for reimbursement must be incurred, or any entitlement to a benefit must be used, during the Term (or the applicable expense reimbursement or benefit continuation period provided in this Agreement). The amount of the reimbursable expense or benefit to which you are entitled during a calendar year will not affect the amount to be provided in any other calendar year, and your right to receive the reimbursement or benefit is not subject to liquidation or exchange for another benefit. Provided the requisite documentation is submitted, the Company will reimburse the eligible expenses on or before the last day of the calendar year following the calendar year in which the expense was incurred.

(b) For purposes of this Agreement, "termination of employment" or words or phrases to that effect shall mean a "separation from service" within the meaning of Section 409A.

If the foregoing correctly sets forth our understanding, please sign, date and return all three (3) copies of this Agreement to the undersigned for execution on behalf of the Company; after this Agreement has been executed by the Company and a fully-executed copy returned to you, it shall constitute a binding agreement between us.

Mr. John F. Lansing
October 15, 2008
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Sincerely yours,

SCRIPPS NETWORKS INTERACTIVE, INC.

/s/ Kenneth W. Lowe

Kenneth W. Lowe
Chairman, President & Chief Executive Officer

ACCEPTED AND AGREED:

/s/ John F. Lansing

John F. Lansing

Dated: 10/16/08

EXHIBIT A

RELEASE, WAIVER AND NON-COMPETE AGREEMENT

This Release, Waiver and Non-Compete Agreement (the "Agreement") is entered by and between _____ (the "Executive") and Scripps Networks Interactive, Inc. (the "Company").

WITNESSETH:

WHEREAS, the Company and Executive entered into that certain Employment Agreement dated _____ (the "Employment Agreement");

WHEREAS, paragraph 11 of the Employment Agreement specifically provides that the Executive is required to sign this Agreement to receive the payment of certain severance benefits under the that paragraph following termination of employment;

WHEREAS, the Company and Executive desire to enter into this Agreement to give effect to the foregoing, and to agree on and/or reaffirm certain rights, obligations and understandings that shall survive the Employment Agreement; and

NOW, THEREFORE, in consideration of the mutual promises contained herein and in the Employment Agreement and other valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Reference and Definitions. The Employment Agreement shall be incorporated herein for reference, but only to the extent specifically called for hereunder. The capitalized terms contained in this Agreement shall, to the extent they are the same as those used in the Employment Agreement, shall carry the same meaning as in the Employment Agreement.

2. Severance and Other Benefits. In consideration for Executive executing and not revoking or materially violating this Agreement and for his/her compliance with its terms and those certain Covenants that shall survive the Employment Agreement specified in paragraph 5 below, the Company shall provide the payments and benefits described in paragraph 11 of the Agreement (the "Severance Benefits") at the times set forth in the Agreement.

3. General Release and Waiver of Claims. In exchange for and in consideration of the Severance Benefits, Executive, on behalf of himself/herself and his/her successors, assigns, heirs, executors, and administrators, hereby releases and forever discharges the Company and its parents, affiliates, associated entities, representatives, successors and assigns, and their officers, directors, shareholders, agents and employees from all liability, claims and demands, actions and causes of action, damages, costs, payments and expenses of every kind, nature or description arising out of his/her employment relationship with the Company, or the ending of his/her employment on _____, 20____. These claims, demands, actions or causes of action include, but are not limited to, actions sounding in contract, tort, discrimination of any kind, and causes of action or claims arising under federal, state, or local laws, including, but not

limited to, claims under Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act of 1990, the Americans With Disabilities Act, and any similar state or local laws. Executive further agrees that Executive will neither seek nor accept any further benefit or consideration from any source whatsoever in respect to any claims which Executive has asserted or could have asserted against the Company. Executive represents to his/her knowledge neither Executive nor any person or entity acting on Executive's behalf or with Executive's authority has asserted with any federal, state, or local judicial or administrative body any claim of any kind based on or arising out of any aspect of Executive's employment with the Company or the ending of that employment. If Executive, or any person or entity representing Executive, or any federal, state, or local agency, asserts any such claim, this Release and Waiver Agreement will act as a total and complete bar to recovery of any judgment, award, damages, or remedy of any kind.

4. No Admission of Liability. It is understood and agreed that this Agreement is a compromise of any alleged claims and that the making of this offer, the entering into of this Agreement, and the benefits paid to Executive are not to be construed as an admission of liability on the part of the Company, and that all liability is expressly denied by the Company.

5. Non-Compete. In exchange for and in consideration of the Severance Benefits, Executive agrees that, for the twelve (12) months following the effective date hereof, he/she shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of the Company, without the prior written consent of the Company; provided, however, that this provision shall not prevent Executive from investing as a less-than-one-percent (1%) stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system.

6. SURVIVING COVENANTS. EXECUTIVE AND THE COMPANY HEREBY ACKNOWLEDGE AND AFFIRM, TO THE EXTENT APPLICABLE, THEIR RESPECTIVE CONTINUING OBLIGATIONS WITH RESPECT TO THOSE CERTAIN COVENANTS CONTAINED IN THE EMPLOYMENT AGREEMENT, WHICH ARE INCORPORATED HEREIN BY REFERENCE, SPECIFICALLY: SECTION 9(B) CONFIDENTIAL INFORMATION; SECTION 9(C) NO SOLICITATION OR INTERFERENCE; SECTION 9(E) LITIGATION; AND SECTION 9(G) NON-DISPARAGEMENT.

7. Return of Property. Executive agrees to return, as soon as practicable and no later than three (3) business days after his/her execution hereof, any and all property, including duplicates or copies thereof, belonging to the Company, including, but not limited to: keys, security cards, documents, equipment, supplies, customer lists, customer information, and confidential information.

8. Business Expense Reports and Reconciliation of Company Charge Card Expenses. Executive agrees that the Severance Benefits shall not be paid until Executive submits all required business expense reports, if any, and pays for any and all non-

business charges on the Company's charge card or otherwise for which he/she is personally responsible, within thirty (30) days following termination of employment with the Company.

9. Severability/Waivers. Executive agrees that if any provision of this Agreement shall be held invalid or unenforceable, that such provision shall be modified to the extent necessary to comply with the law, or if necessary stricken, but the parties agree that the remainder of this Agreement shall nevertheless remain in full force and effect. No waiver of any term or condition of this Agreement or any part thereof shall be deemed a waiver of any other terms or conditions of this Agreement or of any later breach of this Agreement.

10. Confidentiality. The terms of this Agreement shall remain confidential, and neither Executive nor the Company will publish or publicize the terms of this Agreement in any manner, unless specifically required to do so by valid law or regulatory requirement, which, in such case, the disclosing party shall provide the other party reasonable advance notice. Executive shall not discuss or reveal the terms of this Agreement to any persons other than his/her immediate family, personal attorney, and financial advisors.

11. Binding Agreement. The rights and obligations of the Company under this Agreement shall inure to the benefit of, and shall be binding on, the Company and its successors and assigns, and the rights and obligations (other than obligations to perform services) of Executive under this Agreement shall inure to the benefit of, and shall be binding upon, Executive and his/her heirs, personal representatives and successors and assigns. Except to the extent specifically provided for in paragraphs 1, 2 and 5 above, upon its execution, this Agreement shall supersede and render null and void any and all previous agreements, arrangements, or understandings between you and the Company pertaining to Executive's employment with the Company, including, but not limited to the Employment Agreement.

12. Notices. Notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when sent by certified mail, postage prepaid, addressed to the intended recipient at the address set forth below, or at such other address as such intended recipient hereafter may have designated most recently to the other party hereto with specific reference to this Section.

If to the Company: Scripps Networks Interactive, Inc.
 28th Floor
 312 Walnut Street
 Cincinnati, Ohio 45202
 Attn: Jennifer Weber, Senior Vice President, Human Resources
 A.B. Cruz III, Executive Vice President, Chief Legal Officer & Corporate Secretary

If to Executive:

13. Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the laws of the State of Ohio. The Parties agree that any conflict of law rule that might require reference to the laws of some jurisdiction other than Ohio shall be disregarded. Each Party hereby agrees for itself and its properties that the courts sitting in Hamilton County, Ohio shall have sole and exclusive jurisdiction and venue over any matter arising out of or relating to this Agreement, or from the relationship of the Parties, or from the Executive's employment with the Company, or from the termination of the Executive's employment with the Company, whether arising from contract, tort, statute, or otherwise, and hereby submits itself and its property to the venue and jurisdiction of such courts.

14. Revocation Period. Executive agrees that Executive has read this Agreement and is hereby advised and fully understands his/her right to discuss all aspects of this Agreement with Executive's attorney prior to signing this Agreement. Executive has carefully read and fully understands all of the provisions of this Agreement. Executive acknowledges that he/she has been given at least twenty-one (21) days to discuss, review, and consider all of the terms, conditions, and covenants of this Agreement. Executive understands that this Agreement does not become effective or enforceable until seven (7) days after it has been executed by Executive. During the seven-day period following its execution, Executive may revoke this Agreement in its entirety by providing written revocation to the Company by notice to the Company pursuant to paragraph 12, in which case this Agreement shall be on no further legal force or effect.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the date(s) specified below.

EXECUTIVE

Name: John F. Lansing
(please print)

Signature: /s/ John F. Lansing

Date: 10-16-08

Witness's Name: Karen Underwood

Witness's Signature: /s/ Karen Underwood

Date: 10-16-08

SCRIPPS NETWORKS INTERACTIVE, INC.

By: _____

Its: _____

Date: _____

CERTIFICATIONS

I, Kenneth W. Lowe, certify that:

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

Date: November 14, 2008

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

CERTIFICATIONS

I, Joseph G. NeCastro, certify that:

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

Date: November 14, 2008

BY: /s/ Joseph G. NeCastro

Joseph G. NeCastro
Executive Vice President and Chief Financial Officer

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

I, Kenneth W. Lowe, President and Chief Executive Officer of Scripps Networks Interactive, Inc. (the “Company”), hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2008 (the “Report”), which this certification accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kenneth W. Lowe

Kenneth W. Lowe
President and Chief Executive Officer

November 14, 2008

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

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

- (1) The Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2008 (the "Report"), which this certification accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph G. NeCastro

Joseph G. NeCastro
Executive Vice President and Chief Financial Officer

November 14, 2008

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