

SCRIPPS E W CO /DE  
Form DEF 14A  
March 27, 2001

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**SCHEDULE 14A**

**(Rule 14a)**

**INFORMATION REQUIRED IN PROXY STATEMENT**  
**SCHEDULE 14A INFORMATION**  
**Proxy Statement Pursuant to Section 14(a) of the Securities**  
**Exchange Act of 1934**  
**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted  
by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

**The E.W. Scripps Company**

(Name of Registrant as Specified in its Charter)

**XXXXXXXXXXXXXXXXXXXX**

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Year Ended Unit Value at Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:
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**THE E. W. SCRIPPS COMPANY**

**Scripps Center**

**312 Walnut Street  
Cincinnati, Ohio 45202**

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD MAY 10, 2001**

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TO THE SHAREHOLDERS OF THE E. W. SCRIPPS COMPANY

The Annual Meeting of the Shareholders of The E. W. Scripps Company (the Company) will be held at the Queen City Club, Cincinnati, Ohio, on Thursday, May 10, 2001 at 10:00 a.m., local time, for the following purposes:

1. To elect twelve persons to serve as directors for the ensuing year;

2. To transact such other business as may properly come before the meeting.

The board of directors has fixed the close of business on March 22, 2001 as the record date for the determination of shareholders who are entitled to notice of and to vote at the meeting and any adjournment thereof.

We encourage you to attend the meeting and vote your shares in person. If you plan to attend the meeting and need special assistance because of a disability, please contact the secretary's office.

We have enclosed the 2000 Annual Report, including financial statements, and the Proxy Statement with this Notice of Annual Meeting.

It is important that your shares be represented at the meeting, whether or not you are personally able to attend. Registered shareholders can vote their shares by using a toll-free telephone number or the Internet. Instructions for using these convenient services are set forth on the enclosed proxy card. Of course, you may still vote your shares by marking your vote on the enclosed proxy card, signing, dating it and mailing it in the envelope provided. Returning your executed proxy card, or voting your shares using the toll-free number or the Internet, will not affect your right to attend the meeting and vote your shares in person.

Your proxy is being solicited by the board of directors,

M. DENISE KUPRIONIS, ESQ.  
*Secretary*

March 29, 2001

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**The E. W. Scripps Company**

**312 Walnut Street**

**Cincinnati, Ohio 45202**

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**PROXY STATEMENT  
2001 ANNUAL MEETING  
MAY 10, 2001**

This proxy statement, together with the accompanying notice of meeting, proxy card and annual report, is being mailed to shareholders on or about March 29, 2001. It is furnished in connection with the solicitation of proxies for use at the Annual Meeting of Shareholders of The E.W. Scripps Company, an Ohio corporation (the Company), which will be held on Thursday, May 10, 2001.

The close of business on March 22, 2001 has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the meeting.

On February 28, 2001 the Company had outstanding 59,921,822 Class A Common Shares, \$.01 par value per share (Class A Common Shares), and 19,096,913 Common Voting Shares, \$.01 par value per share (Common Voting Shares). Holders of Class A Common Shares are entitled to elect the greater of three or one-third of the directors of the Company but are not entitled to vote on any other matters except as required by Ohio law. Holders of Common

Voting Shares are entitled to elect all remaining directors and to vote on all other matters requiring a vote of shareholders. Each Class A Common Share and Common Voting Share is entitled to one vote upon matters on which such class of shares is entitled to vote.

## PROPOSAL 1

### Election of Directors

A board of twelve directors is to be elected, four by the holders of Class A Common Shares voting separately as a class and eight by the holders of Common Voting Shares voting separately as a class. In the election, the nominees receiving the greatest number of votes will be elected. All directors will hold office until the next Annual Meeting of Shareholders and until their respective successors are elected and qualified.

Each proxy for Class A Common Shares executed and returned by a holder of such shares will be voted for the election of the four directors hereinafter shown as nominees for such class of shares, unless otherwise indicated on such proxy. Each proxy for Common Voting Shares executed and returned by a holder of such shares will be voted for the election of the eight directors hereinafter shown as nominees for such class of shares, unless otherwise indicated on such proxy. Although the board of directors does not contemplate that any of the nominees hereinafter named will be unavailable for election, in the event that any such nominee is unable to serve, the proxies will be voted for the remaining nominees and for such other person(s), if any, as the board may propose.

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## REPORT ON THE NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

The following table sets forth certain information as to each of the nominees for election to the board of directors.

Name	Age	Director Since	Principal Occupation or Occupation/Business Experience for Past Five Years
<b>Nominees for Election by Holders of Class A Common Shares</b>			
Daniel J. Meyer (1)	64	1988	Chairman since January 1, 1991 and Chief Executive Officer since April 24, 1990 of Milacron Inc. President from January 1, 1998 through September 21, 1999 (a manufacturer of metal working and plastics processing machinery and systems).
Nicholas B. Paumgarten	55	1988	Managing Director of J.P. Morgan & Co. Incorporated since February 10, 1992 (an investment banking firm).

Ronald W. Tysoe (2)  
47 1996 Vice Chairman,  
Finance and Real Estate since  
December 1997 and Vice  
Chairman and Chief Financial  
Officer from April 1990 to  
December 1997 of Federated  
Department Stores, Inc.

Julie A. Wrigley (3)  
52 1997 President and CEO  
of Wrigley Investments, LLC  
since March 1999, Chairman  
and CEO of Wrigley  
Management Inc. from 1995  
through 1998, Assistant to the  
President/ CEO of Wm. Wrigley  
Jr. Company from 1994 through  
1998, Investment Advisor &  
Manager of Wrigley Family  
Trusts and Estates from 1977  
through 1998. **Nominees for  
Election by Holders of  
Common Voting Shares**

William R. Burleigh (4)  
65 1990 Chairman of the  
Company since May 1999.  
Chief Executive Officer of the  
Company from May 1996 to  
September 2000, President of  
the Company from August 1994  
to February 2000, Chief  
Operating Officer from  
May 1994 to May 1996,  
Executive Vice President from  
March 1990 through May 1994  
and Senior Vice President/  
Newspapers and Publishing  
from September 1986 to  
March 1990.

John H. Burlingame (5)  
67 1988 Active Retired  
Partner, Senior Partner  
January 1, 1998 to  
December 31, 1999, Partner  
from June 1, 1997 through  
December 31, 1997 and  
Executive Partner from 1982  
through June 1, 1997 of Baker  
& Hostetler LLP (law firm).

Joseph P. Clayton (6)  
51 2000 President and Chief  
Executive Officer of North  
America for Global Crossing  
Ltd. since October 1999 (a  
global IP-services company).  
CEO of Frontier Corp. from  
September 1997 to September  
1999, President and Chief  
Operating Officer from June  
1997 to August 1997. Executive  
Vice President of Marketing and  
Sales for the Americas and Asia

for Thompson Multimedia from March 1992 to January 1997.

Kenneth W. Lowe

50 2000 President and Chief Executive Officer since

October 2000, President and Chief Operating Officer of the Company from January 2000 to September 2000, Chairman and CEO of Scripps Networks, a division of a subsidiary of the Company from 1994 to January 2000.

Nackey E. Scagliotti (7)

55 1999 President since January 2001, President and Publisher from May 1999 to December 2000, Acting Publisher in 1998 and Assistant Publisher from 1994 through 1998 of Neighborhood Publications, Inc. (weekly newspapers). Chairman of the Board of Directors since May 1999, Assistant Publisher from 1996 to May 1999 of Union Leader Corp. (publisher of Sunday and daily newspapers).

Charles E. Scripps (7)

81 1946 Chairman of the Executive Committee of the Company from August 1994 to September 2000 and Chairman of the Board of Directors of the Company from 1953 to August 1994.

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<b>Name</b>	<b>Age</b>	<b>Director Since</b>	<b>Principal Occupation or Occupation/Business Experience for Past Five Years</b>
Edward W. Scripps (7)	42	1998	Trustee of the Scripps Howard Foundation from 1994 through 1998. Vice President of Scripps Howard Foundation from 1995 through 1998. News Director at KJRH-TV, a division of a subsidiary of the Company from February 1983 through September 1993.
Paul K. Scripps (7)(8)	55	1986	Vice President/ Newspapers of the Company since November 1997 and Chairman from December 1989 to June 1997 of a subsidiary of the Company.

(1) Mr. Meyer is a director of Milacron Inc., Broadwing Inc. (formerly Cincinnati Bell Telephone Co.), AK Steel Corporation, and Hubbell Incorporated (manufacturer of wiring and lighting devices).

(2) Mr. Tysoe is a director of Federated Department Stores, Inc. and Great American Financial Resources, Inc.

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- (3) Ms. Julie A. Wrigley is a member of the Advisory Committee of Sun Valley Bank Corp. She was a director of First Bank of Idaho during 1998 and 1999 and was a director of Associated Bank, Chicago, from 1988 to 1996.
- (4) Mr. Burleigh is a director of Ohio National Financial Services Company (a mutual insurance and financial services company).
- (5) Mr. Burlingame is a trustee of The Edward W. Scripps Trust.
- (6) Mr. Clayton was elected a director on May 25, 2000 by the board of directors of the Company in accordance with the Code of Regulations of the Company. Mr. Clayton is a director of Global Crossing Ltd., Asia Global Crossing and Good Guys.
- (7) Mr. Charles E. Scripps is Chairman of the Board of Trustees of The Edward W. Scripps Trust. Mr. Paul K. Scripps is a second cousin of Mr. Charles E. Scripps, Mr. Edward W. Scripps is Mr. Charles E. Scripps' nephew and Mrs. Scagliotti is a niece of Mr. Charles E. Scripps. Mr. Charles E. Scripps, Mr. Edward W. Scripps and Mrs. Scagliotti are income beneficiaries of The Edward W. Scripps Trust.
- (8) Mr. Paul K. Scripps serves as a director of the Company pursuant to an agreement between The Edward W. Scripps Trust and John P. Scripps. See Certain Transactions John P. Scripps Newspapers.

### **REPORT ON THE BOARD OF DIRECTORS AND ITS COMMITTEES**

#### **2000 Board and Committee Meetings**

The board held four regularly scheduled meetings and five special meetings. The following committees of the board held the number of meetings indicated: Executive, 3; Audit, 4; Compensation and Incentive Plan, 4; and Policy Governance, 3. Each director attended all of the regularly scheduled board of director meetings.

#### **Committees**

*Executive Committee.* William R. Burleigh succeeded Charles E. Scripps as chairman of the executive committee on October 1, 2000. Mr. Scripps remains a member of the committee. John H. Burlingame is a member and Kenneth W. Lowe was elected a member of the executive committee effective October 1, 2000. The executive committee exercises all of the powers of the board in the management of the business and affairs of the Company between board meetings except the power to fill vacancies on the board or its committees.

*Audit Committee.* Ronald W. Tysoe (chairman), Daniel J. Meyer, Nackey E. Scagliotti and Julie A. Wrigley are the members of the audit committee, which nominates the independent auditors each year, reviews the audit plans of both the internal and independent auditors, evaluates the adequacy of and monitors compliance with corporate accounting policies, and reviews the Company's annual financial statements. The internal and independent auditors have unrestricted access to the audit committee. Mrs. Scagliotti was elected a member of the committee on May 25, 2000.

*Compensation Committee.* Daniel J. Meyer (chairman), John H. Burlingame, Joseph P. Clayton, Edward W. Scripps and Ronald W. Tysoe are the members of the compensation committee, which oversees all compensation matters relating to the Company's senior executives. Mr. Edward W. Scripps

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was elected a member of the committee on May 25, 2000, replacing Mr. Charles E. Scripps. Mr. Clayton was elected a member of the committee on November 16, 2000.

*Incentive Plan Committee.* Daniel J. Meyer (chairman), Joseph P. Clayton and Ronald W. Tysoe, three of the Company's independent directors, are the members of the incentive plan committee, which approves all awards under

the Company's Long-Term Incentive Plan and approves all performance based bonus awards for the Company's senior executives. The incentive plan committee is a subcommittee of the compensation committee and meets at the same time as the compensation committee. Mr. Clayton was elected a member of the committee on November 16, 2000.

*Policy Governance Committee.* John H. Burlingame (chairman), William R. Burleigh, Daniel J. Meyer, Nicholas B. Paumgarten and Julie A. Wrigley are the members of the policy governance committee. The purpose of the committee is to review the size and scope of the board, to recommend nominees to the board of directors, to formulate policies of board conduct and to insure that the board adopts generally accepted corporate governance standards. The committee does not consider nominees recommended by shareholders. Mr. Paumgarten was elected a member of the committee on May 25, 2000.

## REPORT ON THE COMPENSATION OF DIRECTORS

Directors who are employees of the Company are not compensated for their service on the board.

Directors who are not employees of the Company received an annual fee of \$30,000 and an additional \$2,000 for each meeting that he or she attended of the board of directors or a committee thereof on which she or he served. Additionally, each director who was a committee chairman received an annual fee of \$3,000. Directors who are employees of the Company did not receive any compensation for services as directors or committee members. The annual fee for directors who are not employees of the Company was increased to \$35,000 effective as of January 1, 2001.

Pursuant to an agreement with the Company, Mr. Scripps received a fee for consulting services and services as chairman of the executive committee at the annual rate of \$50,000. Effective October 1, 2000, this agreement was terminated and Mr. Scripps began receiving fees in accordance with the fee schedule for other non-employee directors.

In May 2001 the non-employee directors will receive a nonqualified stock option award to purchase 5,000 of the Company's Class A Common Shares. The award will be exercisable for ten years and the exercise price will be the Fair Market Value of a Class A Common Share, as defined in the Plan, on May 10, 2001, the effective date of the award.

## REPORT ON THE SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information with respect to persons known to management to be the beneficial owners, as of February 28, 2001, of more than five percent of the Company's outstanding Class A Common Shares or Common Voting Shares. Unless otherwise indicated, the persons named in the table have sole voting and investment power with respect to all shares shown therein as being beneficially owned by them.

Name and Address Of Beneficial Owner	Class A Common Shares	Percent	Common Voting Shares	Percent
The Edward W. Scripps Trust (1) 312 Walnut Street Cincinnati, Ohio	29,096,111	48.56%	16,040,000	83.99%
Paul K. Scripps and John P. Scripps Trust (2) 625 Broadway, Suite 625 San Diego, California	612	.00%	1,616,113	8.46%



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Name and Address Of Beneficial Owner	Class A Common Shares	Percent	Common Voting Shares	Percent
Franklin Mutual Advisors, LLC (3) 51 John F. Kennedy Parkway Short Hills, New Jersey	5,206,688	8.69%		
Wellington Management Company, LLP (4) 3,146,360 5.25% 75 State Street Boston, Massachusetts				

- (1) Under the Trust Agreement establishing The Edward W. Scripps Trust (the Trust), the Trust must retain voting shares sufficient to ensure control of the Company until the final distribution of the Trust estate unless earlier stock dispositions are necessary for the purpose of preventing loss or damage to such estate. The trustees of the Trust are Charles E. Scripps, Robert P. Scripps and John H. Burlingame. The Trust will terminate upon the death of the last to survive of two persons specified in the Trust, the younger of whom is 81 years of age. Upon the termination of the Trust, substantially all of its assets (including all shares of capital stock of the Company held by the Trust) will be distributed to the grandchildren of Robert Paine Scripps (a son of Edward W. Scripps), of whom there are 28. Certain of these grandchildren have entered into an agreement among themselves, other cousins and the Company which will restrict transfer and govern voting of Common Voting Shares to be held by them upon termination of the Trust and distribution of the Trust estate. See Certain Transactions Scripps Family Agreement.
- (2) See footnote 5 to the table under Security Ownership of Management.
- (3) Franklin Mutual Advisors, LLC has filed a Schedule 13G with the Securities and Exchange Commission with respect to the Company's Class A Common Shares. The information in the table is based on the information contained in such filing for the year ended December 31, 2000.
- (4) Wellington Management Company, LLP has filed a Schedule 13G with the Securities and Exchange Commission with respect to the Company's Class A Common Shares. The information in the table is based on the information contained in such filing for the year ended December 31, 2000.

**REPORT ON THE SECURITY OWNERSHIP OF MANAGEMENT**

The following information is set forth with respect to the Company's Class A Common Shares and Common Voting Shares beneficially owned as of February 28, 2001, by each director and each nominee for election as a director of the Company, by each named executive, and by all directors and executive officers of the Company as a group. Unless otherwise indicated, the persons named in the table have sole voting and investment power with respect to all shares shown therein as being beneficially owned by them.

Name of Individual or Number of Persons in Group	Class A Common Shares (1)	Percent	Common Voting Shares	Percent
William R. Burleigh	494,550	*		
John H. Burlingame (2)	2,714	*		

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Joseph P. Clayton	1,000	*		
Kenneth W. Lowe	378,099	*		
Daniel J. Meyer	13,000	*		
Nicholas B. Paumgarten (3)	15,250	*		
Nackey E. Scagliotti	2,200	*		
Charles E. Scripps (2) (4)	21,850	*		
Edward W. Scripps	3,000	*		
Paul K. Scripps (5)	612	*	1,616,113	8.46%

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<b>Name of Individual or Number of Persons in Group</b>	<b>Class A Common Shares (1)</b>	<b>Percent</b>	<b>Common Voting Shares</b>	<b>Percent</b>
Ronald W. Tysoe	3,900	*		
Julie A. Wrigley	22,000	*		
Richard A. Boehne	111,171	*		
Daniel J. Castellini (6)	221,402	*		
Frank Gardner	193,801	*		
Alan M. Horton	155,301	*		
All directors and executive officers as a group (24 persons) (7)	30,967,413	51.68%	17,656,113	92.46%

\* Shares owned represent less than one percent of the outstanding shares of such class of stock.

- (1) The shares listed for each of the officers and directors include Class A Common Shares underlying exercisable options and options that are exercisable within 60 days of March 1, 2001, held by him or her. The shares listed do not include the balances held in any of the directors' or officers' phantom share accounts that are the result of an election to defer compensation under the 1997 Deferred Compensation and Stock Plan for Directors or the 1997 Deferred Compensation and Phantom Stock Plan for Senior Officers and Selected Executives, respectively.
- (2) This person is a trustee of the Trust and has the power, together with the other trustees of the Trust, to vote and dispose of the 29,096,111 Class A Common Shares and the 16,040,000 Common Voting Shares of the Company held by the Trust. Mr. Charles E. Scripps has a life income interest in the Trust. Mr. Burlingame disclaims any beneficial interest in the shares held by the Trust.
- (3) The shares listed for Mr. Paumgarten include 2,000 Class A Common Shares held in trusts for the benefit of Mr. Paumgarten's sons and 850 shares owned by his wife. Mr. Paumgarten is the sole trustee of the aforesaid trusts. Mr. Paumgarten disclaims beneficial ownership of the shares held in such trusts and the shares owned by his wife.
- (4) The shares listed for Mr. Charles E. Scripps include 1,050 Class A Common Shares owned by his wife. Mr. Scripps disclaims any beneficial interest in these shares.
- (5) The shares listed for Mr. Paul K. Scripps include 119,520 Common Voting Shares and 400 Class A Common Shares held in various trusts for the benefit of certain relatives of Paul K. Scripps and 100 Class A Common Shares owned by his wife. Mr. Scripps is a trustee of the aforesaid trusts. Mr. Scripps disclaims beneficial ownership of the shares held in such trusts and the shares owned by his wife. The shares listed also include 1,445,453 Common Voting Shares held by five trusts of which Mr. Scripps is a trustee. Mr. Scripps is the sole

beneficiary of one of these trusts, holding 349,018 Common Voting Shares. He disclaims beneficial ownership of the shares held in the other four trusts.

- (6) The shares listed for Mr. Castellini include 1,000 Class A Common Shares owned by his wife. Mr. Castellini disclaims any beneficial interest in these shares.
- (7) The shares listed include the 29,096,111 Class A Common Shares and the 16,040,000 Common Voting Shares of the Company owned by the Trust.

## **REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

### **The Committee**

The members are Mr. Ronald W. Tysoe (chair), Mr. Daniel J. Meyer, Ms. Nackey E. Scagliotti and Ms. Julie A. Wrigley. The board of directors of the Company determined that none of the members of the committee has any relationship with the Company that could interfere with their exercise of independence from management and the Company. Each of the members is independent as defined under the rules of the NYSE. The board also determined that each member of the committee is financially literate

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and that one or more members of the committee possesses accounting or related financial management expertise.

### **Charter**

The board of directors adopted a written charter for the committee, which is included as an appendix to this proxy statement.

### **Responsibilities/ Meetings**

The committee is responsible for the oversight of the quality and integrity of the accounting, auditing and financial reporting practices of the company and for such other activities as may be directed by the board. It is the policy of the committee that the Company notifies the audit committee if it enters into any material consulting contracts.

The committee held 4 meetings during 2000 and, as of February 28, 2001, has had one meeting in 2001. During such meetings management represented to the committee that the company's consolidated financial statements were prepared in accordance with generally accepted accounting principles. The committee reviewed and discussed such financial statements with management and Deloitte & Touche, LLP, the company's independent accountants, and discussed such other matters deemed relevant and appropriate by the committee. The committee discussed with Deloitte & Touche the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, (Communications with Audit Committees). Deloitte & Touche also provided to the committee the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees). The committee also discussed the independence of the independent accountants and whether the auditors' provision of information technology services and other non-audit services is compatible with maintaining the auditors' independence.

In reliance on the reviews and discussions referred to above, the committee recommended to the board of directors that these financial statements be included in the company's annual report on Form 10-K for the year ended December 31, 2000 filed with the Securities and Exchange Commission.

## **Audit Fees**

The aggregate fees billed by Deloitte & Touche, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, Deloitte ) for professional services rendered for the audit of the Company's annual financial statements for the year ended December 31, 2000 and for the reviews of financial statements included in the Company's Quarterly Reports on Form 10-Q for that year were \$658,500.

## **Financial Information Systems Design and Implementation Fees**

Deloitte was not engaged to perform financial information systems design and implementation services for the year ended December 31, 2000.

## **All Other Fees**

The aggregate fees billed by Deloitte for services rendered to the Company, other than services described above under Audit Fees and Financial Information Systems Design and Implementation Fees, for the year ended December 31, 2000 were \$453,400.

The Audit Committee

Ronald W. Tysoe, Chair

Daniel J. Meyer

Nackey E. Scagliotti

Julie A. Wrigley

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## **REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS ON EXECUTIVE COMPENSATION**

### **The Committee**

The compensation committee of the board of directors is comprised of non-management directors. The committee establishes and oversees the Company's executive compensation program. The members are Messrs. Daniel J. Meyer, Ronald W. Tysoe, Edward W. Scripps, John H. Burlingame and Joseph P. Clayton.

A subcommittee of the compensation committee is the incentive plan committee. This committee approves awards under the Company's Long-Term Incentive Plan. Messrs. Meyer, Tysoe and Clayton are the members of the incentive plan committee. (The compensation committee and the incentive plan committee hereinafter are jointly referred to as the Committee. )

### **Overview of the Company's Compensation Philosophy**

The Company's approach to compensation for executive officers remained unchanged in 2000. The Company employs various short and long-term compensation plans with a goal of attracting, retaining and motivating a highly qualified management team. These plans reflect a pay-for-performance philosophy, and are designed to be consistent with competitive market practices, within and outside the media industry. Incentive award opportunities are aligned with target operating results set forth in the Company's strategic plan. All of the elements of the Company's

compensation program have been developed with the objective of facilitating coordinated and sustained efforts toward enhancing the Company's performance and maximizing value to shareholders.

### **Components of the Compensation Program**

The compensation program is reviewed annually for consistency with competitive practices and alignment with Company objectives. It is comprised of cash compensation, including salary and annual bonus, and grants of restricted stock and nonqualified stock options under the Company's 1997 Long-Term Incentive Plan. These pay elements are effectively administered to serve the collective interests of employees, management and shareholders.

The Company routinely participates in various compensation surveys, including the Towers Perrin Media Industry Compensation Survey, which is a well-recognized resource within the media industry. These surveys provide competitive compensation data categorized by relevant factors such as industry segments, employee base, and annual revenue. This information provides the foundation for determining appropriate compensation levels.

#### ***Base Salary***

Salary levels for executive officers of the Company are targeted to be at the median or market level in comparison to their respective industry and professional peers. Typically, this level of base pay is reached within two to three years of commencing one's executive position. Salary adjustments are a function of multiple factors, including: an examination of market surveys; an evaluation of an executive's position responsibilities; consideration of an executive's contributions; and a review of the Company's performance. The performance factors are not assigned specific weights. Rather, the Committee applies its own subjective judgment in evaluating the aggregate impact of these factors and in making base salary determinations.

In considering salary increases for persons other than the chief executive officer, the committee also takes into consideration recommendations made by the chief executive officer. Actual base salaries and corresponding adjustments for the named executives during calendar year 2000 were consistent with the previously referenced philosophy. Only Mr. Lowe, the chief executive officer, has an employment contract with the Company. This contract governs the terms of his compensation arrangement.

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#### ***Annual Bonus***

The purpose of the annual bonus program is to support the Company's objective of enhancing shareholder value by directly linking incentive pay to selected financial goals. The annual bonus opportunity reflects competitive market practices, and combined with base pay, represents the total cash element of the Company's compensation program. Two key financial performance measures, operating cash flow and earnings-per-share, were utilized in 2000. These measures represented 60% and 40%, respectively, of each named executive's bonus opportunity. The operating cash flow target for Mr. Horton was based on the performance of the Company's newspaper division. The cash flow target for other named executives was based on consolidated performance.

The Company's 2000 bonus plans for Messrs. Gardner, Horton and Castellini provided for a target bonus opportunity of 50% of base salary. The target bonus opportunity for Mr. Boehne was 60% of his base salary. It was possible for an actual bonus award to exceed or be less than an assigned target opportunity value, but in no case could an executive earn greater than 150% of his target bonus amount. The Company fell modestly short of its 2000 earnings-per-share and operating cash flow goals. This resulted in the named executives receiving slightly less than

100% of their 2000 target bonus awards.

The bonus award typically is payable in the first quarter of the calendar year following the actual plan year, although executives may elect to defer payment of the bonus until retirement or another predetermined date.

### ***Long-Term Incentive***

The Committee continues to endorse the position that stock ownership by management and stock-based performance compensation arrangements are beneficial in aligning the collective interests of management and shareholders. In 1987, the Company adopted its first Long-Term Incentive Plan. Upon expiration of that Plan in 1997, the Company adopted the 1997 Long-Term Incentive Plan.

Eligible participants in the Plan include executive officers, senior corporate and operating managers, and other key corporate and operating employees. The Plan allows for several different types of stock-based awards, but only two types of awards have been granted to date, nonqualified stock options and restricted stock awards. Stock options represent a right to purchase the Company's Class A Common Shares at the fair market value per share as of the date the option is granted. Restricted stock awards represent Class A Common Shares of the Company which the recipient cannot sell or otherwise dispose of until the applicable restriction period lapses, and they are subject to forfeiture under certain circumstances.

*Stock Options.* Generally, executives receive a stock option award when they first attain an executive position. Annually, the Company considers whether or not to make additional stock option awards. Individual award amounts are predicated on an executive's past personal achievements, his or her contributions to the business, market competitiveness associated with respective job responsibilities, and his or her potential to materially build future shareholder value.

Stock options are granted at not less than fair market value of the Company's Class A Common Shares on the date of the grant. Stock options have value only if the share price appreciates following the date of the grant, thereby providing the incentive for participating executives to focus on the long-term financial performance of the Company.

Each of the named executives received a nonqualified stock option award in 2000. These awards are exercisable in three equal annual installments, beginning in January 2001.

*Restricted Stock.* Generally, executives receive restricted stock awards with a three-year vesting period when they first attain an executive position. Executives may be granted additional restricted stock awards in conjunction with successive promotions or the assignment of additional responsibilities. Mr. Lowe was the only named executive to receive a restricted stock award in 2000.

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### **Compensation of the Chief Executive Officer**

Mr. Burleigh retired as chief executive officer on September 30, 2000. His compensation package prior to his retirement consisted of an annual base salary of \$800,000 and a target bonus opportunity of 80% of such salary, adjusted to reflect nine months of service for the award year. Thus, he received a prorated bonus of \$464,918 for the 2000 plan year. On January 24, 2000, Mr. Burleigh was awarded an option to purchase 75,000 of the Company's Class A Common shares.

Mr. Lowe became chief executive officer on October 1, 2000 at an annual base salary of \$720,000. His target bonus opportunity for the year was increased to 80% upon succeeding Mr. Burleigh. The prorated bonus paid to Mr. Lowe for the 2000 plan year totaled \$400,992.

The Company entered into an employment contract with Mr. Lowe in July of 1999 when he served as president of Scripps Networks, Inc., a subsidiary of the Company that operates cable television networks Home & Garden Television, Do It Yourself, Food Network and Fine Living. This contract remained in force for calendar year 2000, and in addition to the previously referenced salary and bonus opportunities, included material stock-based compensation.

Mr. Lowe was awarded an option on January 24, 2000 to purchase 60,000 of the Company's Class A Common shares in recognition of his performance in the previous calendar year, and an option for another 60,000 shares on October 1, 2000 when he became chief executive officer.

Pursuant to his employment contract, Mr. Lowe was issued 19,208 unrestricted shares on January 15, 2000 in recognition of his contributions to the success of Scripps Networks. Mr. Lowe received a cash payment of \$5,378.24 on January 31, 2000 related to the issue of the unrestricted shares. The amount of this payment represented 1999 dividend income that would have been payable to Mr. Lowe had he received the shares on July 20, 1999, the date he entered into an employment contract with the Company. On April 15, 2000, Mr. Lowe was awarded, under the terms of the Company's Long-Term Incentive Plan, 62,763 restricted Class A Common shares which vest over five years. The shares were awarded pursuant to an incentive arrangement governed by his employment contract.

### **Response to Omnibus Budget Reconciliation Act of 1993**

Section 162(m) of the Internal Revenue Code, enacted in 1993, generally disallows a tax deduction to public companies for compensation over \$1 million paid in any one year to a company's chief executive officer and each of its four other most highly compensated executives. Performance-based compensation, if approved by shareholders, is exempt from Section 162(m). The Company's executive compensation plans adhere to the exemption provisions set forth by Section 162(m).

The compensation tables that follow are intended to better enable our shareholders to understand the compensation practices of the Company. Shareholder comments may be sent to the attention of the Company's secretary.

The Compensation Committee

Daniel J. Meyer, Chairman

John H. Burlingame

Joseph P. Clayton

Edward W. Scripps

Ronald W. Tysoe

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#### **Summary Compensation Table**

The following table sets forth information regarding the compensation earned by, paid to or awarded to the Company's chief executive officer, and each of the Company's four other most highly compensated executive officers, during each of the Company's last three fiscal years.

Name and Principal Position	Year	Annual Compensation		Long-Term Compensation Awards		All Other Compensation (2)
		Salary	Bonus	Restricted Stock Award(s) (1)	Securities Underlying Options/ SARs (#)	
William R. Burleigh (3) Chairman	2000	\$600,000	\$464,918	\$ 0	75,000	\$14,974
	1999	750,000	601,200	0	60,000	25,821
	1998	700,000	242,550	0	40,000	4,800
Kenneth W. Lowe President and Chief Executive Officer (4)	2000	\$630,000	\$400,992	\$2,840,025	120,000	\$21,819
Richard A. Boehne Executive Vice President (5)	2000	\$475,000	\$276,045	\$ 0	40,000	\$14,761
	1999	379,417	218,436	622,950	35,000	11,759
Frank Gardner Senior Vice President/ Interactive Media	2000	\$490,000	\$237,302	\$ 0	35,000	\$ 7,376
	1999	470,000	224,895	0	35,000	16,898
Alan M. Horton Senior Vice President/ Newspapers	1998	450,000	64,125	0	30,000	4,800
	2000	\$475,000	\$193,943	\$ 0	35,000	\$18,904
Daniel J. Castellini Senior Vice President and Chief Financial Officer	1999	450,000	230,351	0	35,000	16,173
	1998	430,000	129,000	0	30,000	4,800
	2000	\$410,000	\$198,559	\$ 0	30,000	\$40,892
	1999	390,000	195,390	0	25,000	14,017
	1998	370,000	73,260	0	20,000	4,800

- (1) The aggregate number and value of restricted share holdings for each named executive officer as of the end of 2000 were as follows: Mr. Lowe held 92,763 shares, with a value of \$5,792,121; and Mr. Boehne held 15,000 shares, with a value of \$936,600. Dividends were paid during 2000 on shares of restricted stock held by each named executive officer at a rate of fourteen cents per share for each quarter. Messrs. Burleigh, Gardner, Horton and Castellini did not hold any restricted shares at December 31, 2000. The value of the restricted shares is based on the average of the high and low closing sale prices of the Company's shares on December 31, 2000 which was \$62.44.
- (2) Represents compensation paid pursuant to the Scripps Retirement and Investment Plan, the Scripps Executive Savings Restoration Plan and insurance premiums paid by the Company for its executives.
- (3) Mr. Burleigh's annual base pay rate at January 1, 2000 was \$800,000. Prorated for the time he served as Chief Executive Officer, the actual amount paid to Mr. Burleigh was \$600,000.
- (4) On January 1, 2000 Mr. Lowe's annual base pay rate was \$500,000. On January 24, 2000 he was elected president and chief operating officer and his annual base pay rate was increased to \$600,000. He was elected president and chief executive officer of the Company effective in October 2000 and his annual base pay rate was increased to \$720,000. Mr. Lowe entered into an employment agreement with the Company as of July 20, 1999. The terms of this agreement are disclosed under Other Transactions.
- (5) On January 1, 1999 Mr. Boehne's annual base pay rate was \$270,000. He was elected executive vice president of the Company in February 1999 and his annual base pay rate was increased to \$400,000.



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**Option/ SAR Grants in 2000**

The following table sets forth certain information regarding options for Class A Common Shares granted in 2000 under the Company's Long-Term Incentive Plan to named executives who participate therein.