

Creating a Premier Real Life Entertainment Company

July 31, 2017



Cautionary Statement Concerning Forward-Looking Projections

This presentation contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties and on information available to the Company as of the date hereof. Discovery’s actual results could differ materially from those stated or implied, due to risks and uncertainties associated with its business, which include the risk factors disclosed in its Annual Report on Form 10-K filed with the SEC on February 14, 2017. Scripps’ actual results could differ materially from those stated or implied, due to risks and uncertainties associated with its business, which include the risk factors disclosed in its Annual Report on Form 10-K filed with the SEC on February 24, 2017. Forward-looking statements include statements regarding Discovery’s and Scripps’ expectations, beliefs, intentions or strategies regarding the future, and can be identified by forward looking words such as “anticipate,” “believe,” “could,” “continue,” “estimate,” “expect,” “intend,” “may,” “should,” “will” and “would” or similar words. Forward-looking statements in this release include, without limitation, statements regarding investing in our programming and strategic growth initiatives. Discovery and Scripps’ expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Discovery’s or Scripps’ expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Transaction Highlights

Offer Terms

- Discovery to acquire Scripps at a transaction value of \$14.6 billion
 - Scripps shareholders to receive \$90.00 per share comprised of \$63.00 per share in cash and \$27.00 per share in Class C shares of Discovery stock based on closing price at 21-Jul-2017
 - Stock portion subject to collar between \$22.32 and \$28.70
- 34% premium to Scripps unaffected closing share price of \$67.02 on 18-Jul-2017
- Funded 70% cash and 30% equity
- Post closing, Scripps' shareholders will own 20% and Discovery shareholders will own 80%

Value Creation

- Accretive to both Adjusted EPS and Free Cash Flow in first year after close
- Significant revenue upside opportunities
- Estimated \$350M of annual run-rate cost synergies by 2019, with 50% ramp starting in 2018
- Strong combined EBITDA and cash flow generation
- Commitment to investment grade rating and rapid debt paydown

Transaction Highlights (cont'd)

Approvals & Closing

- Transaction is subject to approval by Discovery and Scripps' shareholders, regulatory approvals, and other customary closing conditions.
- Transaction expected to close early FY2018
- John C. Malone, Advance/Newhouse Programming Partnership and Scripps Family Shareholders representing an overwhelming majority of common voting shares of Scripps have entered into voting agreements to vote in favor of the transaction

Governance

- Ken Lowe is expected to join Discovery's Board of Directors following the close
- Discovery's Board would expand to 12 members

Compelling Strategic Rationale

1 Creates Premier Portfolio of Owned/Controlled IP in Real Life Entertainment

2 Opportunity to Deliver Global Strategic Synergies, including Estimated \$350M Cost Savings

3 Significant Upside Potential to Extend Scripps Brands Internationally

4 Accelerates Digital/Mobile Innovation and Rollout

5 Robust Free Cash Flow to Lead to Balance Sheet Flexibility

A Leader Across Key Demos

	DISCOVERY	SCRIPPS
Women	TLC OWN ID <small>INVESTIGATION DISCOVERY</small>	DRAMA tvn W FINE LIVING a.lib1 REALLY
Home	home&health <small>@Discovery</small>	home HGTV diy <small>network</small>
Men	Discovery DMAX	Dave GOLD YESTERDAY
Auto	VELOCITY turbo <small>@Discovery</small>	
Sports	EUROSPORT	
Science	SCI QUEST	edan
Cooking		Food afc COOKING CHANNEL food <small>network</small>
Animals	ANIMAL PLANET	
Kids	OK <small>discovery kids</small>	
Travel		travel <small>CHANNEL</small>

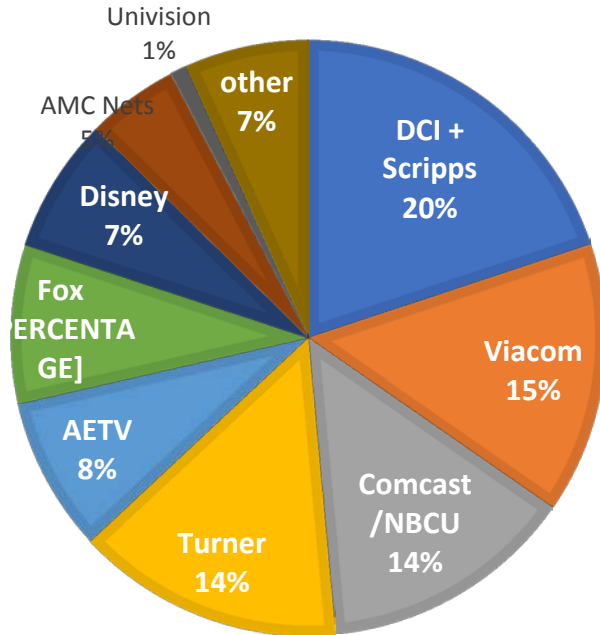
Significant Portfolio of Owned/Controlled IP

Combined company to produce nearly 8,000 hours of original programming annually, with library of 300,000 hours of content



20% Share of P25-54 Ad-Supported Viewership

Portfolio Shares of P25-54 in Primetime of Ad-Supported Cable C3



Combined Audience Share (ad supported C3)

21.6% of W25-54 Primetime

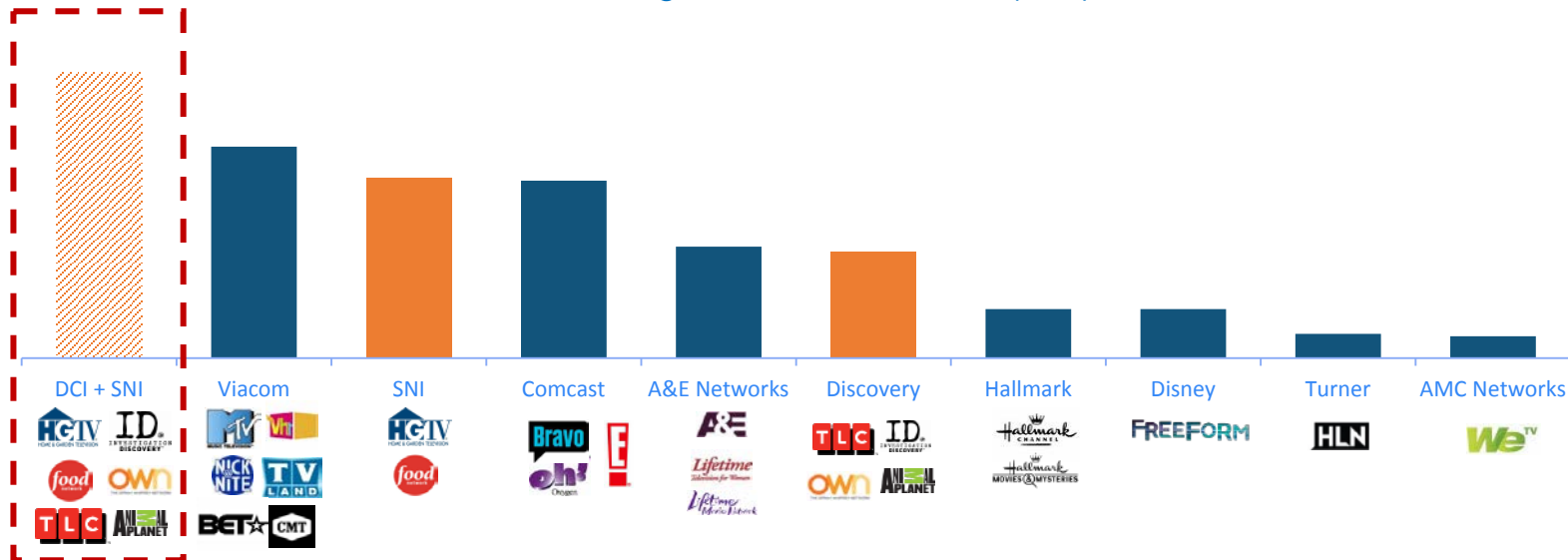
19.2% of P2+ Primetime

18.8% of P25-54 Total Day

Source: Nielsen, 1H17, Prime, Cable Networks

A Leading Media Company in Women's Demo

Female-Skewing Cable Ad Revenue (U.S)



Notes: 2017 Ad Revenue based on SNL Kagan estimates. Female-skewing nets defined as demos 18+ with female viewership 55%+ for Q1'17; includes networks with P18+ delivery greater than 200k; excludes Nickelodeon, GSN, and INSP; Top 25 Nets by W 18-54 2016 Prime delivery include both male and female-skewing nets (e.g. include ESPN and Discovery Channel)

Combination Creates New Opportunities for Advertisers

Combining Scripps digital scale with Discovery assets creates more effective digital and linear platform for advertisers

- Opportunity to share optimization strategies to deliver improved campaign effectiveness and return for advertisers, as well as better monetization for Discovery
 - Opportunity to lift Discovery Power Ratio of 0.80 vs. Scripps' 1.10
- Combined data expertise and strong short form/digital scale will offer a compelling proposition to buy targeted audiences across platforms
 - Significantly scaled database allowing advertisers to buy guaranteed audience with stronger ROI
 - Expand Discovery Engage (data product already activated in 5 categories) combining 1st party and 3rd party data to guarantee audience targeting and deliver ROI measurement; recent programs delivering outstanding results
- Combining Scripps' best-in-class branded entertainment capabilities and scale will allow us to offer more customized solutions to clients
 - Adding Scripps Lifestyle Studios will create a leader in data-driven advertising sales, endemic advertising, and branded entertainment solutions

Discovery's Broad Global Distribution Platform...

HIGHLIGHTS

- 3** Billion Subscribers
- 220+** Countries & Territories
- 77** Local Offices
- 8** Networks per Country (average)
- 170** Million Viewers Reached
- 47** Languages
- 40 MM+** O&O Unique Visitors
- 3.5BN+** Monthly Video Views



U.S. & Canada		U.K. & Ireland		Eurosport	
802	Million Subscribers	191	Million Subscribers	238	Million Subscribers
2	Countries	5	Countries	101	Countries

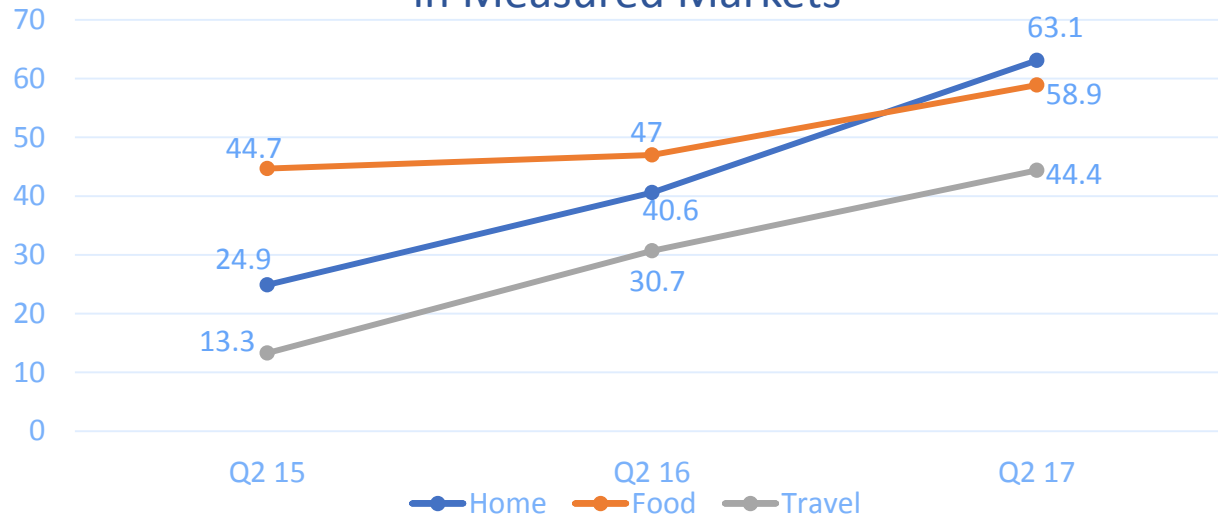
Latin America		CEEMEA		Southern Europe	
370	Million Subscribers	612	Million Subscribers	284	Million Subscribers
48	Countries	111	Countries	9	Countries

Nordics		Asia Pacific	
66	Million Subscribers	674	Million Subscribers
9	Countries	37	Countries

Note: Viewer numbers including non-controlled joint ventures and are as of June 30, 2017 according to The Nielsen Company in the U.S. and internal data review and external sources outside of the U.S.

...Combined with Scripps International Momentum...

Average International Lifestyle Audience in Measured Markets



Year-on-Year Growth across International



+55%



+25%



+47%

Poised to Accelerate on Discovery's International Platform

Q2 17, 15, 16 All Adults, All Internationally Measured markets
Source: Local TAM systems
Markets: UK, SA, IT, PL, SG, MY, PH, NL, HU, BU

...Boosts Global Content Engine

Scripps International Momentum

- Scripps International (SNI) already reaches over 175 countries
- Across SNI brands - consistent double digit growth in audience
- Time spent watching SNI channels across the world is up 30%
- However the majority of SNI content has not yet been exposed to international markets

Rollout Scripps Networks in New Markets

- Untapped opportunity to expand Scripps' brands globally on an efficient basis
- Discovery offers a best-in-class global channel management, sales and operational infrastructure to expand quality content into markets around the world

Use Scripps Content to Build Existing Networks

Examples:

- Opportunity to program existing global female brands such as TLC, RealTime, and Fatafeat in the Middle East with content from Food Network and HGTV
- Use Scripps' lifestyle content to fortify pipeline for Home and Health in Latin America (SNI content performs 19% above average on H&H)

Accelerated Opportunity on all Screens and Services

Broader Content Bolsters
Three Pronged Strategy

- Ad Supported
 - Subscription
 - Short-Form
- } - More compelling breadth and depth of content in TVE and OTT products
- Expands relevance in key demos
- Creates a leading digital player across short-form, mobile-first video with over 7 billion monthly views



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Significant Infrastructure
of Creative Talent and
Expertise

- Combined team will have deep digital consumer marketing expertise creating a new scale player with enhanced ability to compete for audiences and ad dollars
- Significant content provider to key social media platforms: #1 provider of news to millennials on Facebook; one of the largest content providers to Snapchat
- Continue investment in digital-first content



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Well-Positioned to
Capture Growing
Commercial Opportunity

- Broader content and deeper expertise facilitates ability to launch new products
- Accelerates innovation to meet evolving consumer demand
- Enhances opportunity with existing and potential bundles
- Potential to increase monetization opportunities and build on already growing digital revenue contributions



Shark Week was a top 3
Snapchat Show Premiere
in terms of audience

Significant Cost Synergies

- Estimated \$350M annualized run rate cost synergies
- Less than 10% of pro forma cost base, excluding programming and marketing
- Very achievable with limited execution risk
- 50% by year end 2018; 100% by 2019 (assumes early 2018 closing)
- Estimated \$300-\$350M cost to achieve
- Continue to allocate resources to IP, digital, talent

Cost Synergy Areas

Domestic Operations

Corporate

Technology & Operations

International

Financial Policy Outlook

Gross Debt / AOIBDA Target

- Discovery expects to maintain investment grade ratings throughout the transaction
- Target returning to normalized leverage levels <3.5x gross debt to AOIBDA within the first two years after the transaction, using substantially all free cash flow to reduce pre-payable and/or short-term debt

Capital Return Policy

- Once properly levered for the ratings category, capital will be used first to invest in any appropriate project that will deliver positive returns to shareholders
- Rigorous analysis and high hurdle rates will continue to be applied
- Residual capital will be returned to shareholders through discretionary share repurchases
- Minimum pro forma cash balance target of \$250 million

Acquisition Strategy

- Remain highly disciplined in considering acquisition opportunities
- Focus on smaller acquisition targets and organic growth initiatives that can be supported with FCF

Committed to Maintaining Investment Grade Rating

Significant Pro Forma AOIBDA

+

\$350 million in Cost Synergies

+

Significant Free Cash Flow Generation

+

Suspended Share Buyback Program

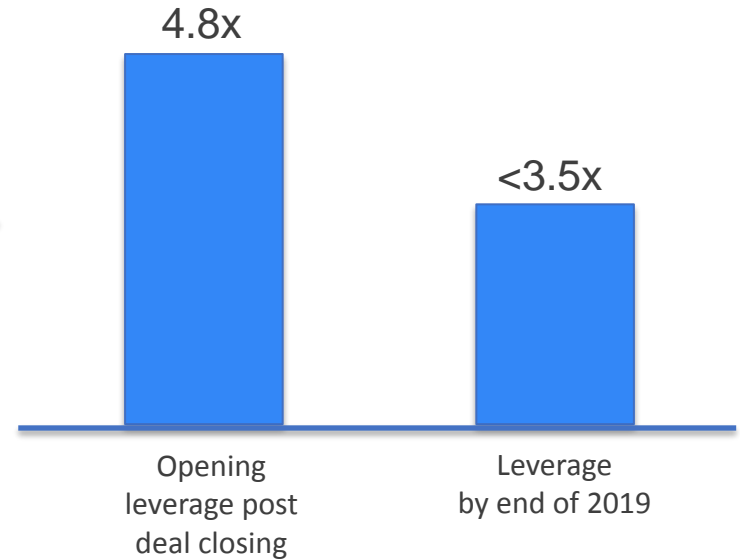
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Continue to Allocate Resources to IP, Digital, Talent



Expect Rapid Debt Paydown

Gross Debt / AOIBDA



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Additional Information

Where to Find Additional Information

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. This communication may be deemed to be solicitation material in respect of the proposed merger between Discovery Communications and Scripps Networks Interactive. In connection with the proposed merger, Discovery Communications intends to file a registration statement on Form S-4, containing a proxy statement/prospectus with the SEC. INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THE PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain a free copy of the proxy statement/prospectus (when available) and other documents filed by Discovery Communications and Scripps Networks Interactive with the SEC at <http://www.sec.gov>. Free copies of the proxy statement/prospectus, once available, and each company's other filings with the SEC may also be obtained from the respective companies. Free copies of documents filed with the SEC by Discovery Communications will be made available free of charge on Discovery Communications' investor relations website at corporate.discovery.com/investors. Free copies of documents filed with the SEC by Scripps Networks Interactive will be made available free of charge on Scripps Networks Interactive's investor relations website at www.ir.scrippsnetworksinteractive.com.

Participants in the Solicitation

Discovery Communications and its directors and executive officers, and Scripps Networks Interactive and its directors and executive officers, may be deemed to be participants in the solicitation of proxies from the holders of Discovery Communications and Scripps Networks Interactive common stock in respect of the proposed merger. Information about the directors and executive officers of Discovery Communications is set forth in its Annual Report on Form 1-K, which was filed with the SEC on February 14, 2017 and in its Annual Proxy Statement, which was filed with the SEC on April 5, 2017. Information about the directors and executive officers of Scripps Networks Interactive is set forth in its Annual Report on Form 1-K, which was filed with the SEC on February 24, 2017 and in its Annual Proxy Statement, which was filed with the SEC on March 29, 2017. Investors may obtain additional information regarding the interest of such participants by reading the proxy statement/prospectus regarding the proposed merger when it becomes available.

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