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## Scripps Networks Wins Deal for Travel Channel

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Scripps Networks Interactive Inc. has won a bidding war to control Cox Communications Inc.'s Travel Channel, the companies announced Thursday.

The sale values Travel at about \$1 billion, according to people familiar with the matter. It comes after weeks of jockeying between Scripps and News Corp., which had also chased the channel, people familiar with the auction said.

News Corp. owns The Wall Street Journal. A spokesman for the company declined to comment.

In the deal, Scripps and Cox will create a joint venture in which Cox will retain an approximately 35% stake. Scripps will inject \$181 million into the partnership, which will raise \$878 million in debt that will be paid out to Cox, the companies said. Scripps owns a stable of cable networks, including HGTV, DIY and a controlling interest in the Food Network, of which a minority is held by Tribune Co.

It's a rich deal for a relatively small channel. While Travel is in 96 million homes, it receives a subscription

fee of just 6 cents per household per month, according to estimates from research firm SNL Kagan. The network has yearly cash flow of about \$55 million, according to a person familiar with its finances.

Cox wants to retain the initial stake of 35% or so in Travel to help it avoid a tax bill associated with the transaction in which it received the channel in 2007. At the time, Cox traded its 25% stake in cable-network owner Discovery Communications, which was then privately held, for Discovery's Travel Channel and cash. The auction for the channel has long included the provision for Cox to retain a stake, according to people familiar with the matter.

Scripps has been aggressively pursuing international expansion. It has announced joint ventures to launch the Food Network in other countries. Travel Channel is seen as a network that could sell well internationally, aiding expansion, according to a person familiar with the matter.

Scripps said it would now report its third-quarter earnings, scheduled for Thursday, on Friday.