

**NOTE 10*****Business operations and segment information***

The company has determined that its reportable segments based on its management and internal reporting structure are newspaper publishing, which is the largest segment of its operations; and broadcasting (television). The cable division's operating results, identifiable assets and capital expenditures have been retroactively excluded from the segment data presented herein, since as discussed in Note 1, the division has been reclassified in the statements of income and related discussions as discontinued operations.

The newspaper segment at the end of 2001 consisted of 95 U.S. daily newspapers in 40 states and one U.S. territory, including USA TODAY, a national, general-interest daily newspaper; and USA WEEKEND, a magazine supplement for newspapers. The newspaper segment also includes Newsquest (including Newscom, acquired in 2000) which is a regional newspaper publisher in the United Kingdom with a portfolio of more than 300 titles that includes 15 paid-for daily newspapers, paid-for weekly newspapers, free weekly newspapers and other publications. The newspaper segment in the U.S. also includes over 300 non-daily publications, a nationwide network of offset presses for commercial printing, newspaper related online businesses and several smaller businesses. Newsprint, which is the principal product used in newspaper publishing, has been and may continue to be subject to significant price changes from time to time.

As discussed in Note 1, the company accounts for its 50% owned joint operating agencies in Detroit and Tucson on the equity method of accounting (as a single net amount in other operating revenue for the newspaper segment). The newspaper segment also reflects a minority interest in a newspaper publishing partnership and a newsprint production partnership.

The broadcasting segment's activities for 2001 include the operation of 22 U.S. television stations reaching 17.7 percent of U.S. television homes.

The company's foreign revenues in 2001 and 2000 totaled approximately \$773 million and \$694 million, respectively, principally from publications distributed in the United Kingdom. The company's long-lived assets in foreign countries totaled approximately \$2.3 billion at Dec. 30, 2001, principally in the United Kingdom.

Separate financial data for each of the company's business segments is presented in the table which follows. The accounting policies of the segments are those described in Note 1. The company evaluates the performance of its segments based on operating income and operating cash flow. Operating income represents total revenue less operating expenses, including depreciation and amortization of intangibles. In determining operating income by industry segment, general corporate expenses, interest expense, interest income, and other income and expense items of a non-operating nature are not considered, as such items are not allocated to the company's segments.

Operating cash flow represents operating income plus depreciation and amortization of intangible assets. Upon adoption of SFAS No. 142 beginning with fiscal year 2002, the company ceased amortizing goodwill. See Note 1 for a further discussion of this accounting change. Corporate assets include cash and marketable securities, certain investments, long-term receivables and plant and equipment primarily used for corporate purposes. Interest capitalized has been included as a corporate capital expenditure for purposes of segment reporting.

*In thousands of dollars*

***Business segment financial information***

	<b>2001</b>	<b>2000</b>	<b>1999</b>
<i>Operating revenues</i>			
Newspaper publishing	\$ 5,681,593	\$ 5,433,551	\$4,366,720
Broadcasting	662,652	788,767	728,642
	<b>\$ 6,344,245</b>	<b>\$ 6,222,318</b>	<b>\$5,095,362</b>
<i>Operating income</i>			
Newspaper publishing	\$ 1,400,609	\$ 1,522,350	\$1,291,665
Broadcasting	249,783	359,955	337,537
Corporate (1)	(60,557)	(65,049)	(66,101)
	<b>\$ 1,589,835</b>	<b>\$ 1,817,256</b>	<b>\$1,563,101</b>
<i>Depreciation and amortization</i>			
Newspaper publishing	\$ 369,044	\$ 302,544	\$ 207,720
Broadcasting	67,639	65,210	62,861
Corporate (1)	7,094	8,161	9,510
	<b>\$ 443,777</b>	<b>\$ 375,915</b>	<b>\$ 280,091</b>
<i>Operating cash flow (2)</i>			
Newspaper publishing	\$ 1,769,653	\$ 1,824,894	\$1,499,385
Broadcasting	317,422	425,165	400,398
Corporate (1)	(53,463)	(56,888)	(56,591)
	<b>\$ 2,033,612</b>	<b>\$ 2,193,171</b>	<b>\$1,843,192</b>
<i>Identifiable assets (3)</i>			
Newspaper publishing	\$10,558,641	\$10,608,191	\$5,748,018
Broadcasting	2,004,486	1,923,422	1,841,699
Corporate (1)	532,974	448,798	304,202
	<b>\$13,096,101</b>	<b>\$12,980,411</b>	<b>\$7,893,919</b>
<i>Capital expenditures (4)</i>			
Newspaper publishing	\$ 230,223	\$ 242,885	\$ 190,259
Broadcasting	21,602	49,829	24,831
Corporate (1)	72,754	57,866	30,055
	<b>\$ 324,579</b>	<b>\$ 350,580</b>	<b>\$ 245,145</b>

(1) Corporate amounts represent those not directly related to the company's two business segments.

(2) Operating cash flow amounts represent operating income plus depreciation and amortization of intangible assets.

(3) Excludes assets related to discontinued operations totaling \$1,112,527 in 1999.

(4) Excludes capital expenditures made for discontinued operations totaling \$13,298 for 1999.