

This is memo sent to Discovery Channel staff Tuesday morning:

Today I am announcing plans for a new Discovery global real estate strategy and footprint.

Chief among these changes, we have made the decision to move our global headquarters to New York City. We have therefore made the difficult decision to reduce our footprint in Maryland over time, with the ultimate closure and sale of our One Discovery Place headquarters building in Silver Spring, expected in 2019.

This was one of the toughest calls we have made in our company's history, and we do not take it lightly. I felt strongly about sharing the news with all of you as quickly as possible once the decision was finalized.

Maryland is where the magic of Discovery first began. It also is where many of you, and your loved ones, call home. Where so many wonderful ideas, stories and innovations were first imagined.

After much discussion, analysis and debate, however, we believe this move is the right choice, at the right time, for the long-term success of our company. I will use the rest of this note to explain why, and ask you to please join me for a Town Hall at 1DP at 11AM ET today and live on workplace to discuss these changes in greater detail.

Responding to the Changing Landscape

You have heard me talk extensively about how dramatically the media industry is changing. An industry that is more global, more consumer-focused and more multi-platform. We are constantly challenged by changing viewer tastes, behaviors and new entrants in the marketplace offering competing products.

To compete, survive and grow, Discovery must continue to change as well.

For the past several years, we have started the journey to transition from a linear TV company with great cable distribution to a leading IP media company with world-class programming across all screens and services. Our investment in original content created new brands and fueled our expansion into sports, kids, short-form and direct-to-consumer products. The acquisitions of SBS, Eurosport and the rights to the Olympic Games in Europe expanded Discovery beyond our original nonfiction roots.

The most recent milestone on our journey is Scripps. The pending acquisition has allowed us to undertake an in-depth analysis of where we work and how we work, and the chance to create the most efficient locations for our best-in-class creative, technology, production and operating functions to thrive now, and into the future.

Beyond the headquarters move to New York and eventual closure of 1DP, we also plan, contingent on the deal closing, to create a National Operations Headquarters at Scripps' current Knoxville, Tennessee campus and a Technology Hub at our Sterling facility in Northern Virginia. We also plan to maintain a small Network Hub in Maryland to house select networks and roles that support them.

New York Global Headquarters

At the center of our new blueprint is New York. New York always has been home to the global media industry...our ad partners on Madison Avenue, investors and analysts on Wall Street, many of our

creative and production community and, increasingly, our new short- and mid-form content partners, are based in New York.

The plan would be to bring together the strength of all current Discovery and Scripps team members, currently spread across four different facilities in NY in a new Global Headquarters. Planning for the space and location in New York is underway and we hope to move into a new building there in the second half of 2019.

National Operations Headquarters in Knoxville

From an operating and financial perspective, it became clear that, pending closure of the Scripps transaction, we could not operate three large facilities in the U.S. Since the announcement of the deal, we have evaluated the strengths, capabilities and advantages of the Knoxville, Tennessee campus, which houses the major Scripps brands and creative digital teams along with corporate functions.

Featuring a compelling environment and infrastructure, Knoxville is a self-contained campus with many amenities and benefits for a National Operations Headquarters, including low cost of living, built-in facilities, and operational capabilities.

Northern Virginia Technology Hub

Discovery's state-of-the-art media distribution facility in Sterling, Virginia, where we have originated over 80 feeds nearly flawlessly the last 13 years, will become a global technology center.

The Northern Virginia Technology Hub, as it will be called, has been built as a model for the future. Our technology infrastructure is a competitive advantage and the team has done a terrific job investing for growth. It features modern digital technology, recently upgraded to take full advantage of flexible computing in the cloud, live playout capabilities, increased nonlinear publishing and much more.

Beyond our global technology operation in Northern Virginia, we also plan to have a technology footprint in Knoxville and maintain several other international locations to service our global operations.

Global Creative Hubs & Regional Offices

Finally, we will continue bolstering our fantastic creative hubs in Los Angeles, New York, London, Miami, Warsaw and Milan, as well as in the Nordics, Brazil and Argentina, among others. Over the past several years, we have benefited greatly from our expanded presence in these major global markets, offering closer proximity to robust local production communities and providing us more options for global content sourcing.

To continue to support and draw from the community in Maryland, and to house select network and support functions, we will create a Maryland Network Hub. The Maryland location also will house other select functions, such as government relations, that are logically based in the Metropolitan DC area, as well as our Discovery Education division.

Since we wanted to tell you all as quickly as possible about these important decisions, we have not yet embarked on all the planning to determine which functions will be moved to which location. For example, there is also duplication of facilities in other cities around the world, and we will continue the evaluation process following the closing of the Scripps acquisition regarding the most efficient and effective plan for housing our combined company employee base.

What This Means for You

We recognize this is challenging news, and that sharing it early would create some uncertainty, but we felt the benefit of more time, planning and transparency was important to help everyone impacted evaluate your own personal considerations.

After we close and begin the integration of Scripps, we will have a much clearer sense of timing and will regularly update you on any decisions that are made, and how and when your department will be impacted.

Our promise is to provide all the resources and support possible, and answer your questions as quickly as we can.

To that end, we will launch a host of resources and tools to help all employees navigate through this changing time. We will share more information about these resources in today's Town Hall and over the upcoming weeks and months.

As always, thank you for your commitment and hard work for this great company.

David