TownNews.com Acquires ZWire and AdQuest

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MOLINE, Ill.--(BUSINESS WIRE)--Feb. 15, 2006--TownNews.com and PowerOne Media jointly announced today that TownNews.com is purchasing ZWire, AdQuest and a national advertising network from PowerOne Media.

The acquisition will bring to approximately 1,500 the number of newspapers served by TownNews.com, which is 83 percent owned by Lee Enterprises, Incorporated (NYSE:LEE). Lee is the fourth largest newspaper group in the United States.

"ZWire and AdQuest are proud and historic brands, and we are pleased to be associated with them," said Marc Wilson, chief executive officer and founder of TownNews.com. "The national advertising network will help us sell and deliver advertising to newspaper companies throughout the nation."

Jack Lintol, chief executive officer of PowerOne Media, said, "The combination of ZWire, AdQuest and TownNews.com will be good for the newspaper industry. The Internet is becoming more and more central to the future of newspapers, and the combined assets of the two companies will help ensure that newspapers have the resources needed to compete in this rapidly changing media world."

The transaction is expected to close around March 1.

PowerOne Media is based in East Greenbush, NY. It will continue with its online automobile vertical solution, Car Cast, and with its online employment solution, Career Site. Lee Enterprises is one of PowerOne Media's owners.

TownNews.com is headquartered in Moline, Ill. With the acquisition, the company will operate an office in East Greenbush, and the advertising network will continue to be based in New York City. TownNews.com was founded in Bigfork, Mont., in 1989. Lee Enterprises became majority partner in 1994. TownNews.com moved its headquarters to Moline in 2000. The company serves many of the nation's newspaper groups and independent newspapers.

Lee Enterprises is a premier publisher of newspapers in midsize markets, with 52 dailies and a joint interest in six others, a rapidly growing online business and more than 300 weekly newspapers and specialty publications in 23 states. Lee's newspapers have circulation of 1.7 million daily and 1.9 million Sunday, reaching more than four million readers daily, and its weekly publications have distribution of more than 4.5 million households. Lee's newspapers include such diverse markets as Napa, Calif.; Bloomington, Ill.; Billings, Mont.; Escondido, Calif.; Madison, Wis.; and St. Louis, Mo. Lee is based in Davenport, Iowa, and its stock is traded on the New York Stock Exchange under the symbol LEE. For more information about Lee Enterprises, please visit www.lee.net.

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SOURCE:
Lee Enterprises, Incorporated