



## Lee Enterprises Reports Sept. Revenue and Favorable Tax Settlements

October 24, 2007

DAVENPORT, Iowa--(BUSINESS WIRE)--Oct. 24, 2007--Lee Enterprises, Incorporated (NYSE:LEE), reported today that same property(1) advertising revenue, which was favorably affected by calendar changes, increased 8.4 percent in September compared with a year ago.

Because of period accounting, the September statistical period at the former Pulitzer operations included an extra week in 2007 compared with a year ago. The extra week resulted in additional September 2007 same property advertising revenue of \$6.5 million and additional same property total revenue of \$8.2 million. Excluding the extra week, same property advertising revenue decreased 0.7 percent and same property total revenue decreased 0.2 percent.

Because of calendar month accounting, the remainder of Lee's operations, which account for about 61 percent of total revenue, recorded five Sundays in September 2007, compared with four a year ago. Sundays normally generate more print advertising revenue than any other day of the week. Online advertising revenue is not significantly affected by day exchanges.

### TAX SETTLEMENTS WILL FAVORABLY AFFECT EARNINGS

The calendar changes will favorably influence Lee's earnings for its fourth 2007 fiscal quarter and year, which are scheduled to be announced before market on Nov. 8.

Those earnings also will be improved by settlements of federal and state tax audits and other matters totaling \$6.88 million, or about 15 cents per diluted common share.

Mary Junck, Lee chairman and chief executive officer, said: "While we're still closing the books on fiscal 2007, we can report that, even in a less than stellar year, we've been able to lead the industry in revenue and audiences, drive strong cash flow and continue our rapid payback of debt. We expect net debt for 2007 to total \$1.28 billion, a reduction of \$135.7 million for the year."

### PERIOD ACCOUNTING

Through fiscal 2007, the former Pulitzer operations have used period accounting, which minimizes the effect of calendar changes, while the rest of Lee's operations have used calendar accounting. Beginning in fiscal 2008, Lee will switch to period accounting for all of its operations. Period accounting uses one five-week "month" and two four-week "months" each quarter to facilitate year-over-year comparisons. Most of Lee's peer companies use period accounting. Because the change will inhibit year-over-year comparisons in fiscal 2008, Lee plans to discontinue issuing monthly revenue statistics beginning with October results. Also because of the change from calendar accounting, most Lee properties will be on a 364-day year in fiscal 2008, compared with 365 in 2007.

### SEPTEMBER REVENUE STATISTICS

On a same property basis, which excludes the impact of acquisitions and divestitures made in the current or prior year, combined print and online retail advertising increased 9.8 percent in September compared with a year ago and increased 0.5 percent year to date.

Pro forma(4) information excluding the 53rd week at the former Pulitzer properties is included in the text below and in the tables that follow this news release.

Excluding the extra week in 2007 at the former Pulitzer properties, combined print and online retail advertising revenue increased 0.4 percent for the period and decreased 0.3 percent for the fiscal year.

Combined print and online classified advertising revenue increased 7.7 percent for the month and decreased 0.5 percent year to date, with employment up 20.6 percent for the month and up 6.8 percent year to date, automotive down 4.5 percent for the month and down 5.7 percent year to date, and real estate up 0.4 percent for the month and down 5.8 percent year to date. Excluding the extra week at the former Pulitzer properties, combined print and online classified revenue declined 0.8 percent for the period and 1.2 percent for the fiscal year. Employment was up 12.0 percent for the period and up 6.1 percent for the year. Automotive was down 12.0 percent for the period and down 6.4 percent for the year. Real estate was down 6.6 percent for the period and down 6.4 percent for the year.

National advertising revenue increased 10.0 percent for the month and declined 5.1 percent year to date. Excluding the extra week at the former Pulitzer properties, national advertising revenue decreased 5.7 percent for the period and decreased 6.2 percent for the year.

Circulation revenue increased 8.7 percent for the month and decreased 0.7 percent year to date. Excluding the extra week at the former Pulitzer properties, circulation declined 0.7 percent for the period and declined 1.4 percent for the year.

Total same property operating revenue in September increased 8.8 percent for the month and decreased 0.2 percent year to date compared with a year ago. Excluding the extra week at the former Pulitzer properties, total same property operating revenue declined 0.2 percent for the period and declined 0.9 percent for the year.

Including the effect of acquisitions and divestitures, total operating revenue increased 8.7 percent for the month and decreased 0.1 percent year to date. Excluding the extra week in 2007 at the former Pulitzer properties, the comparison with a year ago was down 0.2 percent for the period and down 0.8 percent year for the year.

### ABOUT LEE

Lee Enterprises is a premier provider of local news, information and advertising in primarily midsize markets, with 51 daily newspapers and a joint interest in five others, rapidly growing online sites 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. Lee's online sites attract more than 11 million unique visitors monthly, and Lee's weekly publications are distributed to more than 4.5 million households. Lee's newspaper markets include St. Louis, Mo.; Lincoln, Neb.; Madison, Wis.; Davenport, Iowa; Billings, Mont.; Bloomington, Ill.; Tucson, Ariz.; and Napa, Calif. Lee stock is traded on the New York Stock Exchange under the symbol LEE. For more information about Lee, please visit [www.lee.net](http://www.lee.net).

LEE ENTERPRISES, INCORPORATED  
Revenue and Statistical Summary  
(Unaudited)

OPERATING REVENUE FOR SEPTEMBER

(Thousands)	As reported, including 5 weeks in 2007 at former Pulitzer properties			Pro forma, excluding 5th week in 2007 at former Pulitzer properties		
	2007	2006	%	2007	2006	%
-----						
Advertising revenue:						
Retail.....	\$40,263	\$37,149	8.4%	\$36,944	\$37,149	(0.6)%
National.....	4,249	3,863	10.0	3,642	3,863	(5.7)
Classified:						
Daily newspapers:						
Employment.....	7,272	7,243	0.4	6,802	7,243	(6.1)
Automotive.....	4,783	5,122	(6.6)	4,334	5,122	(15.4)
Real estate.....	5,163	5,320	(3.0)	4,778	5,320	(10.2)
All other.....	3,725	3,307	12.6	3,428	3,307	3.7
Other publications...	4,373	3,981	9.8	3,927	3,981	(1.4)
-----						
Total classified revenue.....	25,316	24,973	1.4	23,269	24,973	(6.8)
Online.....	5,709	3,369	69.5	5,214	3,369	54.8
Niche publications....	1,630	1,824	(10.6)	1,595	1,824	(12.6)
-----						
Total advertising revenue.....	77,167	71,178	8.4	70,664	71,178	(0.7)
Circulation.....	18,189	16,737	8.7	16,622	16,737	(0.7)
Commercial printing....	1,312	1,364	(3.8)	1,237	1,364	(9.3)
Online services and other.....	2,591	1,959	32.3	2,533	1,959	29.3
-----						
Total same property revenue.....	99,259	91,238	8.8	91,056	91,238	(0.2)
Acquisitions & divestitures.....	339	379	NM	339	379	NM
-----						
Total operating revenue	\$99,598	\$91,617	8.7%	\$91,395	\$91,617	(0.2)%
=====						

SELECTED COMBINED PRINT AND ONLINE ADVERTISING REVENUE

(Thousands, Same Property)	As reported, including 5 weeks in 2007 at former Pulitzer properties			Pro forma, excluding 5th week in 2007 at former Pulitzer properties		
	2007	2006	%	2007	2006	%
-----						
Retail.....	\$40,347	\$36,760	9.8%	\$36,924	\$36,760	0.4%
-----						
Classified:						
Employment.....	10,946	9,079	20.6%	10,172	9,079	12.0%
Automotive.....	6,322	6,622	(4.5)	5,825	6,622	(12.0)

Real estate.....	6,936	6,906	0.4	6,453	6,906	(6.6)
Other.....	6,737	6,124	10.0	6,053	6,124	(1.2)
-----						
Total classified revenue.....	\$30,941	\$28,731	7.7%	\$28,503	\$28,731	(0.8)%
=====						

REVENUE BY REGION

	As reported, including 5 weeks in 2007 at former Pulitzer properties			Pro forma, excluding 5th week in 2007 at former Pulitzer properties		
(Thousands, Same Property)	2007	2006	%	2007	2006	%
Midwest.....	\$61,303	\$54,840	11.8%	\$54,716	\$54,840	(0.2)%
Mountain West.....	18,092	16,957	6.7	17,662	16,957	4.2
West.....	12,716	12,620	0.8	11,530	12,620	(8.6)
East/other.....	7,148	6,821	4.8	7,148	6,821	4.8
Total.....	\$99,259	\$91,238	8.8%	\$91,056	\$91,238	(0.2)%
=====						

DAILY NEWSPAPER ADVERTISING VOLUME

	As reported, including 5 weeks in 2007 at former Pulitzer properties			Pro forma, excluding 5th week in 2007 at former Pulitzer properties		
(Thousands of inches, same property)	2007	2006	%	2007	2006	%
Retail.....	1,204	1,136	6.0%	1,105	1,136	(2.7)%
National.....	53	57	(7.0)	47	57	(17.5)
Classified.....	1,482	1,479	0.2	1,359	1,479	(8.1)
Total.....	2,739	2,672	2.5%	2,511	2,672	(6.0)%
=====						

LEE ENTERPRISES, INCORPORATED  
Revenue and Statistical Summary  
(Unaudited)

OPERATING REVENUE FOR SEPTEMBER QUARTER

	As reported, including 14 weeks in 2007 at former Pulitzer properties			Pro forma, excluding 14th week in 2007 at former Pulitzer properties		
(Thousands)	2007	2006	%	2007	2006	%
Advertising revenue:						
Retail.....	\$112,579	\$110,402	2.0%	\$109,260	\$110,402	(1.0)%
National.....	12,072	12,228	(1.3)	11,465	12,228	(6.2)
Classified:						
Daily newspapers:						
Employment.....	21,366	23,649	(9.7)	20,896	23,649	(11.6)
Automotive.....	14,247	16,203	(12.1)	13,798	16,203	(14.8)
Real estate.....	15,222	16,947	(10.2)	14,837	16,947	(12.5)
All other.....	10,713	10,113	5.9	10,416	10,113	3.0
Other publications....	12,833	12,072	6.3	12,387	12,072	2.6

-----						
Total classified						
revenue.....	74,381	78,984	(5.8)	72,334	78,984	(8.4)
Online.....	16,616	10,401	59.8	16,121	10,401	55.0
Niche publications	4,117	4,279	(3.8)	4,082	4,279	(4.6)
-----						
Total advertising						
revenue.....	219,765	216,294	1.6	213,262	216,294	(1.4)
Circulation.....	52,052	51,570	0.9	50,485	51,570	(2.1)
Commercial printing	4,168	4,122	1.1	4,093	4,122	(0.7)
Online services and other.....	7,198	6,487	11.0	7,140	6,487	10.1
-----						
Total same property						
revenue.....	283,183	278,473	1.7	274,980	278,473	(1.3)
Acquisitions & divestitures.....	953	1,196	NM	953	1,196	NM
-----						
Total operating						
revenue.....	\$284,136	\$279,669	1.6%	\$275,933	\$279,669	(1.3)%
=====						

SELECTED COMBINED PRINT AND ONLINE ADVERTISING REVENUE

	As reported, including 14 weeks in 2007 at former Pulitzer properties			Pro forma, excluding 14th week in 2007 at former Pulitzer properties		
(Thousands, Same Property)	2007	2006	%	2007	2006	%
Retail.....	\$112,661	\$108,861	3.5%	\$109,238	\$108,861	0.3%
-----						
Classified:						
Employment.....	32,241	29,633	8.8	31,467	29,633	6.2
Automotive.....	18,941	20,421	(7.2)	18,444	20,421	(9.7)
Real estate.....	20,139	21,625	(6.9)	19,656	21,625	(9.1)
Other.....	19,594	19,247	1.8	18,910	19,247	(1.8)
-----						
Total classified						
revenue.....	\$ 90,915	\$ 90,926	-%	\$ 88,477	\$ 90,926	(2.7)%
=====						

REVENUE BY REGION

	As reported, including 14 weeks in 2007 at former Pulitzer properties			Pro forma, excluding 14th week in 2007 at former Pulitzer properties		
(Thousands, Same Property)	2007	2006	%	2007	2006	%
Midwest.....	\$173,007	\$169,712	1.9%	\$166,420	\$169,712	(1.9)%
Mountain West.....	52,500	50,293	4.4	52,070	50,293	3.5
West.....	36,946	38,858	(4.9)	35,760	38,858	(8.0)
East/other.....	20,730	19,610	5.7	20,730	19,610	5.7
-----						
Total.....	\$283,183	\$278,473	1.7%	\$274,980	\$278,473	(1.3)%
=====						

DAILY NEWSPAPER ADVERTISING VOLUME

As reported, Pro forma,  
including 14 weeks excluding 14th week

in 2007 at former    in 2007 at former  
Pulitzer properties    Pulitzer properties

(Thousands of inches, same property)	2007	2006	%	2007	2006	%
Retail.....	3,373	3,399	(0.8)%	3,274	3,399	(3.7)%
National.....	149	162	(8.0)	143	162	(11.7)
Classified.....	4,326	4,653	(7.0)	4,203	4,653	(9.7)
<b>Total.....</b>	<b>7,848</b>	<b>8,214</b>	<b>(4.5)%</b>	<b>7,620</b>	<b>8,214</b>	<b>(7.2)%</b>

LEE ENTERPRISES, INCORPORATED  
Revenue and Statistical Summary  
(Unaudited)  
OPERATING REVENUE FOR FISCAL YEAR

As reported,  
including 53 weeks  
in 2007 at former  
Pulitzer properties

(Thousands)	2007	2006	%
<b>Advertising revenue:</b>			
Retail.....	\$ 459,012	\$ 463,898	(1.1)%
National.....	54,900	57,869	(5.1)
Daily newspapers:			
Employment.....	82,358	90,508	(9.0)
Automotive.....	55,437	60,953	(9.0)
Real estate.....	59,078	63,801	(7.4)
All other.....	39,616	39,218	1.0
Other publications.....	48,427	45,818	5.7
<b>Total classified revenue.....</b>	<b>284,916</b>	<b>300,298</b>	<b>(5.1)</b>
Online.....	56,324	35,771	57.5
Niche publications.....	16,351	16,580	(1.4)
<b>Total advertising revenue.....</b>	<b>871,503</b>	<b>874,416</b>	<b>(0.3)</b>
Circulation.....	204,311	205,677	(0.7)
Commercial printing.....	16,609	16,931	(1.9)
Online services and other.....	31,338	28,618	9.5
<b>Total same property revenue.....</b>	<b>1,123,761</b>	<b>1,125,642</b>	<b>(0.2)</b>
Acquisitions & divestitures.....	3,900	3,006	NM
<b>Total operating revenue.....</b>	<b>\$1,127,661</b>	<b>\$1,128,648</b>	<b>(0.1)%</b>

Pro forma,  
excluding 53rd week  
in 2007 at former  
Pulitzer properties

(Thousands)	2007	2006	%
<b>Advertising revenue:</b>			
Retail.....	\$ 455,693	\$ 463,898	(1.8)%
National.....	54,293	57,869	(6.2)
Daily newspapers:			

Employment.....	81,888	90,508	(9.5)
Automotive.....	54,988	60,953	(9.8)
Real estate.....	58,693	63,801	(8.0)
All other.....	39,319	39,218	0.3
Other publications.....	47,981	45,818	4.7
-----			
Total classified revenue.....	282,869	300,298	(5.8)
Online.....	55,829	35,771	56.1
Niche publications.....	16,316	16,580	(1.6)
-----			
Total advertising revenue.....	865,000	874,416	(1.1)
Circulation.....	202,744	205,677	(1.4)
Commercial printing.....	16,534	16,931	(2.3)
Online services and other.....	31,280	28,618	9.3
-----			
Total same property revenue.....	1,115,558	1,125,642	(0.9)
Acquisitions & divestitures.....	3,900	3,006	NM
-----			
Total operating revenue.....	\$1,119,458	\$1,128,648	(0.8)%
=====			

SELECTED COMBINED PRINT AND ONLINE ADVERTISING REVENUE

	As reported, including 53 weeks in 2007 at former Pulitzer properties			Pro forma, excluding 53rd week in 2007 at former Pulitzer properties		
	2007	2006	%	2007	2006	%
(Thousands, Same Property)						
Retail.....	\$459,259	\$457,149	0.5%	\$455,836	\$457,149	(0.3)%
Classified:						
Employment.....	117,688	\$110,167	6.8	116,914	\$110,167	6.1
Automotive.....	73,040	77,490	(5.7)	72,543	77,490	(6.4)
Real estate.....	76,679	81,378	(5.8)	76,196	81,378	(6.4)
Other.....	73,586	73,783	(0.3)	72,902	73,783	(1.2)
Total classified revenue.....	\$340,993	\$342,818	(0.5)%	\$338,555	\$342,818	(1.2)%
=====						

REVENUE BY REGION

	As reported, including 53 weeks in 2007 at former Pulitzer properties			Pro forma, excluding 53rd week in 2007 at former Pulitzer properties		
	2007	2006	%	2007	2006	%
(Thousands, Same Property)						
Midwest.....	\$ 688,937	\$ 694,027	(0.7)%	\$ 682,350	\$ 694,027	(1.7)%
Mountain						
West.....	202,815	197,377	2.8	202,385	197,377	2.5
West.....	147,797	153,106	(3.5)	146,611	153,106	(4.2)
East/other..	84,212	81,132	3.8	84,212	81,132	3.8
-----						
Total.....	\$1,123,761	\$1,125,642	(0.2)%	\$1,115,558	\$1,125,642	(0.9)%
=====						

DAILY NEWSPAPER ADVERTISING VOLUME

	As reported, including 53 weeks	Pro forma, excluding 53rd week
--	------------------------------------	-----------------------------------

(Thousands of inches, same property)	in 2007 at former Pulitzer properties			in 2007 at former Pulitzer properties		
	2007	2006	%	2007	2006	%
Retail.....	13,441	13,723	(2.1)%	13,342	13,723	(2.8)%
National.....	678	778	(12.9)	672	778	(13.6)
Classified.....	16,125	16,925	(4.7)	16,002	16,925	(5.5)
Total.....	30,244	31,426	(3.8)%	30,016	31,426	(4.5)%

NOTES:

(1) Same property comparisons exclude acquisitions and divestitures made in the current and prior year. Same property revenue also excludes Lee's 50% ownership in Madison and Tucson, which are reported using the equity method of accounting.

(2) Because of period accounting, the 2007 September statistical period and fiscal year included an additional week at the former Pulitzer properties. At the rest of Lee's enterprises, the month had one more Sunday and one fewer Friday than the prior period. The fiscal year had one more Sunday and one fewer Saturday than in 2006.

(3) Certain amounts as previously reported have been reclassified to conform with the current period presentation. The prior period has been restated for comparative purposes, and the reclassifications have no impact on earnings.

(4) Pro forma information excluding the 53rd week at the former Pulitzer properties is a non-GAAP financial measure. The pro forma information is intended to provide investors with a sense of what the revenue results would have been in each period presented without the 53rd week compared with a year ago. Revenue for the 53rd week is equal to the difference between the as-reported, GAAP amount and the pro forma amount.

(5) The Company's fiscal year ended Sept. 30.

(6) The Company disclaims responsibility for updating information beyond the release date.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. This release contains information that may be deemed forward-looking and that is based largely on the Company's current expectations and is subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those anticipated. Among such risks, trends and other uncertainties are changes in advertising demand, newsprint prices, energy costs, interest rates, labor costs, legislative and regulatory rulings and other results of operations or financial conditions, difficulties in integration of acquired businesses or maintaining employee and customer relationships, increased capital and other costs and other risks detailed from time to time in the Company's publicly filed documents, including the Company Annual Report on Form 10-K for the year ended September 30, 2006. The words "may," "will," "would," "could," "believes," "expects," "anticipates," "intends," "plans," "projects," "considers" and similar expressions generally identify forward-looking statements. Readers are cautioned not to place undue reliance on such forward-looking statements, which are made as of the date of this release. The Company does not publicly undertake to update or revise its forward-looking statements.

CONTACT:

Lee Enterprises  
 Dan Hayes, 563-383-2100  
 dan.hayes@lee.net

SOURCE:

Lee Enterprises