



Lee Enterprises Reports Continued Improvement in Advertising Outlook

December 11, 2009

DAVENPORT, Iowa, Dec 11, 2009 (BUSINESS WIRE) -- Advertising sales for Lee Enterprises, Incorporated (NYSE: LEE), strengthened in November for the third month in a row. As a result of the continuing improved outlook, Lee expects operating revenue to decline by 14 to 15 percent year over year for the quarter ending Dec. 27, 2009. In comparison, revenue declined an average of 20 percent in the March, June and September 2009 quarters.

"Based on trends through early December, we're hopeful that the turnaround has begun," said Mary Junck, Lee chairman and chief executive officer. "Although it's premature to guess when year-over-year revenue comparisons will turn positive, we expect our aggressive cost reductions will enable meaningful earnings growth when they do."

She said Lee expects cash costs, excluding unusual items, to decrease 17-18 percent in the December quarter versus a year ago, an improvement from earlier guidance, and reaffirmed a 6-7 percent decrease in fiscal 2010.

Lee's Annual Report on Form 10-K is being filed today with the Securities and Exchange Commission. Included in the filing will be two notable matters:

Lee's independent registered public accounting firm, KPMG LLP, will exclude from its audit opinion the explanatory paragraph included in the opinion a year ago that raised doubt about Lee's ability to continue as a going concern. The change is primarily a result of Lee's successful debt refinancing in February 2009, the company's continuing compliance with its debt covenants, adequate liquidity, and now improving business conditions.

Also, in the December 2009 quarter, Lee made changes to its postretirement medical plans for certain groups of employees, including increases in premium cost sharing and elimination of coverage for certain participants. The changes are expected to reduce annual net periodic postretirement medical cost beginning in 2010 and will reduce the benefit obligation liability by up to \$30 million. Lee may recognize non-cash gains related to certain of the changes in 2010.

Lee Enterprises is a leading provider of local news, information and advertising in primarily midsize markets, with 49 daily newspapers and a joint interest in four others, online sites and nearly 300 specialty publications in 23 states. Lee's newspapers have circulation of 1.4 million daily and 1.7 million Sunday, reaching nearly four million readers daily. Lee's online sites attract 15 million unique visits monthly, and Lee's weekly publications have distribution of four million households. Lee's markets include St. Louis, Mo.; Lincoln, Neb.; Madison, Wis.; Davenport, Iowa; Billings, Mont.; Bloomington, Ill.; and Tucson, Ariz. Lee stock is traded on the New York Stock Exchange under the symbol LEE. For more information about Lee, please visit www.lee.net.

FORWARD-LOOKING STATEMENTS -- The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. This news release contains information that may be deemed forward-looking, that is based largely on Lee Enterprises, Incorporated'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, which in some instances are beyond its control, are the Company's ability to generate cash flows and maintain liquidity sufficient to service its debt, and comply with or obtain amendments or waivers of the financial covenants contained in its credit facilities, if necessary. Other risks and uncertainties include the impact and duration of continuing adverse economic conditions, changes in advertising demand, potential changes in newsprint and other commodity prices, energy costs, interest rates and the availability of credit due to instability in the credit markets, labor costs, legislative and regulatory rulings, difficulties in achieving planned expense reductions, maintaining employee and customer relationships, increased capital costs, competition 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 27, 2009. Any statements that are not statements of historical fact (including statements containing the words "may," "will," "would," "could," "believes," "expects," "anticipates," "intends," "plans," "projects," "considers" and similar expressions) generally should be considered 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 report. The Company does not undertake to publicly update or revise its forward-looking statements.

SOURCE: Lee Enterprises, Incorporated

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