UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For The Quarterly Period Ended December 27, 2009

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-6227

LEE ENTERPRISES, INCORPORATED

(Exact name of Registrant as specified in its Charter)

Delaware (State or other jurisdiction of incorporation or organization)	42-0823980 (I.R.S. Employer Identification No.)

201 N. Harrison Street, Suite 600, Davenport, Iowa 52801
(Address of principal executive offices)

(563) 383-2100
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes [ ] No [ ]

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[X] (Do not check if a smaller reporting company)	Smaller reporting company	[ ]

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] No [X]

As of December 27, 2009, 39,110,328 shares of Common Stock and 5,763,769 shares of Class B Common Stock of the Registrant were outstanding.

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References to "we", "our", "us" and the like throughout this document refer to Lee Enterprises, Incorporated (the "Company").

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. This report contains information that may be deemed forward-looking that is based largely on our 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 our control, are our ability to generate cash flows and maintain liquidity sufficient to service our debt, and comply with or obtain amendments or waivers of the financial covenants c ontained in our 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 our publicly filed documents.

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. We do not undertake to publicly update or revise ou r forward-looking statements.

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

LEE ENTERPRISES, INCORPORATED
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars, Except Per Share Data)	December 27 2009	September 27 2009
ASSETS		
Current assets:		
Cash and cash equivalents	10,594	7,905
Accounts receivable, net	95,304	79,731

Income taxes receivable	—	5,625
Inventories	16,343	13,854
Deferred income taxes	3,638	3,638
Other	6,336	7,354
Total current assets	132,215	118,107
Investments:		
Associated companies	58,078	58,073
Restricted cash and investments	9,363	9,324
Other	9,583	9,498
Total investments	77,024	76,895
Property and equipment:		
Land and improvements	30,365	30,365
Buildings and improvements	195,623	195,573
Equipment	313,495	316,364
Construction in process	4,259	1,985
	543,742	544,287
Less accumulated depreciation	285,832	281,318
Property and equipment, net	257,910	262,969
Goodwill	433,552	433,552
Other intangible assets, net	592,028	603,348
Other	18,521	20,741
Total assets	1,511,250	1,515,612

The accompanying Notes are an integral part of the Consolidated Financial Statements.

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(Thousands of Dollars and Shares, Except Per Share Data)	December 27 2009	September 27 2009
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	72,000	89,800
Accounts payable	28,688	31,377
Compensation and other accrued liabilities	39,680	42,755
Income taxes payable	2,567	—
Unearned revenue	37,624	37,001
Total current liabilities	180,559	200,933
Long-term debt, net of current maturities	1,090,472	1,079,993
Pension obligations	46,134	45,953
Postretirement and postemployment benefit obligations	9,076	40,687
Other retirement and compensation obligations	1,603	1,539
Deferred income taxes	104,786	93,766
Redeemable and other minority interest	303	252
Income taxes payable	13,400	12,839
Other	12,102	16,052
Total liabilities	1,458,435	1,492,014
Stockholders' equity:		
Serial convertible preferred stock, no par value; authorized 500 shares; none issued	—	—
Common Stock, $2 par value; authorized 120,000 shares; issued and outstanding:	78,220	78,278
December 27, 2009; 39,110 shares;		
September 27,2009; 39,139 shares		
Class B Common Stock, $2 par value; authorized 30,000 shares; issued and outstanding:	11,528	11,552
December 27, 2009; 5,764 shares;		
September 27, 2009; 5,776 shares		

Additional paid-in capital	138,313	137,713
Accumulated deficit	(197,393)	(225,299)
Accumulated other comprehensive income	22,147	21,354
Total stockholders' equity	52,815	23,598
Total liabilities and stockholders' equity	1,511,250	1,515,612

The accompanying Notes are an integral part of the Consolidated Financial Statements.

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LEE ENTERPRISES, INCORPORATED
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	13 Weeks Ended	
(Thousands of Dollars, Except Per Common Share Data)	December 27 2009	December 28 2008
Operating revenue:		
Advertising	154,402	184,583
Circulation	45,115	47,556
Other	10,321	11,416
Total operating revenue	209,838	243,555
Operating expenses:		
Compensation	82,136	94,483
Newsprint and ink	12,693	25,154
Other operating expenses	61,477	69,950
Depreciation	7,362	8,296
Amortization of intangible assets	11,320	12,103
Impairment of goodwill and other assets	—	70,045
Workforce adjustments	397	838
Total operating expenses	175,385	280,869
Curtailment gains	31,130	—
Equity in earnings of associated companies	2,190	3,064
Operating income (loss)	67,773	(34,250)
Non-operating income (expense):		
Financial income	54	1,271
Financial expense	(19,804)	(18,086)
Debt financing costs	(1,995)	(1,922)
Total non-operating expense, net	(21,745)	(18,737)
Income (loss) from continuing operations before income taxes	46,028	(52,987)
Income tax expense (benefit)	18,069	(5,524)
Minority interest	52	170
Income (loss) from continuing operations	27,907	(47,633)
Discontinued operations, net	—	(5)
Net income (loss)	27,907	(47,638)
Increase in redeemable minority interest	—	1,039
Income (loss) available to common stockholders	27,907	(48,677)
Other comprehensive income (loss), net	793	(1,746)
Comprehensive income (loss) available to common stockholders	28,700	(50,423)
Earnings (loss) per common share:		
Basic:		
Continuing operations	0.63	(1.10)
Discontinued operations	—	—
	0.63	(1.10)
Diluted:		
Continuing operations	0.62	(1.10)
Discontinued operations	—	—
	0.62	(1.10)

The accompanying Notes are an integral part of the Consolidated Financial Statements.

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LEE ENTERPRISES, INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	13 Weeks Ended	
(Thousands of Dollars)	December 27 2009	December 28 2008
Cash provided by operating activities:		
Net income (loss)	27,907	(47,638)
Results of discontinued operations	—	(5)
Income (loss) from continuing operations	27,907	(47,633)
Adjustments to reconcile income (loss) from continuing operations to net cash provided by operating activities of continuing operations:		
Depreciation and amortization	18,682	20,399
Impairment of goodwill and other assets	—	70,045
Curtailment gains	(31,130)	—
Accretion of debt fair value adjustment	(155)	(2,064)
Stock compensation expense	682	1,052
Distributions greater (less) than current earnings of associated companies	(192)	5
Deferred income taxes	10,588	(10,699)
Changes in operating assets and liabilities:		
Increase in receivables	(9,948)	(9,928)
Decrease (increase) in inventories and other	(1,161)	3,809
Decrease in accounts payable, accrued expenses and unearned revenue	(4,806)	(25,298)
Decrease in pension, postretirement and post employment benefits	(1,407)	—
Change in income taxes receivable or payable	3,128	758
Other, net	735	367
Net cash provided by operating activities of continuing operations	12,923	813
Cash provided by (required for) investing activities of continuing operations:		
Purchases of marketable securities	—	(26,635)
Sales or maturities of marketable securities	—	21,375
Purchases of property and equipment	(3,254)	(5,301)
Decrease (increase) in restricted cash	(39)	3,292
Proceeds from sale of assets	203	—
Other	187	370
Net cash required for investing activities of continuing operations	(2,903)	(6,899)
Cash provided by (required for) financing activities of continuing operations:		
Proceeds from long-term debt	47,800	76,625
Payments on long-term debt	(54,966)	(49,625)
Debt financing costs paid	—	(9,702)
Common stock transactions, net	(165)	50
Cash dividends paid	—	(8,539)
Net cash provided by (required for) financing activities of continuing operations	(7,331)	8,809
Net cash required for discontinued operations	—	(5)
Net increase in cash and cash equivalents	2,689	2,718
Cash and cash equivalents:		
Beginning of period	7,905	23,459
End of period	10,594	26,177

The accompanying Notes are an integral part of the Consolidated Financial Statements.

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LEE ENTERPRISES, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1 BASIS OF PRESENTATION

The Consolidated Financial Statements included herein are unaudited. In the opinion of management, these financial statements contain all adjustments (consisting of only normal recurring items) necessary to present fairly the financial position of Lee Enterprises, Incorporated and subsidiaries (the "Company") as of December 27, 2009 and their results of operations and cash flows for the periods presented. The Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statement s and Notes thereto included in the Company's 2009 Annual Report on Form 10-K.

Because of seasonal and other factors, the results of operations for the 13 weeks ended December 27, 2009 are not necessarily indicative of the results to be expected for the full year.

References to "we", "our", "us" and the like throughout this document refer to the Company.

References to "2010", "2009" and the like refer to the fiscal year ended the last Sunday in September.

The Consolidated Financial Statements include our accounts and our subsidiaries, all of which are wholly-owned, except for our 50% interest in TNI Partners ("TNI"), 50% interest in Madison Newspapers, Inc. ("MNI"), and 82.5% interest in INN Partners, L.C. ("INN").

Subsequent Events

We have evaluated subsequent events through February 10, 2010. The Quarterly Report on Form 10-Q was filed with the Securities and Exchange Commission on February 10, 2010, which is the date the Consolidated Financial Statements were issued. No events have occurred subsequent to December 27, 2009 that require disclosure or recognition in these financial statements except as included herein.

Accounting Standards Codification

In 2009, the Financial Accounting Standards Board ("FASB") issued Statement 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles* ("ASC"), which became the source of accounting principles to be applied in the preparation of financial statements for nongovernmental agencies. ASC was effective for us as of September 27, 2009. ASC did not have any impact on our Consolidated Financial Statements since it was not intended to change existing accounting principles generally accepted in the United States of America ("GAAP"), except as related to references for authoritative literature.

2 INVESTMENTS IN ASSOCIATED COMPANIES

TNI Partners

In Tucson, Arizona, TNI, acting as agent for our subsidiary, Star Publishing Company ("Star Publishing"), and Citizen Publishing Company ("Citizen"), a subsidiary of Gannett Co. Inc., is responsible for printing, delivery, advertising, and circulation of the *Arizona Daily Star* and, until May 2009, the *Tucson Citizen,* as well as their related online operations and specialty publications. TNI collects all receipts and income and pays substantially all operating expenses incident to the partnership's operations and publication of the newspapers and other media.

Income or loss of TNI (before income taxes) is allocated equally to Star Publishing and Citizen.

In May 2009, Citizen discontinued print publication of the *Tucson Citizen*. The change resulted in workforce adjustments and other transitions costs of approximately $1,925,000 in 2009, of which $1,093,000 was incurred directly by TNI.

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Summarized results of TNI are as follows:

	13 Weeks Ended	
(Thousands of Dollars)	December 27 2009	December 28 2008
Operating revenue	17,806	21,998
Operating expenses, excluding curtailment gain, workforce adjustments, depreciation and amortization	14,739	18,732
Curtailment gain	—	(1,332)
Workforce adjustments	783	102
Operating income	2,284	4,496
Company's 50% share of operating income	1,142	2,248
Less amortization of intangible assets	244	379
Equity in earnings of TNI	898	1,869

Star Publishing's 50% share of TNI depreciation and certain general and administrative expenses associated with its share of the operation and administration of TNI are reported as operating expenses (benefit) in our Consolidated Statements of Operations and Comprehensive Income (Loss). These amounts totaled ($135,000) and $591,000 in the 13 weeks ended December 27, 2009 and December 28, 2008, respectively.

Annual amortization of intangible assets is estimated to be $1,215,000 in each of the 52 week periods ending December 2010 through December 2012, $1,036,000 in the 52 week period ending December 2013 and $911,000 in the 52 week period ending December 2014.

Madison Newspapers, Inc.

We have a 50% ownership interest in MNI, which publishes daily and Sunday newspapers, and other publications in Madison, Wisconsin, and other Wisconsin locations, and operates their related online sites. Net income or loss of MNI (after income taxes) is allocated equally to us and The Capital Times Company ("TCT"). MNI conducts its business under the trade name Capital Newspapers.

Summarized results of MNI are as follows:

	13 Weeks Ended	
(Thousands of Dollars)	December 27 2009	December 28 2008

Operating revenue	20,597	23,384
Operating expenses, excluding depreciation and amortization	15,823	18,946
Depreciation and amortization	576	824
Operating income	4,198	3,614
Net income	2,584	2,390
Equity in earnings of MNI	1,292	1,195

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3 GOODWILL AND OTHER INTANGIBLE ASSETS

There were no changes in the carrying value of goodwill in the 13 weeks ended December 27, 2009.

Identified intangible assets consist of the following:

(Thousands of Dollars)	December 27 2009	September 27 2009
Nonamortized intangible assets:		
Mastheads	44,754	44,754
Amortizable intangible assets:		
Customer and newspaper subscriber lists	885,713	885,713
Less accumulated amortization	338,451	327,133
	547,262	558,580
Noncompete and consulting agreements	28,658	28,658
Less accumulated amortization	28,646	28,644
	12	14
	592,028	603,348

In assessing the recoverability of goodwill and other nonamortized intangible assets, we make a determination of the fair value of our business. Fair value is determined using a combination of an income approach, which estimates fair value based upon future revenue, expenses and cash flows discounted to their present value, and a market approach, which estimates fair value using market multiples of various financial measures compared to a set of comparable public companies in the publishing industry. A non-cash impairment charge will generally be recognized when the carrying amount of the net assets of the business exceeds its estimated fair value.

The required valuation methodology and underlying financial information that are used to determine fair value require significant judgments to be made by us. These judgments include, but are not limited to, long term projections of future financial performance and the selection of appropriate discount rates used to determine the present value of future cash flows. Changes in such estimates or the application of alternative assumptions could produce significantly different results.

We analyze goodwill and other nonamortized intangible assets for impairment on an annual basis, or more frequently if impairment indicators are present. Such indicators of impairment include, but are not limited to, changes in business climate and operating or cash flow losses related to such assets.

We review our amortizable intangible assets for impairment when indicators of impairment are present. We assess recovery of these assets by comparing the estimated undiscounted cash flows associated with the asset or asset group with their carrying amount. The impairment amount, if any, is calculated based on the excess of the carrying amount over the fair value of those assets.

We also periodically evaluate our determination of the useful lives of amortizable intangible assets. Any resulting changes in the useful lives of such intangible assets will not impact our cash flows. However, a decrease in the useful lives of such intangible assets would increase future amortization expense and decrease future reported operating results and earnings per common share.

Due primarily to the continuing and (at the time) increasing difference between our stock price and the per share carrying value of our net assets, we analyzed the carrying value of our net assets as of December 28, 2008 and again as of March 29, 2009. Deterioration in our revenue and the overall recessionary operating environment for us and other publishing companies were also factors in the timing of the analyses.

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As a result, we recorded pretax, non-cash charges to reduce the carrying value of goodwill, nonamortized and amortizable intangible assets in the 13 weeks ended December 28, 2008 and March 29, 2009. Additional pretax, non-cash charges were recorded to reduce the carrying value of TNI. We also recorded pretax, non-cash charges to reduce the carrying value of property and equipment. We recorded deferred income tax benefits related to these charges.

Because of the timing of the determination of impairment and complexity of the calculations required, the amounts recorded in the 13 weeks ended March 29, 2009 were preliminary. The final analysis, which was completed in the 13 weeks ended June 28, 2009, resulted in additional charges.

2009 impairment charges and the related income tax benefit are summarized as follows:

(Thousands of Dollars)	13 Weeks Ended December 28 2008	March 29 2009	June 28 2009	September 27 2009	Total
Goodwill	67,781	107,115	18,575	—	193,471
Mastheads	—	17,884	(3,829)	—	14,055
Customer and newspaper subscriber lists	—	18,928	14,920	—	33,848
Property and equipment	2,264	935	—	1,380	4,579
	70,045	144,862	29,666	1,380	245,953
Reduction in investment in TNI	—	9,951	10,000	—	19,951
Income tax benefit	(14,261)	(39,470)	(11,720)	(489)	(65,940)
	55,784	115,343	27,946	891	199,964

Annual amortization of intangible assets for each of the 52 week periods ending December 2014 is estimated to be $45,173,000, $44,316,000, $41,497,000, $39,088,000 and $39,011,000, respectively.

4 DEBT

Credit Agreement

In 2006, we entered into an amended and restated credit agreement ("Credit Agreement") with a syndicate of financial institutions (the "Lenders"). The Credit Agreement provided for aggregate borrowing of up to $1,435,000,000 and replaced a $1,550,000,000 credit agreement consummated in 2005. In February 2009, we completed a comprehensive restructuring of the Credit Agreement, which supplemented amendments consummated earlier in 2009 (together, the "2009 Amendments").

Security

The Credit Agreement is fully and unconditionally guaranteed on a joint and several basis by substantially all of our existing and future, direct and indirect subsidiaries in which we hold a direct or indirect interest of more than 50% (the "Credit Parties"); provided however, that Pulitzer Inc. ("Pulitzer") a wholly-owned subsidiary of ours, and its subsidiaries will not become Credit Parties for so long as their doing so would violate the terms of the Pulitzer Notes discussed more fully below. The Credit Agreement is secured by first priority security interests in the stock and other equity interests owned by the Credit Parties in their respective subsidiaries.

As a result of the 2009 Amendments, the Credit Parties pledged substantially all of their tangible and intangible assets, and granted mortgages covering certain real estate, as collateral for the payment and performance of their obligations under the Credit Agreement. Assets of Pulitzer and its subsidiaries, TNI, our ownership interest in, and assets of, MNI and certain employee benefit plan assets are excluded.

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Interest Payments

Debt under the A Term Loan, which has a balance of $681,919,000 at December 27, 2009, and the $375,000,000 revolving credit facility, which has a balance of $305,250,000 at December 27, 2009, bear interest, at our option, at either a base rate or an adjusted Eurodollar rate ("LIBOR"), plus an applicable margin. The base rate for the facility is the greater of (i) the prime lending rate of Deutsche Bank Trust Company Americas at such time; (ii) 0.5% in excess of the overnight federal funds rate at such time; or (iii) 3 0 day LIBOR plus 1.0%. The applicable margin is a percentage determined according to the following: for revolving loans and A Term Loans maintained as base rate loans: 1.625% to 3.5%, and maintained as Eurodollar loans: 2.625% to 4.5% depending, in each instance, upon our total leverage ratio at such time.

Minimum LIBOR levels of 1.25%, 2.0% and 2.5% for borrowings for one month, three month and six month periods, respectively, are also in effect. At December 27, 2009, all of our outstanding debt under the Credit Agreement is based on one month borrowing. At the December 27, 2009 leverage level, our debt under the Credit Agreement will be priced at a LIBOR margin of 300 basis points.

Under the 2009 Amendments, contingent, non-cash payment-in-kind interest expense of 1.0% to 2.0% will be accrued in a quarterly period only in the event our total leverage ratio exceeds 7.5:1 at the end of the previous quarter. At December 27, 2009, this provision is not applicable. Such non-cash charges, if any, will be added to the principal amount of debt and will be reversed, in whole or in part, in the event our total leverage ratio is below 6.0:1 in September 2011 or we refinance the Credit Agreement in advance of its April 2012 maturity.

Principal Payments

We may voluntarily prepay principal amounts outstanding or reduce commitments under the Credit Agreement at any time, in whole or in part, without premium or penalty, upon proper notice and subject to certain limitations as to minimum amounts of prepayments. We are required to repay principal amounts, on a quarterly basis until maturity, under the A Term Loan. Total A Term Loan payments in the 13 weeks ended December 27, 2009 were $32,966,000. The 2009 Amendments reduce the amount and delay the timing of mandatory principal payments under the A Term Loan. Remaining payments in 2010 and 2011 total $45,000,000 and $65,000,000, respectively. Payments in 2012 prior to the April 2012 maturity total $70,000,000. The scheduled payment at maturity is $501,919,000, plus the balance of the revolving credit facility outstanding at that time.

In addition to the scheduled payments, we are required to make mandatory prepayments under the A Term Loan under certain other conditions. The Credit Agreement requires us to apply the net proceeds from asset sales to repayment of the A Term Loan. In the 13 weeks ended December 27, 2009, we made a $166,000 payment related to this provision.

The Credit Agreement also requires us to accelerate future payments under the A Term Loan in the amount of 75% of our annual excess cash flow, as defined. We had no excess cash flow in 2009. We had excess cash flow of approximately $62,000,000 in 2008 and, as a result, paid $46,325,000 originally due under the A Term Loan in March and June 2009. The acceleration of such payments due to future asset sales or excess cash flow does not change the due dates of other A Term Loan payments.

Covenants and Other Matters

The Credit Agreement contains customary affirmative and negative covenants for financing of its type. At December 27, 2009 we were in compliance with such covenants. These financial covenants include a maximum total leverage ratio, as defined. The total leverage ratio is based primarily on the sum of the principal amount of debt, which equals $1,161,169,000 at December 27, 2009, plus letters of credit and certain other factors, divided by a measure of trailing 12 month operating results, which includes several elements, including distributions from TNI and MNI and curtailment gains.

The 2009 Amendments amended our covenants to take into account economic conditions and the changes to amortization of debt noted above. Our total leverage ratio at December 27, 2009 was 5.57:1. Under the 2009 Amendments, our maximum total leverage ratio limit will decrease from 8.75:1 in December 2009 to 8.5:1 in June 2010, decrease to 7.75:1 in September 2010, decrease to 7.5:1 in December 2010, decrease to 7.25:1 in March 2011 and decrease to 7.0:1 in June 2011. Each change in the leverage ratio limit noted above is effective on the last day of the quarter.

The Credit Agreement also includes a minimum interest expense coverage ratio, as defined, which is based on the same measure of trailing 12 month operating results noted above. Our interest expense coverage ratio at December 27, 2009 was 2.50:1. The minimum interest expense coverage ratio is 1.4:1 in December 2009 through March 2010 and will increase periodically thereafter until it reaches 2.25:1 in March 2012.

The 2009 Amendments require us to suspend stockholder dividends and share repurchases through April 2012. The 2009 Amendments also limit capital expenditures to $20,000,000 per year, with a provision for carryover of unused amounts from the prior year. Further, the 2009 Amendments modify other covenants, including restricting our ability to make additional investments and acquisitions without the consent of the Lenders, limiting additional debt beyond that permitted under the Credit Agreement, and limiting the amount of unrestricted cash and cash equivalents the Credit Parties may hold to a maximum of $10,000,000 for a five day period. Such covenants require that substantially all of our future cash flows are required to be directed toward debt reduction. Finally, the 2009 Amendments eliminated an unused incremental term loan facility.

Pulitzer Notes

In conjunction with its formation in 2000, St. Louis Post-Dispatch LLC ("PD LLC") borrowed $306,000,000 (the "Pulitzer Notes") from a group of institutional lenders (the "Noteholders"). The aggregate principal amount of the Pulitzer Notes was payable in April 2009.

In February 2009, the Pulitzer Notes and the Guaranty Agreement described below were amended (the "Notes Amendment"). Under the Notes Amendment, PD LLC repaid $120,000,000 of the principal amount of the debt obligation using substantially all of its previously restricted cash, which totaled $129,810,000 at December 28, 2008. The remaining debt balance of $186,000,000, of which $174,000,000 remains outstanding at December 27, 2009, was refinanced by the Noteholders until April 2012.

The Pulitzer Notes are guaranteed by Pulitzer pursuant to a Guaranty Agreement dated May 1, 2000 (the "Guaranty Agreement") with the Noteholders. The Notes Amendment provides that the obligations under the Pulitzer Notes are fully and unconditionally guaranteed on a joint and several basis by Pulitzer's existing and future subsidiaries (excluding Star Publishing and TNI). Also, as a result of the Notes Amendment, Pulitzer and each of its subsidiaries pledged substantially all of its tangible and intangible assets , and granted mortgages covering certain real estate, as collateral for the payment and performance of their obligations under the Pulitzer Notes. Assets and stock of Star Publishing, our ownership interest in TNI and certain employee benefit plan assets are excluded.

The Notes Amendment increased the rate paid on the outstanding principal balance to 9.05% until April 28, 2010. The interest rate will increase by 0.5% per year thereafter.

Pulitzer may voluntarily prepay principal amounts outstanding or reduce commitments under the Pulitzer Notes at any time, in whole or in part, without premium or penalty, upon proper notice and subject to certain limitations as to minimum amounts of prepayments. The Notes Amendment provides for mandatory scheduled prepayments, including quarterly principal payments of $4,000,000 beginning on June 29, 2009 and an additional principal payment from restricted cash, if any, of up to $4,500,000 in October 2010. In 2010, the $4,000,000 payment due December 28, 2009 was made prior to the end of the previous fiscal quarter. In 2009, the $4,000,000 payments due on June 29, 2009 and September 30, 2009 were made prior to the end of the previous fiscal quarters.

The Notes Amendment establishes a reserve of restricted cash of up to $9,000,000 (reducing to $4,500,000 in October 2010) to facilitate the liquidity of the operations of Pulitzer. All other previously existing restricted cash requirements were eliminated. The Notes Amendment allocates a percentage of Pulitzer's quarterly excess cash flow (as defined) between Pulitzer and the

Credit Parties and requires prepayments to the Noteholders under certain specified events. There was no excess cash flow in the 13 weeks ended December 27, 2009 or in 2009.

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The Pulitzer Notes contain certain covenants and conditions including the maintenance, by Pulitzer, of the ratio of debt to EBITDA, as defined in the Guaranty Agreement, minimum net worth and limitations on the incurrence of other debt. The Notes Amendment added a requirement to maintain minimum interest coverage, as defined. The Notes Amendment amended the Pulitzer Notes and the Guaranty Agreement covenants to take into account economic conditions and the changes to amortization of debt noted above. At December 27, 2009, Pulitzer was in compliance with such covenants.

Further, the Notes Amendment added and amended other covenants including limitations or restrictions on additional debt, distributions, loans, advances, investments, acquisitions, dispositions and mergers. Such covenants require that substantially all future cash flows of Pulitzer are required to be directed first toward repayment of the Pulitzer Notes and that cash flows of Pulitzer are largely segregated from those of the Credit Parties.

The Credit Agreement contains a cross-default provision tied to the terms of the Pulitzer Notes and the Pulitzer Notes have limited cross-default provisions tied to the terms of the Credit Agreement.

The 2005 purchase price allocation of Pulitzer resulted in an increase in the value of the Pulitzer Notes in the amount of $31,512,000, which was recorded as debt in the Consolidated Balance Sheets. At December 27, 2009, the unaccreted balance totals $1,303,000. This amount is being accreted over the remaining life of the Pulitzer Notes, until April 2012, as a reduction in interest expense using the interest method. This accretion will not increase the principal amount due, or reduce the amount of interest to be paid, to the Noteholders.

Liquidity

We expect to utilize a portion of our capacity under our revolving credit facility to fund part of 2010 principal payments required under the Credit Agreement. At December 27, 2009, we had $305,250,000 outstanding under the revolving credit facility, and after consideration of the 2009 Amendments and letters of credit, have approximately $52,829,000 available for future use. Including cash and restricted cash, our liquidity at December 27, 2009 totals $72,800,000. This liquidity amount excludes any future cash flows. Remaining mandatory principal payments on debt in 2010 total $53,000,000. We expect all 2010 interest payments and a substantial amount of principal payments due in 2010 will be satisfied by our continuing cash flows.

Our ability to operate as a going concern is dependent on our ability to remain in compliance with debt covenants and to refinance or amend our debt agreements as they become due, or earlier if available liquidity is consumed. We are in compliance with our debt covenants at December 27, 2009.

There are numerous potential consequences under the Credit Agreement, and Guaranty Agreement and Note Agreement related to the Pulitzer Notes, if an event of default, as defined, occurs and is not remedied. Many of those consequences are beyond our control, and the control of Pulitzer, and PD LLC, respectively. The occurrence of one or more events of default would give rise to the right of the Lenders or the Noteholders, or both of them, to exercise their remedies under the Credit Agreement and the Note and Guaranty Agreements, respectively, including, without limitation, the right to accelerate all outstanding debt and take actions authorized in such circumstances under applicable collateral security documents.

The 2010 Redemption, as discussed more fully in Note 11, eliminated the potential requirement for a substantial cash outflow in April 2010. This event also substantially enhanced our liquidity.

Other

We paid fees to the Lenders and Noteholders for the 2009 Amendments and Notes Amendment which, along with the related legal and financial advisory expenses, totaled $26,061,000. $15,500,000 of the fees were capitalized and are being expensed over the remaining term of the Credit Agreement and Pulitzer Notes, until April 2012. At December 27, 2009, we have total unamortized financing costs of $17,631,000.

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Debt is summarized as follows:

			Interest Rates
(Thousands of Dollars)	December 27 2009	September 27 2009	December 27 2009
Credit Agreement:			
A Term Loan	681,919	714,885	5.25
Revolving credit facility	305,250	275,450	5.25
Pulitzer Notes:			

Principal amount	174,000	178,000	9.05
Unaccreted fair value adjustment	1,303	1,458	
	1,162,472	1,169,793	
Less current maturities	72,000	89,800	
	1,090,472	1,079,993	

At December 27, 2009, our weighted average cost of debt was 5.82%.

Aggregate maturities of debt in the 52 weeks ending December 2010, 2011 and 2012 are $72,000,000, $86,000,000, and $1,003,169,000, respectively. In addition, as discussed above, a principal payment from restricted cash of up to $4,500,000 may be required in October 2010 under the Pulitzer Notes.

5 INTEREST RATE EXCHANGE AGREEMENTS

As of November 30, 2009, the full amount of the outstanding balance under the Credit Agreement is subject to floating interest rates as all interest rate swaps and collars expired or were terminated at or prior to that date.

6 PENSION, POSTRETIREMENT AND POSTEMPLOYMENT DEFINED BENEFIT PLANS

We have several noncontributory defined benefit pension plans that together cover certain *St. Louis Post-Dispatch* and selected other employees. Benefits under the plans are generally based on salary and years of service. Our liability and related expense for benefits under the plans are recorded over the service period of active employees based upon annual actuarial calculations. Plan funding strategies are influenced by tax regulations. Plan assets consist primarily of domestic and foreign corporate equity securities, government and corporate bonds, and cash.

In addition, we provide retiree medical and life insurance benefits under postretirement plans at several of our operating locations. The level and adjustment of participant contributions vary depending on the specific plan. In addition, PD LLC provides postemployment disability benefits to certain employee groups prior to retirement at the *St. Louis Post-Dispatch.* Our liability and related expense for benefits under the postretirement plans are recorded over the service period of active employees based upon annual actuarial calculations. We accrue postemployment disability benefits when it becomes probable that such benefits will be paid and when sufficient information exists to make reasonable e stimates of the amounts to be paid.

We use a fiscal year end measurement date for all of our pension and postretirement medical plan obligations.

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The net periodic cost (benefit) components of our pension and postretirement medical plans are as follows:

Pension Plans		
	13 Weeks Ended	
(Thousands of Dollars)	December 27 2009	December 28 2008
Service cost for benefits earned during the period	333	269
Interest cost on projected benefit obligation	2,227	2,388
Expected return on plan assets	(2,365)	(2,917)
Amortization of net (gain) loss	113	(295)
Amortization of prior service cost	(34)	(34)
	274	(589)

Postretirement Medical Plans		
	13 Weeks Ended	
(Thousands of Dollars)	December 27 2009	December 28 2008
Service cost for benefits earned during the period	190	349
Interest cost on projected benefit obligation	1,076	1,682
Expected return on plan assets	(547)	(601)
Amortization of net (gain) loss	(633)	(514)
Amortization of prior service cost	(554)	(58)
	(468)	858

$30,000 of net periodic pension benefit for the 13 weeks ended December 27, 2009 and December 28, 2008, was allocated to TNI.

Based on our forecast at December 27, 2009, we expect to contribute $2,600,000 to our postretirement medical plans in 2010.

2010 Changes to Plans

In December 2009, we notified certain participants in our postretirement medical plans of changes to be made to the plans, including increases in participant premium cost-sharing and elimination of coverage for certain participants. The changes resulted in non-cash curtailment gains of $31,130,000, are expected to reduce 2010 net periodic postretirement medical cost

by approximately $1,500,000 beginning in the 13 weeks ending March 28, 2010, and reduced the benefit obligation at December 27, 2009 by approximately $31,000,000.

7 INCOME TAXES

The provision for income taxes includes deferred taxes and is based upon estimated annual effective tax rates in the tax jurisdictions in which we operate.

The effective tax rate for the 13 weeks ended December 28, 2008, differs from the statutory rate primarily due to the impairment of goodwill that was partially non-deductible.

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We file income tax returns with the IRS and various state tax jurisdictions. From time to time, we are subject to routine audits by those agencies, and those audits may result in proposed adjustments. We have considered the alternative interpretations that may be assumed by the various taxing agencies, believe our positions taken regarding our filings are valid, and that adequate tax liabilities have been recorded to resolve such matters. However, the actual outcome cannot be determined with certainty and the difference could be material, either positively or negatively, to the Consolidated Statements of Operations and Comprehensive Income (Loss) in the periods in which such matters are ultimately determined. We do not believe the final resolution of such matters will be material to our consolidated financial position or cash flows.
& nbsp;
We have various income tax examinations ongoing and at various stages of completion, but generally the income tax returns have been audited or closed to audit through 2005.

8 EARNINGS (LOSS) PER COMMON SHARE

The following table sets forth the computation of basic and diluted earnings (loss) per common share. Per share amounts may not add due to rounding.

(Thousands of Dollars and Shares, Except Per Share Data)	13 Weeks Ended December 27 2009	13 Weeks Ended December 28 2008
Income (loss) applicable to Common Stock:		
Continuing operations	27,907	(48,672)
Discontinued operations	—	(5)
	27,907	(48,677)
Weighted average common shares	44,892	45,045
Less non-vested restricted Common Stock	361	640
Basic average common shares	44,531	44,405
Plus dilutive stock options and restricted Common Stock	228	—
Diluted average common shares	44,759	44,405
Earnings (loss) per common share:		
Basic:		
Continuing operations	0.63	(1.10)
Discontinued operations	—	—
	0.63	(1.10)
Diluted:		
Continuing operations	0.62	(1.10)
Discontinued operations	—	—
	0.62	(1.10)

For the 13 weeks ended December 27, 2009 and December 28, 2008, we have 204,000 and 259,000 weighted average shares, respectively, subject to issuance under our stock option plan that have no intrinsic value and are not considered in the computation of diluted earnings per common share.

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9 STOCK OWNERSHIP PLANS

Stock Options

A summary of activity related to our stock option plan is as follows:

(Thousands of Dollars and Shares, Except Per Share Data)	Shares	Weighted Average Exercise Price	Weighted Average Remaining	Aggregate Intrinsic Value

			Contractual Term (Years)	
Outstanding, September 27, 2009	1,009	9.40		
Cancelled	(22)	35.99		
Outstanding, December 27, 2009	987	8.79	8.7	1,096
Exercisable, December 27, 2009	204	34.62	5.3	—

Total unrecognized compensation expense for unvested stock options as of December 27, 2009 is $1,010,000, which will be recognized over a weighted average period of 2.6 years.

Restricted Common Stock

The following table summarizes restricted Common Stock activity during the 13 weeks ended December 27, 2009:

(Thousands of Shares, Except Per Share Data)	Shares	Weighted Average Grant Date Fair Value
Outstanding, September 27, 2009	453	19.35
Vested	(142)	28.72
Forfeited	—	—
Outstanding, December 27, 2009	311	15.07

The fair value of restricted Common Stock vested during the 13 weeks ended December 27, 2009 totals $550,000.

Total unrecognized compensation expense for unvested restricted Common Stock as of December 27, 2009 is $1,471,000, which will be recognized over a weighted average period of less than one year.

10 FAIR VALUE MEASUREMENTS

We adopted FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, in 2009. FASB ASC Topic 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. FASB ASC Topic 820 establishes a three-level hierarchy of fair value measurements based on whether the inputs to those measurements are observable or unobservable and consists of the following levels:

- Level 1 - Quoted prices for identical instruments in active markets;
- Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets; and
- Level 3 - Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

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The following table summarizes the financial instruments measured at fair value in the accompanying Consolidated Financial Statements as of December 27, 2009:

(Thousands of Dollars)	Level 3	Total
Herald Value - liability (see Note 11)	2,300	2,300

In 2009, we reduced the carrying value of property and equipment no longer in use by $4,579,000, based on estimates of the related fair value in the current market.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate value. The carrying amounts of cash equivalents, accounts receivable, and accounts payable approximate fair value because of the short maturity of those instruments. Other investments, consisting of debt and equity securities in a deferred compensation trust, are carried at fair value based upon quoted market prices. Investments totaling $8,608,000, consisting primarily of our 17% ownership of the nonvoting common stock of TCT, are carried at cost. The fair value of floating rate debt cannot be determined as an active market for such debt does not exist. Our fixed rate debt consists of the $174,000,000 principal amount of Pulitzer Notes, as discussed more fully in Note 4, which is not traded on an active market and is held by a small group of Noteholders. Coupled with the volatility of substantially all domestic credit markets that exists, we are unable, as of December 27, 2009, to determine the fair value of such debt. The value, if determined, would likely be less than the carrying amount.

11 COMMITMENTS AND CONTINGENT LIABILITIES

Redemption of PD LLC Minority Interest

In 2000, Pulitzer and The Herald Company Inc. ("Herald Inc.") completed the transfer of their respective interests in the assets and operations of the *St. Louis Post-Dispatch* and certain related businesses to a new joint venture, known as PD LLC. Pulitzer is the managing member of PD LLC. Under the terms of the related Operating Agreement, Pulitzer and an other subsidiary held a 95% interest in the results of operations of PD LLC and The Herald Publishing Company, LLC ("Herald"), as successor to Herald Inc., held a 5% interest. Until February 2009, Herald's 5% interest was reported as minority interest in the Consolidated Statements of Operations and Comprehensive Income (Loss) at historical cost, plus accumulated earnings since the acquisition of Pulitzer.

Also, under the terms of the Operating Agreement, Herald Inc. received on May 1, 2000 a cash distribution of $306,000,000 from PD LLC. This distribution was financed by the Pulitzer Notes. Pulitzer's investment in PD LLC was treated as a purchase for accounting

purposes and a leveraged partnership for income tax purposes.

The Operating Agreement provided Herald a one-time right to require PD LLC to redeem Herald's interest in PD LLC, together with its interest, if any, in STL Distribution Services LLC ("DS LLC ") (the "2010 Redemption"). The 2010 Redemption price for Herald's interest was to be determined pursuant to a formula. We recorded the present value of the remaining amount of this potential liability in our Consolidated Balance Sheet in 2008, with the offset primarily to goodwill in the amount of $55,594,000, and the remai nder recorded as a reduction of retained earnings. In 2009 and 2008, we accrued increases in the liability totaling $1,466,000 and $8,838,000, respectively, which increased loss available to common stockholders. The present value of the 2010 Redemption in February 2009 was approximately $73,602,000.

In February 2009, in conjunction with the Notes Amendment, PD LLC redeemed the 5% interest in PD LLC and DS LLC owned by Herald pursuant to a Redemption Agreement and adopted conforming amendments to the Operating Agreement. As a result, the value of Herald's former interest (the "Herald Value") will be settled, at a date determined by Herald between April 2013 and April 2015, based on a calculation of 10% of the fair market value of PD LLC and DS LLC at the time of settlement, less the balance, as adjusted, of t he Pulitzer Notes or the equivalent successor debt, if any. We recorded a liability of $2,300,000 in 2009 as an estimate of the amount of the Herald Value to be disbursed. The actual amount of the Herald Value will depend on such variables as future cash flows and indebtedness of PD LLC and DS LLC, market valuations of newspaper properties and the timing of the request for redemption.

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The Redemption Agreement also terminated Herald's right to exercise its rights under the 2010 Redemption. As a result, we reversed substantially all of our liability for the 2010 Redemption in 2009. The reversal reduced liabilities by $71,302,000 and increased comprehensive income by $58,521,000 and stockholders' equity by $68,824,000.

The redemption of Herald's interest in PD LLC and DS LLC is expected to generate significant tax benefits to us as a consequence of the resulting increase in the tax basis of the assets owned by PD LLC and DS LLC and the related depreciation and amortization deductions. The increase in basis to be amortized for income tax purposes over a 15 year period beginning in February 2009 is approximately $258,000,000.

Pursuant to an Indemnity Agreement dated May 1, 2000 (the "Indemnity Agreement") between Herald Inc. and Pulitzer, Herald agreed to indemnify Pulitzer for any payments that Pulitzer may make under the Guaranty Agreement. The Indemnity Agreement and related obligations of Herald to indemnify Pulitzer were also terminated pursuant to the Redemption Agreement.

Legal Proceedings

We are involved in a variety of legal actions that arise in the normal course of business. Insurance coverage mitigates potential loss for certain of these matters. While we are unable to predict the ultimate outcome of these legal actions, it is our opinion that the disposition of these matters will not have a material adverse effect on our Consolidated Financial Statements, taken as a whole.

In 2008, a group of newspaper carriers filed suit against us in the United States District Court for the Southern District of California, claiming to be employees and not independent contractors of ours. The plaintiffs seek relief related to violation of various employment-based statutes, and request punitive damages and attorneys' fees. The suit is in the discovery stage and an initial decision by the judge regarding class certification is expected in 2010. At this time we are unable to predict whether the ultimate economic outcome, if any, could have a material effect on our Consolidated Financial Statements, taken as a whole. We deny the allegations of employee status, consistent with our past practices and industry practices, and intend to vigorously contest the action, which is not covered by insurance.

12 IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In 2008, the FASB issued ASC Topic 805, *Business Combinations*, and ASC Topic 810, *Consolidations*. FASB ASC Topic 805 establishes requirements for how an acquirer in a business combination recognizes and measures the assets acquired, liabilities assumed, and any noncontrolling interests. For us, the provisions of FASB ASC Topic 805 are effective for business combinations occurring in 2010. FASB ASC Topic 810 will change the accounting and reporting for minority interests, which will be recharacterized as noncontrolling interests and classified as a component of stockholders' equity. FASB ASC Topic 810 i s effective for us in 2010. The effect of FASB ASC Topic 805 is dependent on future transactions. FASB ASC Topic 810 did not materially affect our Consolidated Financial Statements.

In September 2009, the FASB issued Accounting Standards Update ("ASU") 2009-12, *Fair Value Measurements and Disclosures - Investments in Certain Entities That Calculate Net Asset Value per Share*. ASU 2009-12 allows companies that have investments that are within the scope of this ASU to use net asset value per share as a fair value measurement without further adjustment as a practical expedient. We adopted this standard, which applies to certain pension plan assets, in the 13 weeks ended December 27, 2009. The adoption did not have a material impact on the Consolidated Financial Statements.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion includes comments and analysis relating to our results of operations and financial condition as of and for the 13 weeks ended December 27, 2009. This discussion should be read in conjunction with the Consolidated Financial Statements and related Notes thereto, included herein, and our 2009 Annual Report on Form 10-K.

NON-GAAP FINANCIAL MEASURES

No non-GAAP financial measure should be considered as a substitute for any related financial measure under accounting principles generally accepted in the United States of America. However, we believe the use of non-GAAP financial measures provides meaningful supplemental information with which to evaluate our financial performance, or assist in forecasting and analyzing future periods. We also believe such non-GAAP financial measures are alternative indicators of performance used by investors, lenders, rating agencies and financial analysts to estimate the value of a publishing business or its ability to meet debt service requirements.

Operating Cash Flow and Operating Cash Flow Margin

Operating cash flow, which is defined as operating income before depreciation, amortization, impairment of goodwill and other assets, curtailment gains and equity in earnings of associated companies, and operating cash flow margin (operating cash flow divided by operating revenue) represent non-GAAP financial measures that are used in the analysis below. We believe these measures provide meaningful supplemental information because of their focus on results from operations excluding such non-cash factors.

Reconciliations of operating cash flow and operating cash flow margin to operating income (loss) and operating income (loss) margin, the most directly comparable measures under GAAP, are included in the table below:

	13 Weeks Ended			
(Thousands of Dollars)	December 27 2009	Percent of Revenue	December 28 2008	Percent of Revenue
Operating cash flow	53,135	25.3	53,130	21.8
Less depreciation and amortization	18,682	8.9	20,399	8.4
Less impairment of goodwill and other assets	—	—	70,045	NM
Plus curtailment gains	31,130	NM	—	—
Plus equity in earnings of associated companies	2,190	1.0	3,064	1.3
Operating income (loss)	67,773	32.3	(34,250)	(14.1)

Adjusted Net Income and Adjusted Earnings Per Common Share

Adjusted net income and adjusted earnings per common share, which are defined as income (loss) available to common stockholders and earnings (loss) per common share adjusted to exclude unusual matters and those of a substantially non-recurring nature, are non-GAAP financial measures that are used in the analysis below. We believe these measures provide meaningful supplemental information by identifying matters that are not indicative of core business operating results or are of a substantially non-recurring nature.

Reconciliations of adjusted net income and adjusted earnings per common share to income (loss) available to common stockholders and earnings (loss) per common share, respectively, the most directly comparable measures under GAAP, are set forth below under the caption "Overall Results".

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SAME PROPERTY COMPARISONS

Certain information below, as noted, is presented on a same property basis, which is exclusive of acquisitions and divestitures, if any, consummated in the current or prior year. We believe such comparisons provide meaningful supplemental information for an understanding of changes in our revenue and operating expenses. Same property comparisons exclude TNI and MNI. We own 50% of TNI and also own 50% of the capital stock of MNI, both of which are reported using the equity method of accounting. Same property comparisons also exclude corporate office costs.

CRITICAL ACCOUNTING POLICIES

Our discussion and analysis of results of operations and financial condition are based upon our Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting policies include the following:

- Goodwill and other intangible assets
- Pension, postretirement and postemployment benefit plans
- Income taxes
- Revenue recognition
- Uninsured risks

Additional information regarding these critical accounting policies can be found under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2009 Annual Report on Form 10-K and the Notes to Consolidated Financial Statements, included herein.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In 2008, the FASB issued ASC Topic 805, *Business Combinations,* and ASC Topic 810, *Consolidations*. FASB ASC Topic 805 establishes requirements for how an acquirer in a business combination recognizes and measures the assets acquired, liabilities assumed, and any noncontrolling interests. For us, the provisions of FASB ASC Topic 805 are effective for business combinations occurring in 2010. FASB ASC Topic 810 will change the accounting and reporting for minority interests, which will be recharacterized as noncontrolling interests and classified as a component of stockholders' equity. FASB ASC Topic 810 is effective for us in 2010. The effect of FASB ASC Topic 805 is dependent on future transactions. FASB ASC Topic 810 did not materially affect our Consolidated Financial Statements.

In September 2009, the FASB issued Accounting Standards Update ("ASU") 2009-12, *Fair Value Measurements and Disclosures - Investments in Certain Entities That Calculate Net Asset Value per Share*. ASU 2009-12 allows companies that have investments that are within the scope of this ASU to use net asset value per share as a fair value measurement without further adjustment as a practical expedient. We adopted this standard, which applies to certain pension plan assets, in the 13 weeks ended December 27, 2009. The adoption did not have a material impact on the consolidated financial statements.

EXECUTIVE OVERVIEW

We are a premier provider of local news, information and advertising in primarily midsize markets, with 49 daily newspapers and a joint interest in four others, growing online sites and nearly 300 weekly newspapers and specialty publications in 23 states.

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We are focused on six key strategic priorities. They are to:

- Grow revenue creatively and rapidly;
- Deliver strong local news and information;
- Maximize local online strength;
- Continue expanding print and online audiences;
- Nurture employee development and achievement; and
- Exercise careful cost control.

Certain aspects of these priorities are discussed below.

Approximately 74% of our revenue is derived from advertising. Our strategies are to increase our share of local advertising through increased sales activities in our existing markets and, over time, to increase print and online audiences through internal expansion into existing and contiguous markets and enhancement of online offerings.

ECONOMIC CONDITIONS

According to the National Bureau of Economic Research, the United States economy entered a recession in the three months ended December 2007 and it is widely believed that certain elements of the economy, such as housing, were in decline before that time. 2009 and 2008 revenue, operating results and cash flows were significantly impacted by the recession. United States gross domestic product increased in the three months ended September 2009 and December 2009, potentially signaling the end of the current recession. Nonetheless, certain key economic indicators, such as unemployment, remain at recessionary levels. The duration and depth of an economic recession in markets in which we operate may further reduce our future advertising and circulation revenue, operating results and cash flows.

IMPAIRMENT OF GOODWILL AND OTHER ASSETS

Due primarily to the continuing, and (at the time) increasing difference between our stock price and the per share carrying value of our net assets, we analyzed the carrying value of our net assets as of December 28, 2008 and again as of March 29, 2009. Deterioration in our revenue and the overall recessionary operating environment for the Company and other publishing companies were also factors in the timing of the analyses.

As a result, in 2009 we recorded pretax, non-cash charges to reduce the carrying value of goodwill by $193,471,000. We also recorded pretax, non-cash charges of $14,055,000 and $33,848,000 to reduce the carrying value of nonamortized and amortizable intangible assets, respectively. $19,951,000 of additional pretax charges were recorded as a reduction in the carrying value of our investment in TNI. We also recorded additional, pretax non-cash charges of $4,579,000 to reduce the carrying value of property and equipment. We recorded $65,940,000 of deferred income tax benefit related to these charges.

For similar reasons, in 2008 we recorded pretax, non-cash charges to reduce the carrying value of goodwill by $908,977,000. We also recorded pretax, non-cash charges of $13,027,000 and $143,785,000 to reduce the carrying value of nonamortized and amortizable intangible assets, respectively. $104,478,000 of additional pretax charges were recorded as a reduction in the carrying value of our investment in TNI. We also recorded additional, pretax non-cash charges of $5,019,000 to reduce the carrying value of property and equipment. We recorded $281,564,000 of deferred income tax benefit related to these charges.

DEBT AND LIQUIDITY

As discussed more fully in Note 4 to the Consolidated Financial Statements, included herein, in February 2009, we completed a comprehensive restructuring of our Credit Agreement and a refinancing of our Pulitzer Notes debt, substantially enhancing our liquidity and operating flexibility until April 2012.

Our ability to operate as a going concern is dependent on our ability to remain in compliance with debt covenants and to refinance or amend our debt agreements as they become due, or earlier if available liquidity is consumed.

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13 WEEKS ENDED DECEMBER 27, 2009

Operating results, as reported in the Consolidated Financial Statements, are summarized below:

	13 Weeks Ended		
(Thousands of Dollars, Except Per Share Data)	December 27 2009	December 28 2008	Percent Change
Advertising revenue:			
Retail	94,779	112,934	(16.1)
Classified:			
Daily newspapers:			
Employment	4,789	8,686	(44.9)
Automotive	6,405	8,643	(25.9)
Real estate	6,371	8,126	(21.6)
All other	11,179	10,046	11.3
Other publications	6,599	8,357	(21.0)
Total classified	35,343	43,858	(19.4)
Online	10,649	11,621	(8.4)
National	10,645	12,851	(17.2)
Niche publications	2,986	3,319	(10.0)
Total advertising revenue	154,402	184,583	(16.4)
Circulation	45,115	47,556	(5.1)
Commercial printing	2,931	3,469	(15.5)
Online services and other	7,390	7,947	(7.0)
Total operating revenue	209,838	243,555	(13.8)
Compensation	82,136	94,483	(13.1)
Newsprint and ink	12,693	25,154	(49.5)
Other operating expenses	61,477	69,950	(12.1)
Workforce adjustments	397	838	NM
	156,703	190,425	(17.7)
Operating cash flow	53,135	53,130	—
Depreciation and amortization	18,682	20,399	(8.4)
Impairment of goodwill and other assets	—	70,045	NM
Curtailment gains	31,130	—	NM
Equity in earnings of associated companies	2,190	3,064	(28.5)
Operating income (loss)	67,773	(34,250)	NM
Non-operating expense, net	21,745	18,737	16.1
Income (loss) from continuing operations before income taxes	46,028	(52,987)	NM
Income tax expense (benefit)	18,069	(5,524)	NM
Minority interest	52	170	NM
Income (loss) from continuing operations	27,907	(47,633)	NM
Discontinued operations, net	—	(5)	NM
Net income (loss)	27,907	(47,638)	NM
Increase in redeemable minority interest	—	1,039	NM
Income (loss) available to common stockholders	27,907	(48,677)	NM
Earnings (loss) per common share:			
Basic	0.63	(1.10)	
Diluted	0.62	(1.10)	

References to the 2010 Quarter refer to the 13 weeks ended December 27, 2009. Similarly, references to the 2009 Quarter refer to the 13 weeks ended December 28, 2008. Revenue, as reported, and same property revenue are the same as there were no acquisitions or divestitures in 2010 or 2009.

For the 2010 Quarter total operating revenue decreased $33,717,000, or 13.8%, compared to the 2009 Quarter. A small, but growing, number of our enterprises have begun to report positive year-over-year revenue. While still negative year-over-year, advertising revenue trends improved in each month of the 2010 Quarter from the 2009 Quarter. We expect the improving trend to continue in January and February 2010.

Advertising Revenue

In the 2010 Quarter, advertising revenue decreased $30,181,000, or 16.4%. On a combined basis, print and online retail advertising decreased 15.0%. Print retail revenue decreased $18,155,000, or 16.1%, in the 2010 Quarter. A 13.4% decrease in daily newspaper retail advertising lineage contributed to the overall decrease. Average retail rates, excluding preprint insertions, decreased 11.1% in the 2010 Quarter. Retail preprint insertion revenue decreased 9.2%. Online retail advertising increased 5.0%, partially offsetting print declines.

The table below combines print and online advertising revenue and reclassifies certain print revenue reported as retail to classified based on the primary business of the advertiser:

	13 Weeks Ended		
(Thousands of Dollars)	December 27 2009	December 28 2008	Percent Change
Retail	98,255	115,622	(15.0)
Classified:			
Employment	7,761	13,281	(41.6)
Automotive	10,230	12,731	(19.6)
Real estate	8,493	10,750	(21.0)
Other	15,748	15,849	(0.6)
Total classified revenue	42,232	52,611	(19.7)

On a combined basis, print and online classified revenue decreased 19.7%. Print classified advertising revenue decreased 8,515,000, or 19.4%, in the 2010 Quarter. Higher rate print employment advertising in our daily newspapers decreased 44.9%, reflecting high unemp loyment nationally. Print automotive advertising decreased 25.9% amid an industry-wide decline. Print real estate advertising decreased 21.6% in a weak housing market nationally, which also negatively impacted the home improvement, furniture and home electronics categories of retail revenue. Other daily newspaper print classified advertising increased 11.3%. Classified advertising rates decreased 13.9%.

Advertising lineage, as reported for our daily newspapers only, consists of the following:

	13 Weeks Ended		
(Thousands of Inches)	December 27 2009	December 28 2008	Percent Change
Retail	2,860	3,303	(13.4)
National	151	148	2.0
Classified	2,708	2,969	(8.8)
	5,719	6,420	(10.9)

Online advertising revenue decreased 8.4% in the 2010 Quarter, due to a 21.8% decrease in online classified revenue, partially offset by a 5.0% increase in online retail revenue. Year-over-year total online advertising turned positive in the month of December 2009.

National advertising decreased $2,206,000, or 17.2%, due to a 2.0% increase in lineage offset by a 26.3% decrease in average national rate. Advertising in niche publications decreased 10.0%.

Despite declines in advertising revenue, our total advertising results have historically benchmarked favorably to industry averages reported by the Newspaper Association of America.

Circulation and Other Revenue

Circulation revenue decreased $2,441,000, or 5.1%, in the 2010 Quarter. Our unaudited average daily newspaper circulation units, including TNI and MNI, decreased 6.4% and Sunday circulation decreased 4.4% for the 2010 Quarter, compared to the 2009 Quarter. Research in our larger markets indicates we are reaching an increasingly larger audience in these markets through the combination of stable newspaper readership and online growth.

Commercial printing revenue decreased $538,000, or 15.5%, in the 2010 Quarter. Online services and other revenue decreased $557,000, or 7.0%, in the 2010 Quarter.

Operating Expenses

Costs other than depreciation, amortization, impairment charges and other unusual costs (and cost reductions) decreased $33,281,000, or 17.6%, in the 2010 Quarter, and decreased $35,772,000, or 19.4%, on a same property basis.

Compensation expense decreased $12,347,000, or 13.1%, in the 2010 Quarter and same property compensation expense decreased 15.9%, driven by a decline in average full time equivalent employees of 13.6%. Bonus programs and certain other employee benefits were also substantially reduced, beginning in 2009.

Newsprint and ink costs decreased $12,461,000, or 49.5%, in the 2010 Quarter due to decreased usage from lower advertising, reduced page sizes and some reduction of content, as well as lower average unit prices. Costs decreased 50.4% on a same property basis and volume decreased 23.8%. See Item 3, "Commodities", included herein, for further discussion and analysis of the impact of newsprint on our business.

Other operating expenses, which are comprised of all operating costs not considered to be compensation, newsprint, depreciation, amortization, or unusual costs, decreased $8,473,000, or 12.1%, in the 2010 Quarter and decreased 12.6% on a same property basis. Most categories of such costs declined.

Reductions in staffing resulted in workforce adjustment costs totaling $397,000 and $838,000 in the 2010 Quarter and 2009 Quarter, respectively.

We are engaged in various efforts to continue to reduce our operating expenses in 2010 and beyond. We expect operating expenses, excluding depreciation, amortization and unusual costs (and cost reductions), to decline approximately 7.0% in the 13 weeks ending March 28, 2010 and 7.0% in 2010.

Results of Operations

As a result of the factors noted above, operating cash flow was flat in the 2010 Quarter compared to the 2009 Quarter. Operating cash flow margin increased to 25.3% from 21.8% in the 2009 Quarter reflecting a smaller percentage decrease in operating revenue than the decrease in operating expenses.

Depreciation expense decreased $934,000, or 11.3%, in the 2010 Quarter due to lower levels of capital spending in 2009 and 2008. Amortization expense decreased $783,000, or 6.5%, in the 2010 Quarter due to impairment charges in 2009 and 2008, which reduced the balan ces of amortizable intangible assets.

Due primarily to the continuing and (at the time) increasing difference between our stock price and the per share carrying value of our net assets, we analyzed the carrying value of our net assets as of December 28, 2008 and again as of March 29, 2009. Deterioration in our revenue and the overall recessionary operating environment for us and other publishing companies were also factors in the timing of the analyses.

As a result, we recorded pretax, non-cash charges to reduce the carrying value of goodwill, nonamortized and amortizable intangible assets in the 13 weeks ended December 28, 2008 and March 29, 2009. Additional pretax, non-cash charges were recorded to reduce the carrying value of TNI. We also recorded pretax, non-cash charges to reduce the carrying value of property and equipment. We recorded deferred income tax benefits related to these charges.

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Because of the timing of the determination of impairment and complexity of the calculations required, the amounts recorded in the 13 weeks ended March 29, 2009 were preliminary. The final analysis, which was completed in the 13 weeks ended June 28, 2009, resulted in additional pretax, non-cash charges.

2009 impairment charges and the related income tax benefit are summarized as follows:

	13 Weeks Ended				
(Thousands of Dollars)	December 28 2008	March 29 2009	June 28 2009	September 27 2009	Total
Goodwill	67,781	107,115	18,575	—	193,471
Mastheads	—	17,884	(3,829)	—	14,055
Customer and newspaper subscriber lists	—	18,928	14,920	—	33,848
Property and equipment	2,264	935	—	1,380	4,579
	70,045	144,862	29,666	1,380	245,953
Reduction in investment in TNI	—	9,951	10,000	—	19,951
Income tax benefit	(14,261)	(39,470)	(11,720)	(489)	(65,940)
	55,784	115,343	27,946	891	199,964

In December 2009, we notified certain participants in our postretirement medical plans of changes to be made to the plans, including increases in participant premium cost sharing and elimination of coverage for certain participants. The changes resulted in non-cash curtailment gains of $31,130,000, are expected to reduce 2010 net periodic postretirement medical cost by approximately $1,500,000 beginning in the 13 weeks ending March 28, 2010, and reduced the benefit obligation at December 27, 2009 by approximately $31,000,000.

Equity in earnings in associated companies decreased $874,000, or 28.5%, in the 2010 Quarter. Operations of these businesses were similarly impacted by economic conditions. In May 2009, Citizen discontinued print publication of the *Tucson Citizen*. The change resulted in workforce adjustment and transition costs of approximately $1,925,000 of which $1,093,000 was incurred directly by TNI.

The factors noted above resulted in operating income of $67,773,000 in the 2010 Quarter and an operating loss of $34,250,000 in the 2009 Quarter.

Nonoperating Income and Expense

Financial expense increased $1,718,000, or 9.5%, to $19,804,000 in the 2010 Quarter due primarily to termination of an interest rate swap. Our weighted average borrowing cost was 5.82% at the end of the 2010 Quarter compared to 5.79% at the end of the 2009 Quarter.

As more fully discussed in Note 4 of the Notes to Consolidated Financial Statements, included herein, amendments to our Credit Agreement consummated in 2009 increased financial expense in 2009 in relation to LIBOR. We are now subject to minimum LIBOR levels, which are currently in excess of actual LIBOR. The maximum rate has been increased to LIBOR plus 450 basis points, and we could also be subject to additional non-cash payment-in-kind interest if leverage increases above specified levels. At the December 2009 leverage level, our debt under the Credit Agreement will be priced at the applicable LIBOR minimum plus 300 basis points and no payment-in-kind interest will be incurred. The interest rate on the Pulitzer Notes increased 1% to 9.05% in February 2009, until April 2010. The interest rate will increase by 0.5% per year thereafter.

Overall Results

We recognized income tax expense of 39.3% of income from continuing operations before income taxes in the 2010 Quarter and income tax benefit of 10.4% of loss from continuing operations before income taxes in the 2009 Quarter. In the 2010 Quarter, no change to the valuation allowance for deferred tax assets was required. The valuation allowance increased $1,152,000 in the 2009 Quarter.

As more fully discussed in Note 11 to the Notes to Consolidated Financial Statements, included herein, the Operating Agreement provided Herald a one-time right to require PD LLC to redeem its interest in PD LLC, together with its interest, if any, in DS LLC (the 2010 Redemption). The 2010 Redemption price for Herald's interest was to be determined pursuant to a formula. We recorded the present value of the remaining amount of this potential liability in our Consolidated Balance Sheet in 2008. In 2009, we accrued increases in the liability totaling $1,466,000, which increased loss available to common stockholders. The present value of the 2010 Redemption in February 2009, was approximately $73,602,000.

In February 2009, in conjunction with the Notes Amendment, PD LLC redeemed the 5% interest in PD LLC and DS LLC owned by Herald pursuant to a Redemption Agreement and adopted conforming amendments to the Operating Agreement. As a result, the value of Herald's former interest (the Herald Value) will be settled, at a date determined by Herald between April 2013 and April 2015, based on a calculation of 10% of the fair market value of PD LLC and DS LLC at the time of settlement, less the balance, as adjusted, of the Pulitzer Notes or the equivalent successor debt, if any. We recorded a liability of $2,300,000 in February 2009 as an estimate of the amount of the Herald Value to be disbursed. The actual amount of the Herald Value will depend on such variables as future cash flows and indebtedness of PD LLC and DS LLC, market valuations of newspaper properties and the timing of the request for redemption.

The Redemption Agreement also terminated Herald's right to exercise its rights under the 2010 Redemption. As a result, in February 2009 we reversed substantially all of our liability related to the 2010 Redemption. The reversal reduced liabilities by $71,302,000 and increased comprehensive income by $58,521,000 and stockholders' equity by $68,824,000.

As a result of the factors noted above, income available to common stockholders totaled $27,907,000 in the 2010 Quarter compared to a loss available to common stockholders of $48,677,000 in the 2009 Quarter. We recorded earnings per diluted common share of $0.62 in the 2010 Quarter and a loss per diluted common share of $1. 10 in the 2009 Quarter. Excluding unusual costs (and cost reductions), as detailed in the table below, diluted earnings per common share, as adjusted, were $0.25 in the 2010 Quarter, compared to $0.24 in the 2009 Quarter. Per share amounts may not add due to rounding.

	13 Weeks Ended			
	December 27 2009		December 28 2008	
(Thousands of Dollars, Except Per Share Data)	Amount	Per Share	Amount	Per Share
Income (loss) available to common stockholders, as reported	27,907	0.62	(48,677)	(1.10)
Adjustments:			—	
Impairment of goodwill and other assets, including TNI	—		70,045	
Curtailment gains	(31,130)		—	
Debt financing costs	1,995		1,922	
Other, net	789		222	
	(28,346)		72,189	
Income tax effect of adjustments, net, other unusual tax items, and impact on minority interest	11,789		(13,869)	
	(16,557)	(0.37)	58,320	1.31
Income available to common stockholders, as adjusted	11,350	0.25	9,643	0.22
Change in redeemable minority interest liability	—	—	1,039	0.02
Net income, as adjusted	11,350	0.25	10,682	0.24

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

Cash provided by operating activities of continuing operations was $12,923,000 in the 2010 Quarter and $813,000 in the 2009 Quarter. Operating income substantially improved in the 2010 Quarter. Depreciation and amortization decreased as discussed under "Results of Operations" above. In the 2010 Quarter, we also recognized non-cash curtailment ga ins of $31,130,000. Operating losses in the 2009 Quarter were caused primarily by non-cash charges for impairment of goodwill and other assets, net of the related deferred income tax benefit. The net change in all of the aforementioned factors accounted for the majority of the increase in cash provided between periods. Changes in deferred income taxes, operating assets and liabilities and the timing of income tax payments accounted for the bulk of the remainder of the change in cash provided in both periods.

Investing Activities

Cash required for investing activities totaled $2,903,000 in the 2010 Quarter and $6,899,000 in the 2009 Quarter. Capital spending totaled $3,254,000 in the 2010 Quarter and $5,301,000 in the 2009 Quarter and accounted for substantially all of th e net usage of funds in both periods.

We anticipate that funds necessary for capital expenditures, which are expected to total between $11,000,000 and $13,000,000 in 2010, and other requirements, will be available from internally generated funds, or availability under our existing Credit Agreement. The 2009 Amendments, as more fully discussed in Note 4 to the Consolidated Financial Statements, included herein, limit capital expenditures to $29,300,000 in 2010.

Financing Activities

Cash required for financing activities totaled $7,331,000 in the 2010 Quarter. Cash provided was $8,809,000 in the 2009 Quarter. Debt reduction accounted for the majority of the usage of funds in the 2010 Quarter. Increased borrowing was the primary source of funds in the 2009 Quarter. The final quarterly dividend declared in 2008 was paid in the 2009 Quarter, as were certain financing costs related to the 2009 Amendments.

The 2009 Amendments require us to suspend stockholder dividends and share repurchases through April 2012.

Liquidity

We expect to utilize a portion of our capacity under our revolving credit facility to fund part of 2010 principal payments required under the Credit Agreement. At December 27, 2009, we had $305,250,000 outstanding under the revolving credit facility, and after consideration of the 2009 Amendments and letters of credit, have approximately $52,829,000 available for future use. Including cash and restricted cash, our liquidity at December 27, 2009 totals $72,800,000. This liquidity amount excludes any future cash flows. Remaining mandatory principal payments on debt in 2010 total $53,000,000. We expect all 2010 interest payments and a substantial amount of principal payments due in 2010 will be satisfied by our continuing cash flows.

Our ability to operate as a going concern is dependent on our ability to remain in compliance with debt covenants and to refinance or amend our debt agreements as they become due, or earlier if available liquidity is consumed. We are in compliance with our debt covenants at December 27, 2009.

There are numerous potential consequences under the Credit Agreement, and Guaranty Agreement and Note Agreement related to the Pulitzer Notes, if an event of default, as defined, occurs and is not remedied. Many of those consequences are beyond our control, and the control of Pulitzer, and PD LLC, respectively. The occurrence of one or more events of default would give rise to the right of the Lenders or the Noteholders, or both of them, to exercise their remedies under the Credit Agreement and the Note and Guaranty Agreements, respectively, including, without limitation, the right to accelerate all outstanding debt and take actions authorized in such circumstances under applicable collateral security documents.

The 2010 Redemption, as discussed more fully in Note 11 to the Consolidated Financial Statements, included herein, eliminated the potential requirement for a substantial cash outflow in April 2010. This event also substantially enhanced our liquidity.

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INFLATION

The United States Congress is considering comprehensive health insurance reform legislation that may increase our future health care costs. Price increases (or decreases) for our products are implemented when deemed appropriate by us. We continuously evaluate price increases, productivity improvements, sourcing efficiencies and other cost reductions to mitigate the impact of inflation. Energy costs have become more volatile, and may increase in the future as a result of carbon emissions legislation currently under consideration in the United States Congress or under regulations being developed by the United States Environmental Protection Agency.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk stemming from changes in interest rates and commodity prices. Changes in these factors could cause fluctuations in earnings and cash flows. In the normal course of business, exposure to certain of these market risks is managed as described below.

INTEREST RATES

Restricted Cash and Investments

Interest rate risk in our restricted cash and investments is managed by investing only in short-term securities. Only U.S. Government and related securities are permitted.

Debt

Our debt structure and interest rate risk are managed through the use of fixed and floating rate debt. Our primary exposure is to LIBOR. A 100 basis point increase or decrease to LIBOR would, in theory, decrease or increase, respectively, income from continuing operations before income taxes on an annualized basis by approximately $9,872,000, based on $987,169,000 of floating rate debt outstanding at December 27, 2009.

Our debt under the Credit Agreement is subject to minimum interest rate levels of 1.25%, 2.0% and 2.5% for borrowings for one month, three month and six month periods, respectively. At December 27, 2009, all of our outstanding debt under the Credit Agreement is based on one month borrowing. Based on the difference between interest rates at the end of January 2010 and our minimum rate for one month borrowing, 30 day LIBOR would need to increase approximately 100 basis points before our borrowing cost would begin to be impacted by an increase in interest rates.

As of November 30, 2009, the full amount of the outstanding balance under the Credit Agreement became subject to floating interest rates, as all interest rate swaps and collars expired or were terminated at or prior to that date. We regularly evaluate alternatives to hedge the related interest rate risk.

Certain of our interest-earning assets, including those in employee benefit plans, also function as a natural hedge against fluctuations in interest rates on debt.

COMMODITIES

Certain materials used by us are exposed to commodity price changes. We manage this risk through instruments such as purchase orders and non-cancelable supply contracts. We are a participant in a buying cooperative with other publishing companies, primarily for acquisition of newsprint. We are also involved in continuing programs to mitigate the impact of cost increases through identification of sourcing and operating efficiencies. Primary commodity price exposures are newsprint and, to a lesser extent, ink and energy costs.

Significant declines in North American newsprint demand led to an approximate 45% price decline between December 2008 and August 2009. 2009 declines in newsprint demand were driven by the recessionary pressures on print advertising as well as noteworthy newsprint conservation programs, particularly newspaper page size reductions, initiated in 2008. The 2009 demand decline outpaced the North American newsprint suppliers' ability to reduce newsprint production, which led to excess inventories at both the producer and publisher levels. Most newsprint producers reported late summer 2009 transaction selling prices to be below cash operating costs. This operating loss position, along with the move of the largest North American newsprint producer, AbitibiBowater Inc., to seek financial reorganization, has sparked several consecutive monthly price increase announcements, beginning in September 2009, certain of which have since been delayed or rescinded. Some North American newsprint producers have removed production capacity on a permanent basis in addition to idling excess capacity on an indefinite, but temporary basis, in an effort to balance capacity with current demand trends and support the announced price increases and their return to a positive cash flow position. The final extent of changes in price, if any, is subject to negotiation between newsprint producers and us.

A $10 per tonne price increase for 30 pound newsprint would result in an annualized reduction in income before income taxes of approximately $981,000 based on anticipated consumption in 2010, excluding consumption of MNI and TNI and the impact of LIFO accounting. Such prices may also decrease. We substantially increased our supply of newsprint in 2009, which may help to mitigate the impact of future price increases.

SENSITIVITY TO CHANGES IN VALUE

Our fixed rate debt consists of the Pulitzer Notes, which are not traded on an active market and are held by a small group of Noteholders. Coupled with the volatility of substantially all domestic credit markets that exists we are unable, as of December 27, 2009, to measure the maximum potential impact on fair value of fixed rate debt from adverse changes in market interest rates under normal market conditions. The change in value, if determined, would likely be significant.

Item 4. Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision of our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this Quarterly Report on Form 10-Q (the "Evaluation Date"). Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to the Company, including its consolidated subsidiaries, required to be disclosed in our Securities and Exchange Commission ("SEC") reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting that occurred during the 13 weeks ended December 27, 2009 that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

We are involved in a variety of legal actions that arise in the normal course of business. Insurance coverage mitigates potential loss for certain of these matters. While we are unable to predict the ultimate outcome of these legal actions, it is our opinion that the disposition of these matters will not have a material adverse effect on our Consolidated Financial Statements, taken as a whole.

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In 2008, a group of newspaper carriers filed suit against us in the United States District Court for the Southern District of California, claiming to be employees and not independent contractors of ours. The plaintiffs seek relief related to violation of various employment-based statutes, and request punitive damages and attorneys' fees. The suit is in the discovery stage and an initial decision by the judge regarding class certification is expected in 2010. At this time we are unable to predict whether the ultimate economic outcome, if any, could have a material effect on our Consolidated Financial Statements, taken as a whole. We deny the allegations of employee status, consistent with our past practices and industry practices and intend to vigorously contest the action, which is not covered by insurance.

Item 2(c). Issuer Purchases of Equity Securities

During the 13 weeks ended December 27, 2009, we purchased shares of Common Stock, as noted in the table below, in transactions with participants in our 1990 Long-Term Incentive Plan. The transactions resulted from the withholding of shares to pay the exercise price for taxes related to the vesting of restricted Common Stock.

Month(s)	Shares Purchased	Average Price Per Share
November and December	44,961	3.87

Item 6. Exhibits

Number	Description
10.1	Amended and Restated Management Agreement, dated as of November 30, 2009, between Star Publishing Company and Citizen Publishing Company
10.2	Amended and Restated Partnership Agreement, dated as of November 30, 2009, between Star Publishing Company and Citizen Publishing Company
10.3	License Agreement (Star), as amended and restated November 30, 2009, between Star Publishing Company and TNI Partners
10.4	License Agreement (Citizen), as amended and restated November 30, 2009, between Citizen Publishing Company and TNI Partners
31.1	Rule 13a-14(a)/15d-14(a) certification
31.2	Rule 13a-14(a)/15d-14(a) certification
32	Section 1350 certification

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LEE ENTERPRISES, INCORPORATED

/s/ Carl G. Schmidt February 10, 2010

Carl G. Schmidt
Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Exhibit 10.1

AMENDED AND RESTATED

MANAGEMENT AGREEMENT

BETWEEN

STAR PUBLISHING COMPANY

AND

CITIZEN PUBLISHING COMPANY

November 30, 2009

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Exhibit A: Amended and Restated Partnership Agreement
Exhibit B: License Agreement (Star)
Exhibit C: License Agreement (Citizen)

AMENDED AND RESTATED
MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED MANAGEMENT AGREEMENT dated as of November 30, 2009 between STAR PUBLISHING COMPANY, an Arizona corporation ("Star"), and CITIZEN PUBLISHING COMPANY, an Arizona corporation ("Citizen").

WHEREAS, Star publishes The Arizona Daily Star, a seven day per week morning newspaper, including Sunday, in Tucson, Arizona;

WHEREAS, Star also publishes a weekly newspaper in Tucson, AZ entitled La Estrella de Tucson ("La Estrella"), formerly a section of The Arizona Daily Star;

WHEREAS, on January 15, 2009, Star and Citizen entered into a letter agreement (the "Letter Agreement") in which they agreed to consider a sale of the newspaper assets or shut down of the Tucson Citizen newspaper and the subsequent continuation of each party's 50% partnership interest in the Partnership (as defined below), and also agreed to negotiate in good faith an amendment to the Amended and Restated Operating Agreement (as defined below) to reflect the terms of the Letter Agreement;

WHEREAS, on May 16, 2009 Citizen ceased print publication of the Tucson Citizen, a weekday afternoon and Saturday newspaper, in Tucson, Arizona, and made certain other significant changes to its operations and operating plans for the future;

WHEREAS, Star and Citizen, or their respective predecessors, have entered into one or more operating agreements dated March 28, 1940, as amended by agreements dated June 15, 1953 and October 14, 1970 (collectively, the "Operating Agreement"), as amended and restated as of December 22, 1988 (the "Amended and Restated Operating Agreement"), which Amended and Restated Operating Agreement became effective as of 12:01 A.M., Tucson, Arizona time, on December 26, 1988 (the "Effective Date");

WHEREAS, the operation of The Arizona Daily Star and the operation of the website or other assets of the Tucson Citizen are no longer subject to the requirements of the Newspaper Preservation Act, 15 U.S.C. Section 1801 *et seq.* (the "NPA"); and

WHEREAS, the purpose and intent of this Agreement is to modify the terms of the Amended and Restated Operating Agreement to reflect the changes described above and to provide for the continued operation and governance of a general partnership whose partnership interests are owned 50% by each of Star and Citizen.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree that the Amended and Restated Operating Agreement shall be amended and restated in its entirety as follows:

ARTICLE 1
THE PARTNERSHIP

1.1 Formation.

(a) Star and Citizen on December 22, 1988 formed under the laws of the State of Arizona a general partnership named "TNI Partners" (such partnership is referred to herein as the "Partnership"), by executing and delivering to each other a certain partnership agreement dated December 22, 1988, which was amended and restated as of 12:01 A.M., Tucson, Arizona, time, on November 30, 2009 (the "Partnership Agreement"), in the form set forth as Exhibit A hereto, and by making such filings and taking such other actions as are appropriate under applicable Arizona law.

(b) Each of Star and Citizen has a 50% partnership interest in the Partnership and, as of the Effective Date, made the respective initial capital contributions described in Sections 1.2 and 1.3 hereof.

(c) Star and Citizen will cause the Partnership, on the date hereof, to become a party to this Agreement and to agree to perform all of the obligations herein to be performed by it by signing this Agreement and delivering executed copies hereof to Star and Citizen.

1.2 Initial Capital Contribution of Star.

(a) Effective as of the Effective Date, Star contributed, assigned, transferred and conveyed to the Partnership all of its right, title and interest (which Star represented and warranted to Citizen were free and clear of any and all pledges, mortgages, security interests, liens or other encumbrances except for those that did not materially affect use, value or marketability), in and to the following property and assets (collectively, the "Star Contributed Assets"):

(1) Star's interest in all trade accounts receivable and contracts in existence on the Effective Date that arose from or in connection with any activity or operation that had been carried on by Tucson Newspapers, Inc., an Arizona corporation previously organized by Star and Citizen ("TNI"), as agent for Star and Citizen, including without limitation trade accounts receivable and contracts arising out of or relating to the sale or distribution of The Arizona Daily Star or the Tucson Citizen, the sale of advertising in either such newspaper, or the printing or distribution of any other material;

(2) Star's interest in any and all non-capital assets in existence on the Effective Date that were jointly owned by Star and Citizen and that were used or held for use in connection with, or that arose from, any activity or operation that had been carried on by TNI as agent for Star and Citizen; and

(3) All shares of common stock of TNI owned by Star, which Star represented and warranted to Citizen constituted 50% of TNI's outstanding capital stock.

(b) The following assets shall not constitute any part of the Star Contributed Assets but shall remain the separate property of Star:

(1) (i) The whole or any part of the name, title, and masthead of The Arizona Daily Star and La Estrella, together with all names, titles, slogans and domain names/websites used exclusively in connection with The Arizona Daily Star and La Estrella and all intangible rights and privileges of whatever kind belonging to or incidental thereto, including any and all copyrights and trademarks relating thereto, and any and all copyrights, and the right to renew the same, on issues of The Arizona Daily Star and La Estrella published before, on or after the Effective Date, and the right to reprint all or any part thereof (collectively the "Star Names"), (ii) all lists relating to subscriptions, website user registrations, bulk sales, circulation, dealers and sub-dealers of The Arizona Daily Star and La Estrella, together with all records and other lists relating to or concerning the following: routes, daily draws by editions, distribution, delivery, sales, subscriptions and returns of The Arizona Daily Star an La Estrella in any territory, all lists of dealers and agencies served by all distribution methods in the city of Tucson, its metropolitan areas and in all cities and towns served by The Arizona Daily Star and La Estrella, including a list of dealer and agency deposits, if any, and (iii) lists of all advertisers and advertising contracts relating to The Arizona Daily Star and La Estrella and related advertiser information, including dates of contracts, names and addresses of advertisers, space contracted for, frequency of insertions, rates per line, expiration dates and any special conditions, records requirements or publication orders with advertisers with the dates thereof, as well as lists of any special agreements or commitments with advertisers and all insertion orders (the assets described in clauses (ii) and (iii) of this subsection being referred to collectively as t he "Star Intangibles"); provided however, that Star has granted to the Partnership a royalty-free license covering the Star Names and the Star Intangibles, in the form attached hereto as Exhibit B, which was executed by Star and delivered to the Partnership on the Effective Date and is hereby reaffirmed by the parties;

(2) The library or "morgue" of The Arizona Daily Star and La Estrella, including all files of clippings, photographs (negatives and positives), videos and related publication material, together with all bound files and file

copies of The Arizona Daily Star and La Estrella and microfilms thereof; provided that, during the term of the applicable License Agreement, the Partnership agrees to maintain and store (but not to destroy any portion of) such library or morgue on a local basis to permit licensing of such library or morgue by Star to third parties, all of which licensing revenue shall be revenue of the Partnership during the term of such License Agreement;

(3) Any properties, assets and contract and other rights of Star used or held for use solely in connection with the operation of the news department of The Arizona Daily Star;

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(4) Star's interest in all capital assets in existence on the Effective Date that were jointly owned by Star and Citizen and that were used or held for use in connection with any activity or operation that had been carried on by TNI as agent for Star and Citizen; and

(5) Any asset or property right of any kind or description that is not specifically listed in Section 1.2(a) hereof.

1.3 Initial Capital Contribution of Citizen.

(a) Effective as of the Effective Date, Citizen contributed, assigned, transferred and conveyed to the Partnership all of its right, title and interest (which Citizen represented and warranted to Star were free and clear of any and all pledges, mortgages, security interests, liens or other encumbrances except for those that did not materially affect use, value or marketability), in and to the following property and assets (collectively, the "Citizen Contributed Assets"):

(1) Citizen's interest in all trade accounts receivable and contracts in existence on the Effective Date that arose from or in connection with any activity or operation that had been carried on by TNI as agent for Star and Citizen, including without limitation trade accounts receivable and contracts arising out of or relating to the sale or distribution of The Arizona Daily Star or the Tucson Citizen, the sale of advertising in either such newspaper, or the printing or distribution of any other material;

(2) Citizen's interest in any and all non-capital assets in existence on the Effective Date that were jointly owned by Star and Citizen and that were used or held for use in connection with, or that arose from, any activity or operation that had been carried on by TNI as agent for Star and Citizen; and

(3) All shares of common stock of TNI owned by Citizen, which Citizen represented and warranted to Star constituted 50% of TNI's outstanding capital stock.

(b) The following assets shall not constitute any part of the Citizen Contributed Assets but shall remain the separate property of Citizen:

(1) (i) The whole or any part of the name, title, and masthead of Tucson Citizen, together with all names, titles, slogans and domain names/websites used exclusively in connection with Tucson Citizen and all intangible rights and privileges of whatever kind belonging to or incidental thereto, including any and all copyrights and trademarks relating thereto, and any and all copyrights, and the right to renew the same, on issues of Tucson Citizen published before, on or after the Effective Date, and the right to reprint all or any part thereof (collectively the "Citizen Names"), (ii) all lists relating to subscriptions, website user registrations, bulk sales, circulation, dealers and sub-dealers of Tucson Citizen, together with all records and other lists relating to or concerning the following: routes, daily draws by editions, distribution, delivery, sales, subscriptions and returns of Tucson Citizen

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in any territory, all lists of dealers and agencies served by all distribution methods in the City of Tucson, its metropolitan area and in all cities and towns served by Tucson Citizen, including a list of dealer and agency deposits, if any, and (iii) lists of all advertisers and advertising contracts relating to Tucson Citizen and related advertiser information, including dates of contracts, name and addresses of advertisers, space contracted for, frequency of insertions, rates per line, expiration dates and any special conditions, records requirements or publication orders with advertisers with the dates thereof, as well as lists of any special agreements or commitments with advertisers and all insertion orders (the assets described in clauses (ii) and (iii) of this subsecti on being referred to collectively as the "Citizen Intangibles"); provided, however, that Citizen granted to the Partnership a royalty-free license covering the Citizen Names and Citizen Intangibles, in the form attached hereto as Exhibit C, which was executed by Citizen and delivered to the Partnership on the Effective Date and is hereby reaffirmed by the parties;

(2) The library or "morgue of Tucson Citizen, including all files of clippings, photographs (negatives and positives), videos and related publication material, together with all bound files and file copies of Tucson Citizen and microfilms thereof; provided that, during the term of the applicable License Agreement, the Partnership agrees to maintain and store (but not to dest roy any portion of) such library or morgue on a local basis to permit licensing of such library or morgue by Tucson Citizen to third parties, all of which licensing revenue shall be revenue of the Partnership during the term of such License Agreement;

(3) Any properties, assets and contract and other rights of Citizen used or held for use solely in connection with the operation of the news department of Tucson Citizen;

(4) Citizen's interest in all capital assets in existence on the Effective Date that were jointly owned by Star and Citizen and that were used or held for use in connection with any activity or operation that had been carried on by TNI as agent for Star and Citizen; and

(5) Any asset or property right of any kind or description that is not specifically listed in Section 1.3(a) hereof.

1.4 Valuation of Initial Capital Contributions. For all purposes of this Agreement and the Partnership Agreement, the value of the respective initial capital contributions of Star and Citizen shall be equal in amount and shall each be equal to the sum of (i) 50% of the book value of the aggregate trade accounts receivable referred to in Sections 1.2(a)(1) and 1.3(a)(1) hereof, (ii) 50% of the book value of the aggregate non-capital assets referred to in Sections 1.2(a)(2) and 1.3(a)(2) hereof, and (iii) 50% of the total stockholders' equity of TNI as of the close of business on December 25, 1988.

1.5 Dissolution of TNI. Effective on the Effective Date: (i) the status of TNI as agent of Star and Citizen under the Operating Agreement terminated, except for the discharge of any liabilities of TNI not assumed by the Partnership and any other winding up of TNI's affairs; and (ii) the Partnership caused TNI to distribute to the Partnership all or substantially all of TNI's assets and property rights of every kind and description. As soon as practicable after the Effective Date, the Partnership caused TNI to be dissolved under the applicable provisions of Arizona law.

1.6 Assumption of Liabilities. Effective as of the Effective Date, the Partnership assumed and agreed to pay, perform and discharge (i) any and all obligations and liabilities arising under the contracts assigned to it pursuant to Section 1.2(a)(1) or Section 1.3(a)(1) hereof, and (ii) all or substantially all of the contracts, obligations and liabilities of TNI, contingent or otherwise, that were in existence as of the Effective Date.

ARTICLE 2
ACTIVITIES OF THE PARTNERSHIP

The parties agree that from and after the date hereof:

2.1 Publication and Operations.

(a) Subject to the provisions of Section 2.3 hereof, the Partnership shall print, produce, distribute, sell and market (both circulation and advertising) the following products, and any additional products as determined by the Partnership's Board of Directors:

(1) "Citizen Products": the Tucson Citizen website, http://tucsoncitizen.com, and the Tucson Citizen editorial insert, which are owned by Citizen and licensed to the Partnership;

(2) "Star Products": The Arizona Daily Star newspaper, The Arizona Daily Star websites (http://www.azstarnet.com and its derivative websites) and La Estrella de Tucson newspaper and its website (which are owned by Star and licensed to the Partnership;

(3) "TNI Products": all other publications, products and websites which are currently, or in the future, distributed by the Partnership, including, but not limited to, the Partnership website, http://www.tucson.com, the Buyer's Edge, CareerBuilder Weekly, Cars.com Unlimited, Oro Valley/Marana Magazine, Saddlebag Notes, Tucson Bridal Magazine and TV Y Mas, which are either owned by or licensed to the Partnership (the Citizen Products, Star Products and TNI Products, collectively, the "Products").

Subject to the provisions of Sections 2.1(b) and 2.3 hereof, the Partnership shall continue operating the Products and shall control, supervise, manage and perform all operations involved in printing, producing, distributing, selling and marketing the Products; shall determine the edition times of such Products; shall purchase newsprint, materials and supplies as appropriate; shall solicit and

sell advertising space in such Products; shall collect for its own account all accounts receivable, whether such accounts receivable come into existence prior to, on or after the Effective Date; shall establish circulation and advertising rates for such Products; and shall make all determinations and decisions and do any and all acts and things necessarily connected with the foregoing activities;

(b) Notwithstanding any provision of this Agreement or the Partnership Agreement to the contrary, (i) any or all of such activities involving the Tucson Citizen may be discontinued at any time after June 1, 2010 by the Partnership's Board of Directors, and (ii) any discontinuance of any or all of such activities involving the Tucson Citizen shall not cause or require any termination of the Partnership or any modification or amendment of any provision of this Agreement or the Partnership Agreement.

(c) Subject to the provisions of Section 2.1(b), the Partnership shall promote and market each Product in a manner designed to enhance or improve the advertising in and circulation of each Product and allow each Product to achieve its full market potential;

(d) The Partnership shall provide all accounting services necessary in connection with the business and affairs of the Partnership and the Products;

(e) The Partnership shall receive and collect all of the receipts and income relating to the Products, and from such income pay all operating expenses incident to the Partnership's operations and the publication, production and distribution of the Products in the manner and to the extent provided in this Agreement; and

(f) Subject to Section 2.3 hereof, the Partnership may engage in other activities that would be appropriate for an entity that owns or operates one or more newspapers, magazines, tabloids, websites or other publications of the same type as the Products, including distributing or making available all or a portion of the information or advertising in the Products by printed, electronic or other various means of distribution or production; commercial printing, including commercial printing of other publications; and any other activities necessary for or compatible with its principal business. Subject to the terms of this Agreement and the applicable License Agreement, Star and Citizen shall retain exclusive intellectual property rights to all news and information content (including photographs and videos) generated for publication in their respective Star Products or Citizen Products.< div>

2.2 Capital Assets.

(a) The parties presently intend that the Partnership will own no capital assets, and that in producing the Products and carrying on the business functions of the Partnership under this Agreement, the Partnership shall continue to utilize plant, property and equipment owned or leased jointly by Star and Citizen.

(b) Each of Star and Citizen agree that they shall make available to the Partnership such plant, property and equipment as is appropriate for the Partnership's operations, including all capital assets that are currently used or held for use by TNI, Star or Citizen (whether or not jointly owned by Star and Citizen) and including such capital assets as the Partnership's Board of Directors may in the future determine (pursuant to the budgeting process described in Section 2.5(a) hereof) are necessary or appropriate for the Partnership's operations. In the case of such future capital assets, Star and Citizen will jointly (on an equal basis) acquire and fund the acquisition of such assets, and make the same available to the Partnership, Star or Citizen, as the case may be.

(c) All operating costs, including costs of repair, maintenance, light, heat, air conditioning, janitorial services and the like, associated with all capital assets referred to in this Section 2.2 shall be an operating expense of the Partnership or, if paid by Star and/or Citizen in the first instance, will be reimbursed by the Partnership.

2.3 Editorial Independence. Unless otherwise agreed by the Partnership's Board of Directors, the editorial and reportorial staffs of the Star Products and the Citizen Products shall be independent and shall not be merged, combined or amalgamated, and their editorial policies shall be independently determined. Star and Citizen shall retain complete and exclusive control of the news operations, contracts, conduct and contents, and the selection of the editors and news department employees, for their respective operations. Neither Star, Citizen nor the Partnership shall seek to influence or to impair the independent news, editorial and reportorial voice and content of any other party's Products. Each o f Star and Citizen shall independently develop standards for determining the acceptability of advertising copy for publication in its newspaper or website, and the Partnership shall apply these standards in determining the acceptability of advertising copy for publication in such Products. The news department for the Star Products and all employees engaged in said department shall be employed by and under the exclusive direction and control of Star. The news department for Citizen Products and all employees engaged in said department shall be employed by and under the exclusive direction and control of Citizen.

2.4 News and Editorial Services and Expenses.

(a) Subject to the reimbursement provisions of Section 2.4(c) hereof, all Editorial Expense (as defined in Section 2.4(b) hereof) relating to the Star Products shall be borne by Star, and all Editorial Expense relating to the Citizen Products shall be borne by Citizen.

(b) The term "Editorial Expense" as used in this Agreement shall mean all costs and expenses associated with the news department of The Arizona Daily Star and La Estrella relating to the Star Products or of the Tucson Citizen relating to the Citizen Products. Notwithstanding the foregoing, Editorial Expense shall not include, and the reimbursement provisions of Section 2.4(c) hereof shall not be applicable to, the following:

(1) the capital cost of office space, equipment, and other capital assets that are owned by Star and/or Citizen or that are jointly leased by Star and Citizen, and that in either case are related to their respective news departments, such assets to be provided by, and the cost of which shall be borne equally by, Star and Citizen, it being the intention of the parties that (i) the cost of such capital assets that have been acquired before the Effective Date shall be borne by Star or Citizen, as the case may be, as the separate owner thereof, (ii) the ownership and cost of such capital assets that are jointly acquired on or after the Effective Date shall be shared equally by Star and Citizen, and (iii) the rental cost of any capital assets that either Star or Citizen may elect separately to lease for its news department (and any operating costs associated there with) shall, subject to Section 6.1(a)(ix) of the Partnership Agreement, be deemed an Editorial Expense and shall be subject to the reimbursement provisions of Section 2.4(c) hereof;

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(2) any compensation or benefits and travel expenses (but only to the extent such travel expenses do not relate to the Partnership's business, the Star Products or the Citizen Products) paid to the publisher (or equivalent local senior executive) of The Arizona Daily Star or the Tucson Citizen, and any parent-level persons (including controllers, accountants, treasurers or persons performing similar functions who are not full-time employees of Star or Citizen), all such costs to be borne separately by Star or Citizen, as the case may be;

(3) the cost of defending, settling, paying or discharging any liability or claim on account of anything published in the news or editorial columns of the Star Products or the Citizen Products, or on account of the advertising acceptability standards of such respective Products, where such liability or claim does not result from an error in printing or the negligence of an employee of the Partnership, it being the intention of the parties that (i) Star or Citizen, as the case may be, shall bear the full cost of such liabilities or claims, (ii) the Partnership shall bear, as an operating expense, the full cost of liabilities or claims resulting out of the TNI Products or from an error in printing or the negligence of an employee of the Partnership, and (iii) notwithstanding the foregoing, costs incurred by Star or Citizen for insurance policies insuring again st such liabilities, as well as costs incurred for any pre-publication review of material prepared for publication in the Star Products or the Citizen Products, shall in each case be deemed an Editorial Expense and shall be subject to the reimbursement provisions of Section 2.4(c) hereof;

(4) any depreciation on any capital assets owned by Star and/or Citizen;

(5) any charitable contributions made by Star or Citizen, unless such contributions are made within the budget set by the Partnership's Board of Directors;

(6) any costs or fees incurred for any audit or review of the separate financial statements of Star or Citizen; or

(7) any costs or expenses incurred for any special cultural or promotional events unless such costs or expenses are made within the budget set by the Partnership's Board of Directors.

(c) On a monthly basis during each fiscal year, the Partnership shall, as part of its operating expenses, reimburse Star or Citizen for its respective actual Editorial Expense, as documented. In the event that the actual total Editorial Expense of Star or Citizen for a full fiscal year shall exceed its aggregate reimbursable Editorial Expense budget applicable to such fiscal year, then the amount of such excess shall be paid by the Partnership unless the Board of Directors decides to bill Star or Citizen for all or any portion of any such excess.

2.5 Employees. Employees of The Arizona Daily Star and La Estrella newsroom shall remain employees of the Star or its designated affiliate. Employees of the Citizen newsroom shall remain employees of the Citizen or its designated affiliate. All other employees shall be considered employees of the Partnership. The Board of Directors from time-to-time shall review the compensation and benefits of all employees and strive to provide similar compensation and benefits based upon position and not the employee's ultimate employer. Notwithstanding the above, the Board of Directors may agree from time-to-time to assign responsibility for payroll and/or benefits to one Partner or the other.

2.6 Budgets. On an annual basis, the Partnership's Board of Directors will consider and approve, for the Partnership's next fiscal year, capital and operating budgets, including an aggregate reimbursable Editorial Expense budget for each of Star and Citizen, all in a manner and amounts consistent with the purposes and intent of this Agreement. The determination by the Board of the capital and operating budgets, including an aggregate reimbursable Editorial Expense budget for each of Star and Citizen, shall take into account, among other things, the editorial and news expenses incident to the nature, frequency of publication and edition times of their respective Products as contemplated by this Agreeme nt. The Board of Directors may in its discretion review and revise any of such budgets from time to time.

2.7 Legal Representation. The Partnership shall have the right to seek joint legal representation from attorneys employed in the law department of Lee Enterprises, Incorporated and Gannett Co., Inc. with respect to any non-editorial matters affecting the operation of the Partnership, and the parties intend there to be established an attorney-client relationship among the Partnership, Citizen, Star and such attorneys with respect to any such joint legal representation. Star, Citizen and the Partnership agree that such attorneys may, now or in the future, separately represent Star or Citizen or any of their respective affiliates, as the case may be, on any matters not substantially related to their join t representation. Star, Citizen and the Partnership recognize that there can be no confidences between or among them as a group regarding the work that is done pursuant to any joint legal representation under this Section 2.7. The costs of any such joint legal representation shall be borne by Star and Citizen or their respective affiliates, as the case may be.

ARTICLE 3
DURATION; TERMINATION

3.1 Term; Renewals. This Agreement shall run for a period ending at the close of business on June 1, 2015, and may be renewed and extended for subsequent periods of twenty-five (25) years each at the option of either Star or Citizen. Unless two years' written notice is given by both Star and Citizen that they desire to end this Agreement or any renewal hereof, this Agreement shall continue in force for subsequent periods of twenty-five (25) years each. Only by mutual written consent can this Agreement or any renewal hereof be terminated.

3.2 Termination. This Agreement shall terminate only upon expiration of its term, including any renewals thereof, as provided in and subject to Section 3.1 hereof.

ARTICLE 4
MISCELLANEOUS

4.1 Notices. Each notice or other communication given pursuant to this Agreement or the Partnership Agreement shall be in writing and shall be deemed to have been duly given when hand delivered or five days after being deposited in the United States mail, certified, postage prepaid, return receipt requested, and addressed to the party to be notified at such party's address as set forth below:

Star: Star Publishing Company
4850 South Park Avenue
Tucson, Arizona 85726-6887
Attention: Publisher

with a copy to:

Lee Enterprises, Inc.
201 N. Harrison.
Davenport, Iowa 52801
Attention: Chief Legal Officer

Citizen: Citizen Publishing Company
c/o Gannett Co., Inc.
7950 Jones Branch Drive
McLean, Virginia 22107
Attention: Chief Financial Officer

Partnership: TNI Partners
4850 South Park Avenue
P.O. Box 26887
Tucson, Arizona 85726-6887
Attention: President

All such notices to the Partnership shall be to the attention of the President, with copies to Star and Citizen at the addresses then designated by them for the receipt of such notices pursuant to this Section 4.1. Any party may change its address or the individual to whom notice is to be directed hereunder by notice to the other parties given in accordance with this Section 4.1.

4.2 Assignment. This Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto and their permitted successors and assigns.

4.3 Entire Understanding. This Agreement (including the Exhibits hereto) and the Partnership Agreement constitute the entire understanding and agreement of the parties hereto on the subject matter herein contained and any and all other representations or agreements heretofore made on such subject matter, whether oral or in writing, of any party or its agents shall be null, void and of no effect whatsoever.

4.4 Headings. Headings have been inserted in this Agreement for the purpose of convenience only. They will not be used to interpret or construe the meaning of the Articles or Sections hereof, nor will they have the effect of limiting or enlarging the meaning thereof.

4.5 Governing Law; Modification. This Agreement shall be governed by, construed and enforced in accordance with the internal laws of the State of Arizona, without giving effect to conflict of laws principles. This Agreement may not be changed orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, modification or discharge is sought.

4.6 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall to any extent be held in any proceeding to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it was held to be invalid or unenforceable, shall not be affected thereby, and shall be valid and be enforceable to the fullest extent permitted by law, but only if and to the extent such enforcement would not materially and adversely frustrate the parties' essential purposes and intent as expressed herein.

4.7 Further Assurances. Each party agrees to take all action necessary to carry out and effectuate the intent, purposes and provisions of this Agreement and the Partnership Agreement, and to cooperate with the others in every reasonable and proper way that will promote the successful operation of the arrangements contemplated by this Agreement and the Partnership Agreement.

4.8 Force Majeure. No party shall be liable to the others for any failure or delay in performance under this Agreement or the Partnership Agreement occasioned by war, riot, act of God or public enemy, strike, labor dispute, shortage of any supplies, failure of suppliers or workers or other cause beyond the control of the party required to perform, and such failure or delay shall not be considered a default hereunder, but this Section 4.8 shall not excuse any party from its obligation to pay any sum of money which such party is otherwise required to pay pursuant to this Agreement or the Partnership Agreement.

4.9 Specific Performance. In addition to any other remedies the parties may have, each party shall have the right to enforce the provisions of this Agreement through injunctive relief or by a decree or decrees of specific performance.

4.10 No Third Party Beneficiaries. Nothing in this Agreement, express or implied, shall give to anyone other than the parties hereto and their respective permitted successors and assigns any benefit, or any legal or equitable right, remedy or claim, under or in respect of this Agreement.

4.11 Nature of Relationship. Nothing contained in this Agreement shall constitute the parties hereto as alter egos or joint employers or as having any relationship other than as specifically provided herein and in the Partnership Agreement.

4.12 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement, and any party hereto may execute this Agreement by signing one or more counterparts hereof.

This Agreement shall become effective when counterparts hereof have been duly executed and delivered by each party.

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective duly authorized officers as of the day and year first above written.

STAR PUBLISHING COMPANY

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Treasurer

CITIZEN PUBLISHING COMPANY

By: /s/ Daniel S. Ehrman, Jr.
Name: Daniel S. Ehrman, Jr.
Title: ________________________

TNI PARTNERS, being the Partnership referred to in the foregoing Agreement, hereby becomes a party thereto and agrees to perform all of the obligations therein to be performed by it and to be bound by all of the terms and provisions thereof.

TNI PARTNERS

By: Star Publishing Company
General Partner

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Treasurer

By: Citizen Publishing Company
General Partner

By: /s/ Daniel S. Ehrman, Jr.
Name: Daniel S. Ehrman, Jr.
Title: ________________________

Exhibit A

Amended and Restated Partnership Agreement

Exhibit B

License Agreement (Star)

Exhibit C

License Agreement (Citizen)

Exhibit 10.2

AMENDED AND RESTATED PARTNERSHIP AGREEMENT

AMENDED AND RESTATED PARTNERSHIP AGREEMENT, dated as of November 30, 2009, between STAR PUBLISHING COMPANY ("STAR"), an Arizona corporation, and CITIZEN PUBLISHING COMPANY ("CITIZEN"), an Arizona corporation.

This Amended and Restated Partnership Agreement (the "Partnership Agreement") amends and restates a Partnership Agreement entered into by STAR and CITIZEN as of December 22, 1988 (the "Original Agreement").

On January 15, 2009, STAR and CITIZEN entered into a letter agreement (the "Letter Agreement") in which they agreed to consider a sale of the newspaper assets or shut down of the Tucson Citizen newspaper and the subsequent continuation of each party's 50% partnership interest in TNI Partners, and also agreed to negotiate in good faith an amendment to the Original Agreement to reflect the terms of the Letter Agreement.

On May 16, 2009, the Tucson Citizen newspaper ceased print publication and made other significant changes to its operations and operating plans for the future. The Partners (as defined below) acknowledge such changes, and this Partnership Agreement confirms the agreement of the Partners to continue the business of the Partnership (as defined below) on the terms set forth in this Partnership Agreement and the Amended and Restated Management Agreement, dated as of November 30, 2009, between STAR and CITIZEN (the "Management Agreement").

1. FORMATION OF PARTNERSHIP.

1.1 Partners. STAR and CITIZEN (individually, a "Partner" and together, the "Partners") formed a general partnership under the laws of the State of Arizona (the "Partnership"), on December 22, 1988 pursuant to the Original Agreement.

1.2 Name and Principal Office. The name of the Partnership is "TNI PARTNERS", or such other name as shall be mutually agreeable to the Partners. The Partnership does business under the name "TNI PARTNERS and its principal office is located at 4850 South Park Avenue, Tucson, Arizona 85726, or such other place as the Partners shall designate from time to time.

1.3 Purpose of Partnership. The purpose of the Partnership is to carry on any lawful business and to engage in any lawful act or activity for which a partnership may be formed under the laws of the State of Arizona; provided, however, that the business of the Partnership shall, without unanimous consent of the Board of Directors, be limited to activities involving the ownership, operation and publication (in printed and electronic form) of one or more newspapers, print products, web sites or the creation of other similar content, and business activities related to or incidental to such ownership, operation and publication, including, without limitation, commercial printing, alternate distribution services and direct mail activities.

1.4 Commencement; Term. The Partnership commenced on December 22, 1988 and shall continue for a term ending at the close of business on June 1, 2015, and may be renewed and extended for subsequent periods of twenty-five (25) years each at the option of either STAR or CITIZEN. Unless two years' written notice is given by both STAR and CITIZEN that they desire to end this Partnership or any renewal hereof, this Partnership shall continue in force for subsequent periods of twenty-five (25) years each. Only by mutual written consent shall this Partnership Agreement or any renewal hereof be terminated.

2. PARTNERSHIP INTERESTS, CONTRIBUTIONS AND DISTRIBUTIONS.

2.1 Partnership Interests. Except as otherwise expressly provided herein, the respective interests of the Partners in the assets, liabilities, profits and losses of the Partnership ("Partnership Interest") shall be as follows:

STAR:	50%
CITIZEN:	50%

Each Partner shall have at all times an interest as a tenant in partnership in the assets and properties of the Partnership equal to its Partnership Interest and neither Partner shall have any separate right, title or interest in or to any asset or property of the Partnership.

2.2 Capital Accounts and Contributions.

(a) The initial capital account of each Partner shall be the amount determined in accordance with Section 1.4 of the Management Agreement. Subsequently, each Partner's capital account shall be (i) increased by (x) the amount of any net income of the Partnership allocable to such Partner pursuant to Section 5.2 hereof and (y) the amount of any cash plus the fair market value of any non-cash assets subsequently contributed by such Partner to the Partnership, and (ii) decreased by (a) the amount of any net loss of the Partnership allocable to such Partner pursuant

to Section 5.2 hereof and (b) the amount of any cash and the fair market value of any non-cash assets distributed by the Partnership to such Partner.

(b) In the event that the Partnership shall require funds or other capital contributions for any authorized business purpose, such funds or contributions, unless obtained from outside sources, shall be contributed by STAR and CITIZEN on identical terms and in equal amounts when and as authorized and directed by the Partnership's Board of Directors. No interest shall be paid by the Partnership on any capital contributed to the Partnership unless the Partners otherwise agree.

2.3 Failure to Make Payments. If either Partner (a "Non-Contributing Party") (i) fails to make any payment to the Partnership including, but not limited to, any properly authorized capital contribution, or (ii) fails to pay its portion of any properly authorized capital expenditure, then the other Partner may lend the amount thereof to the Partnership or make such payment on behalf of the Non-Contributing Party, as the case may be, including any amounts or payments necessary to cure the consequences of the failure by the Non-Contributing Party to have made such payment. In either such event, no distributions shall thereafter be made by the Partnership pursuant to Section 5.1 hereof or otherwise until the full amount of such loan and/or such payment and/or the cost of such cure that was made or incurred by the Partner other than the Non-Contributing Party (the "Contributing Party") (plus interest from the date of default to the

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date(s) of such repayment(s) at a rate per annum equal to the lesser of (i) 150% of the United States Prime Rate as listed in the Eastern print edition of The Wall Street Journal from time to time or (ii) the maximum rate permitted by applicable law as in effect from time to time) has been paid in full to the Contributing Party by the Partnership. If at any time both Partners are entitled to the priority payments set out herein, then priority payments shall be made in the same ratio as the respective payments due to each of them bear to one another.

2.4 Distributions of Cash and Allocations of Taxable Income or Loss.

(a) Cash shall be distributed to each Partner at such times and in such amounts as is provided in Section 5.1 hereof.

(b) Net income and net loss shall be allocated to the Partners in the amounts specified in Section 5.2 hereof.

(c) For income tax purposes, taxable income and loss and allocations thereof to each Partner will be determined in accordance with Section 5.2 hereof.

2.5 Expenses Incurred Prior to the Formation of the Partnership. No expense or obligation incurred for services performed or products supplied by either Partner prior to the formation of the Partnership shall be considered to be a contribution or loan to, or made on behalf of, the Partnership, unless otherwise provided herein, in the Management Agreement or by agreement of the Partners.

3. MANAGEMENT OF THE PARTNERSHIP.

3.1 Board of Directors. There is hereby established a Board of Directors of the Partnership consisting of six members, or such even number of Directors as the Partners may from time to time agree upon, to have and exercise final authority, except as otherwise provided herein, with respect to the affairs of the Partnership specified in this Partnership Agreement. The members of the Board of Directors shall consist of three members appointed by STAR and three members appointed by CITIZEN. Each member shall hold office until he shall die, resign or be removed (with or without cause or notice) by the Partner that he represents, whereupon such Partner shall appoint such member's successor to the Board of Directors. Each member shall have one vote.

3.2 Meetings and Action of the Board of Directors.

(a) The Board of Directors may establish meeting dates and requisite notice requirements, adopt rules of procedure it deems consistent herewith, and may meet by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time.

(b) Any member of the Board of Directors may call a meeting. Unless waived, at least five business days' notice of a meeting is required. Notice to a director shall be given to the Partner whom the director represents, and shall be given in the manner described in Section 8.11 hereof. Except to the extent provided otherwise in Section 6.4 hereof, if proper notice of a meeting is given to all

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directors or waived, the presence at any meeting, in person or by proxy, of both (i) a majority of the total authorized number of directors and (ii) a majority of directors who were appointed by STAR and a majority of directors who were appointed by CITIZEN, shall constitute a quorum for the taking of any action, subject to Section 3.3 hereof. Any member may, in writing, appoint a proxy to act on his behalf and vote in his stead at any meeting. Except to the extent provided otherwise in Section 6.4 hereof, subject to Section 3.2(c) below, the Board of Directors shall act on all matters by an affirmative vote of both (i) a majority of directors present at any meeting in person or by proxy, and (ii) a majority of directors who were appointed by STAR and a majority of directors who were appointed by CITIZEN.

(c) Except to the extent provided otherwise in Section 6.4 hereof, any action required or permitted to be taken by the Board of Directors may be taken without notice and without a meeting if a majority of the total authorized number of directors, including at least a majority of directors who were appointed by CITIZEN and at least a majority of directors who were appointed by STAR, consent in writing to the adoption of a resolution authorizing the action.

3.3 Actions By Partners.

(a) The Board of Directors shall have no power, without action by the Partners themselves, (i) to amend this Partnership Agreement; (ii) to act other than in accordance with the purposes of the Partnership as set forth in Section 1.3 hereof; (iii) to admit a new Partner; (iv) to merge or consolidate the Partnership with any other entity; or (v) to dissolve the Partnership.

(b) No Partner shall, except as authorized by the provisions hereof, take any action or assume any obligations or liabilities on behalf of the Partnership.

(c) Nothing in this Partnership Agreement or the Management Agreement shall in any way restrict, prohibit or impair the right of each Partner to sell or otherwise license its own news, editorial and feature content to wire services or otherwise (for the account of the Partnership) as it deems in its best interest.

(d) Any fiduciary or other duty that either Partner (or any Affiliate thereof) may owe to the other with respect to any of its businesses or operations that are allegedly in competition with those of the Partnership shall be determined as if the legal relationship between the Partners were that which existed under the Previous Operating Agreement, and without regard to any subsequent agreement between the parties other than the express contractual provisions under this Partnership Agreement or the Management Agreement. For purposes of this Section 3.3(d), "Previous Operating Agreement" means that certain Operating Agreement dated March 28, 1940, as amended by agreements dated June 15, 1953 and October 14, 1970. This paragraph shall not limit the obligation of each Partner to act in a manner which such Partner reasonably believes to be in or not opposed to the best int erests of the Partnership.

3.4 Chairman of the Board. The position of "Chairman of the Board" shall rotate between the Partners on an annual basis with the change-over occurring at the Board meeting scheduled for each and every April.

3.5 Indemnification/Insurance.

(a) The Partnership shall indemnify any person made, or threatened to be made, a party to an action or proceeding, whether brought by a Partner or Affiliate of a Partner or any other person, whether civil or criminal, including an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any member of the Board of Directors or officer of the Partnership served in any capacity at the request of the Partnership, by reason of the fact that he, his testator or intestate, is or was a member of the Board of Directors or an officer of the Partnership, or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid in settlement and reasonabl e expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal thereof, if such member of the Board of Directors or officer acted, in good faith, for a purpose which he reasonably believed to be in, or, in the case of service for any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise, not opposed to, the best interests of the Partnership and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful.

(b) The termination of any such civil or criminal action or proceeding by judgment, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not in itself create a presumption that any such member of the

Board of Directors or officer did not act, in good faith, for a purpose which he reasonably believed to be in, or, in the case of service for any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise, not opposed to, the best interest of the Partnership or that he had reasonable cause to believe that his conduct was unlawful.

(c) For the purpose of this Section 3.5, the Partnership shall be deemed to have requested a person to serve an employee benefit plan where the performance by such person of his duties to the Partnership also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan; excise taxes assessed on a person with respect to an employee benefit plan pursuant to applicable law shall be considered fines; and action taken or omitted by a person with respect to an employee benefit plan in the performance of such person's duties for a purpose reasonably believed by such person to be in the interest of the participants and beneficiaries of the plan shall be deemed to be a purpose which is not opposed to the best interests of the Partnership.

(d) Indemnification under this Section 3.5 shall be made by the Partnership in any specific case only:

(i) if the beneficiary thereof shall have prevailed in an action or proceeding brought against him or shall have been found to have acted in compliance with the applicable standard of conduct set forth in this Section 3.5; or

(ii) by the Board of Directors upon the opinion in writing of independent legal counsel that indemnification is proper in the circumstances because the applicable standard of conduct set forth in this Section 3.5 has been met by such member or officer.

(e) The Partnership shall pay a member of the Board of Directors or officer's expenses in advance of a final disposition of a proceeding, if the director or officer furnishes the Partnership with a written affirmation of the member's or officer's good faith belief that the member or officer has met the standard of conduct described in this Section 3.5 and the member or officer furnishes the Partnership with a written undertaking executed personally, or on the member's or officer's behalf, to repay the advance if it is ultimately determined that the member or officer did not meet the standard of conduct described in this Section 3.5.

(f) The Partnership shall have the power, but shall not be obligated, to purchase and maintain insurance:

(i) to indemnify the Partnership for any obligation which it incurs as a result of the indemnification of the Board of Directors and officers under the provisions of this Section 3.5;

(ii) to indemnify such members and officers in instances in which they may be indemnified by the Partnership under the provisions of this Section 3.5;

(iii) to indemnify such members and officers in instances in which they may not otherwise be indemnified by the Partnership under the provision of this Section 3.5; and

(iv) for coverage of risks normally incurred in the ordinary course of the Partnership's business, including, without limitation, general liability, property and casualty, automotive, worker's compensation, errors and omissions, fiduciary, crime and media liability coverage (but only to the extent covering TNI Products).

(g) To the extent the Partnership does not procure any of the insurance coverages contemplated in Section 3.5(f), the Partners shall determine which of the Partners shall provide the various coverages on behalf of the Partnership and the costs therefore shall be reimbursed to the Partners by the Partnership.

(h) Star shall provide media liability coverage for the Star Products and Citizen shall provide media liability coverage for the Citizen Products.

4. TRANSFER OF PARTNERSHIP INTERESTS.

4.1 Prohibited Transfers. Except as expressly permitted by Sections 4.2 or 4.5 hereof, neither Partner may transfer any of its right, title or interest in or to its Partnership Interest, in whole or in part. No attempted transfer of any Partnership Interest in violation of any provision of this Partnership Agreement shall be effective to pass any right, title or interest thereof, but shall instead be null, void and of no effect. For the avoidance of doubt, a change of control of the ultimate parent of a Partner shall not be deemed to be a transfer of a Partnership Interest.

4.2 Transfer to Affiliate. Subject to Section 4.3 hereof, a Partner (the "Transferor Partner") may transfer all or any portion of its Partnership Interest to any Affiliate of the Transferor Partner. As used in this Partnership Agreement, an "Affiliate" is a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

4.3 Conditions to Transfer. Any transfer made under Section 4.2 hereof is subject to satisfaction of the following conditions:

(a) the transferee shall be admitted as a Partner of the Partnership and the Partners shall cause this Partnership Agreement to be amended accordingly;

(b) the transferee shall in writing assume and agree to perform all of its duties and obligations as a Partner under this Partnership Agreement and under the Management Agreement; and

(c) the Transferor Partner (and any Affiliate that directly or indirectly wholly owns the Transferor Partner) shall agree fully to indemnify on an after tax basis the other Partner against any adverse tax consequences to the other Partner that may result from any termination of the Partnership for tax purposes on account of such transfer.

4.4 Change of Control. Neither control of Star or Citizen, nor the assets or business of The Arizona Daily Star and La Estrella (including, but not limited to, any of the assets referenced in Sections 1.2(b)(1)-(4) of the Management Agreement, whether owned by Star or any Affiliate of Star) (collectively, the "Star TNI Assets"), nor the assets or business of Citizen (including, but not limited to, any of the assets referenced in Sections 1.3(b)(1)-(4) of the Management Agreement, whether owned by Citizen or any Affiliate of Citizen) (collectively, the < /font>"Citizen TNI Assets") (the Star TNI Assets or the Citizen TNI Assets, as the case may be, or a majority of the voting power of the capital stock of Star or Citizen, as the case may be, is referred to herein as the "Ownership Interest"), shall be Transferred to any other Person unless (a) the

transferee assumes all obligations of Star or Citizen, as the case may be, under the Management Agreement, the Partnership Agreement and the applicable License Agreement; and (b) the transferor has complied with the procedures of Section 4.5 hereof and first offers to sell such Ownership Interest to the other Partner pursuant to the terms of Section 4.5 hereof; provided that Section 4.5 hereof shall not be applicable with respect to any Transfer of an Ownership Interest to an Affiliate of the transferor. Any purported Transfer in violation of this Section 4.4 shall be null, void and of no effect. Neither Star nor Citizen shall Transfer any of its right, title and interest in the Management Agreement or in its Partnership Interest in the Partnership except (i) as part of a transaction permitted by Section 4.2 hereof or (ii) as p art of a transaction permitted by Section 4.5 hereof in which control of Star or Citizen, or all or substantially all of the Star TNI Assets or the Citizen TNI Assets, as the case may be, are being Transferred. For purposes of this Section 4.4, no Transfer of an Ownership Interest or change of control shall be deemed to have occurred as a result of a change of control, directly or indirectly, of the ultimate parent of Star or Citizen, as the case may be, or of Pulitzer Inc. As used in this Section 4.4, "Transfer" and "Transferred" shall include a sale, lease, assignment or other disposition or a license which adversely impacts the Partnership's use of the applicable asset.

4.5 Right of First Refusal.

(a) A Partner or any of its Affiliates (collectively, the "Offering Partner") who has received a firm, written, bona fide offer from a third-party for its Partnership Interest and/or its Ownership Interest, in whole or in part (a "Third Party Offer") shall, before agreeing to accept such offer for such Partnership Interest and/or Ownership Interest (in each case, the "Offered Interest"), give written notice to the other Partner (the "Option Partner") of such offer, including a copy of such Third Party Offer and a complete description thereof including, by way of example but not of limitation, the nature and extent of such Third Party Offer, the purchase price therein, the terms of payment and the time for performance.

(b) Upon receiving the Offering Partner's written notice pursuant to Section 4.5(a), the Option Partner shall have a period of thirty (30) days following the date of receipt by the Option Partner of the Offering Partner's notice to elect to purchase the Offered Interest at the price determined in accordance with Section 4.5(e). If the Option Partner desires to purchase the Offered Interest, it shall give written notice to the Offering Partner in the manner set forth in Section 8.11 hereof within such 30-day period. To be effective, this notice must be received by the Offering Partner within such 30-day period. In no event may the Option Partner elect to acquire less than all of the Offered Interest.

(c) The closing of the sale and purchase of the Offered Interest shall be promptly completed, but in any event, to the extent practicable, within ninety (90) days after the receipt of the Option Partner's notice of acceptance (or such later date as necessary to obtain any necessary regulatory approvals). The Board of Directors shall assist in coordinating the closing. At the closing, the Offering Partner shall sell the Offered Interest, free and clear of all liens and encumbrances, and execute and deliver such assignment(s), deed(s), bills of sale and all other documents or

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other instruments of assignment or conveyance necessary to effect and evidence the assignment. At the closing, the Option Partner shall deliver to the Offering Partner cash, a certified or official bank check or shall pay by wire transfer of immediately available funds for the applicable purchase price.

(d) If the Option Partner does not elect to purchase all of the Offered Interest pursuant to this Section 4.5 and the transaction satisfies all of the requirements of Section 4.4 hereof, then the Offering Partner shall be free to sell, assign, transfer or otherwise dispose of the Offered Interest to the third party pursuant to the Third Party Offer for an amount equal to Fair Market Value of the Offered Interest, as hereunder determined, within six months after the date of the Option Partner's notice of refusal or after the expiration of the 30-day response period, whichever occurs first; provided that, (i) if the transfer includes a transfer of a Partnership Interest, the prospective purchaser must satisfy each of the conditions in Section 4.3 hereof; and (ii) if the transfer includes the transfer of an Ownership Interest, the prospective purchaser must assu me all obligations of Star or Citizen, as the case may be, under the Management Agreement, the Partnership Agreement and the applicable License Agreement. If a sale is not consummated within such six-month period for any reason, then the Offered Interest shall remain subject to the restrictions of this Partnership Agreement and must again be first offered to the Option Partner if the Offering Partner thereafter wishes to sell its Partnership Interest and/or its Ownership Interest to a third party.

(e) (i) If the consideration offered by the prospective purchaser is offered in cash and/or a promissory note or other similar instrument to be issued by the prospective purchaser, the price shall be the price offered by such prospective purchaser. If the consideration offered by the prospective purchaser is offered in a form other than cash and/or a promissory note or other similar instrument, then the price shall be the Fair Market Value of the Offered Interest, as defined below.

(ii) For the purposes of this Partnership Agreement, "Fair Market Value of the Offered Interest" shall be the amount that would be paid for the Offered Interest by a willing buyer to a willing seller. The Offering Partner and the Option Partner may mutually agree as to the Fair Market Value of the Offered Interest in question. If the Offering Partner and the Option Partner are unable to agree on the Fair Market Value of the Offered Interest within fifteen (15) days after the Offering Partner's written notice of the proposed sale, then in such event the Fair Market Value of the Offered Interest shall be determined pursuant to Section 4.5(e)(iii) by two independent qualified appraisers, one to be appointed by the Offering Partner and the other to be appointed by the Option Partner.

(iii) The two independent appraisers shall be appointed within fifteen (15) days after receipt by the Option Partner of the notice of proposed sale. If either side fails to appoint an appraiser within such period, then its right to do so shall lapse and the appraisal made by the one independent appraiser who is timely appointed shall be the Fair Market Value of the Offered Interest. If two appraisals are made, and if the two appraised values differ by less than 10 percent, the Fair Market Value of the Offered Interest shall be the average of the two appraisals; and if the two appraised values differ by more than 10 percent, the two appraisers shall jointly select a third appraiser and the Fair Market Value of the Offered Interest shall be the average of the two of the three appraisal s that are closest together in amount. All appraisals shall be made within thirty (30) days of appointment of an appraiser, and written notice of the results of such appraisals shall be given to all parties within such 30-day period. In making any appraisal hereunder, all debts and liabilities shall be taken into account. Each side shall pay the fees of the appraiser selected by it and the Partners will each pay one-half of the fees of any third appraiser that may be selected pursuant to this paragraph.

5. ALLOCATIONS AND OTHER FINANCIAL MATTERS.

The Partners agree that from and after the date hereof:

5.1 Distributions. The Partnership shall, after payment of its operating expenses, distribute equally to STAR and CITIZEN all funds in excess of funds reasonably needed by the Partnership for the conduct of its business. Such distributions shall be made at least monthly, or at more frequent intervals as may be authorized by the Partnership's Board of Directors.

5.2 Allocation. Net income or net loss of the Partnership, as determined in accordance with U.S. generally accepted accounting principles consistently applied (except as otherwise agreed by the Partnership's Board of Directors), shall be allocated equally to STAR and CITIZEN. Taxable income or taxable loss of the Partnership shall be allocated equally to STAR and CITIZEN.

5.3 Books and Records. The Partnership shall keep, at its principal office, accurate, full and complete books of accounts and records, whereof all transactions of the Partnership, and of STAR and CITIZEN (insofar as such transactions of STAR and CITIZEN relate to activities contemplated by this Partnership Agreement or the Management Agreement), shall be entered in accordance with U.S. generally accepted accounting principles consistently applied (except as otherwise agreed by the Partnership's Board of Directors). STAR, CITIZEN and their respective representatives shall have the right to inspect, copy or reproduce, each at its own expense, the books and records of the Partnership.

5.4 Financial Statements. The Partnership shall account monthly to STAR and CITIZEN for all revenues and expenditures of the Partnership and keep STAR and CITIZEN regularly informed of its affairs and business. In addition, the Partnership shall cause to be delivered to STAR and to CITIZEN the following financial statements and reports of the Partnership (and of each of STAR and CITIZEN, insofar as such statements of STAR and CITIZEN relate to activities contemplated by this Partnership Agreement or the Management Agreement) prepared, in each case, in accordance with U.S. generally accepted accounting principles consistently applied (except as may otherwise be agreed by the Partnership's Board of Directors):

(a) promptly upon availability and in any event within eight business days after the end of each fiscal month, (i) an unaudited balance sheet as of the end of such month and a comparison of such balance sheet with the balance sheet for the same month of the fiscal year immediately preceding, and (ii) an unaudited statement of income or loss for the interim period through such month and the monthly period then ended, in reasonable detail, and a comparison of such statements with statements for the same periods of the fiscal year immediately preceding; and

(b) such other analytical reports relating to activities contemplated by this Partnership Agreement as either STAR and CITIZEN (or their respective parent corporations) may from time to time request.

5.5 Auditors and Fiscal Year. The independent auditors, if any, of the Partnership shall be selected by the Partnership's Board of Directors. The Partnership shall keep its books and records on the basis of a 52/53 week fiscal year ending on the last Sunday of each calendar year and on the basis of four fiscal quarters, each composed of months of five, four and four weeks.

5.6 Bank Accounts. The Partnership shall maintain bank accounts in such banks or institutions as its Board of Directors from time to time shall select, and such accounts shall be drawn upon by check signed by any person, and in such manner, as may be designated by the Board of Directors. All moneys of the Partnership shall be deposited in the bank accounts of the Partnership and all debts and obligations of the Partnership (except petty expense items) shall be paid by check or other prudent and customary method, including electronic transfer of funds.

5.7 Tax Returns. The Partnership shall cause income and other required tax returns for the Partnership to be prepared and timely filed with the appropriate authorities, making such elections as the Board of Directors shall deem to be in the best interests of the Partnership, STAR and CITIZEN. The Partnership shall submit any such income tax filing to STAR and CITIZEN for review at least 30 days prior to its filing date unless otherwise agreed to by STAR and CITIZEN.

6. GOVERNANCE OF THE PARTNERSHIP.

6.1 Board of Directors.

(a) The business and affairs of the Partnership shall be managed by or under the direction of a Board of Directors in a manner consistent with the purposes and intent of this Partnership Agreement. The Board of Directors shall have and exercise final authority with respect to such business and affairs except as otherwise provided in this

Partnership Agreement. Without limiting the generality of the foregoing, the Board of Directors shall have the sole power and authority to take or authorize the Partnership to take the following actions:

(i) Elect and remove the President and other officers of the Partnership;

(ii) Approve and revise budgets as provided in Section 2.5 of the Management Agreement;

(iii) Make any capital call to STAR and CITIZEN as provided in Section 2.2(b) of this Partnership Agreement;

(iv) Determine the timing of editions and the production format of the Products, as defined in Section 9 hereof, the circulation and advertising rates for the Products and the number of editions and/or sections and production format of the Products;

(v) Determine the benefits and policies applicable to employees of the Partnership;

(vi) Approve any material contracts that the Partnership may enter into, including without limitation any employment contract, any contract with any labor union, any contract with a duration of more than one year, any contract in any fiscal year involving a value in excess of such amount as shall be determined from time to time by the Board of Directors, and any contract out of the ordinary course of business;

(vii) Determine whether and on what terms the Partnership shall incur indebtedness for borrowed money;

(viii) Select the Partnership's outside auditors, if any;

(ix) Determine whether and on what basis the Partnership shall acquire or lease any capital assets, and determine whether and on what basis to reimburse STAR and CITIZEN for the cost of any capital assets that may be acquired or leased separately by either of them;

(x) Make any significant tax or accounting election for the Partnership;

(xi) Waive any right of the Partnership to receive any payment due to it from either STAR and CITIZEN; and

(xii) Allocate appropriate office space and other capital assets for Star Products and Citizen Products as defined in Section 9 hereof.

(b) From and after the date of this Partnership Agreement, all transactions and agreements between a Partner or its Affiliate (as defined in Section 4.2 hereof) and the Partnership shall be on terms competitive with the terms available for a similar transaction between the Partnership and a non-Affiliate of a Partner. All such existing transactions and agreements which have a stated term shall be reviewed by the Board of Directors for such compliance on the next renewal date thereunder, and all other such transactions and agreements shall be reviewed by the Board of Directors for such compliance on an annual basis.

6.2 Officers of the Partnership.

(a) The Partnership shall have a President and such other officers as the Board of Directors may from time to time determine. Officers shall serve for a one-year term unless they earlier die, resign or are removed. Any officer may be removed by the Board of Directors with or without cause or notice.

(b) Subject to this Partnership Agreement, the Management Agreement and the determinations of the Board of Directors, the President shall have full day-to-day operating authority, control and management of the business and affairs of the Partnership.

(c) Subject to this Partnership Agreement and the Management Agreement, any other officers of the Partnership shall have such authority as is from time to time determined by the Board of Directors.

(d) The President and such other officers shall act in accordance with the decisions of the Board of Directors and shall have no authority to take any action requiring prior Board of Directors approval without first obtaining the approval of the Board of Directors.

6.3 Deadlocks. Except to the extent provided otherwise in Section 6.4 hereof, in the event of a controversy arising pertaining to the affairs of the Partnership whereof the members of the Board of Directors representing STAR and the members of the Board of Directors representing CITIZEN are evenly divided, then:

(a) At the written call of STAR and CITIZEN, which call shall include a written statement specifically setting forth the matter or matters in controversy and the proposed resolution or resolutions of the Board of Directors on which the Board is deadlocked, the parties shall meet within fifteen (15) days from the date on which the written call is served for the purpose of resolving such controversy. If the parties shall also be evenly divided on the matter or matters so specified for more than fifteen (15) days following the date of such meeting, then either STAR or CITIZEN (the "demanding party") may thereafter demand that the matter or matters in controversy be submitted to arbitration by serving a written demand on the other party.

(b) In the event of a demand for arbitration, the parties shall seek to mutually appoint a Disinterested Person (as hereafter defined) to resolve the matter or matters in controversy. As used in this Section 6.3, "Disinterested Person" means a person who (i) has no employment, professional or financial interest in either party or in any person, firm, corporation or other entity directly or indirectly controlling, controlled by, or under common control with, either party and (ii) has significant experience in the newspaper publishing industry (who shall include for purposes of this clause (ii) any director of the American Newspaper Publishers Association).

(c) If, within thirty (30) days after service of the demand for arbitration, the parties are unable to agree upon and mutually appoint a single arbitrator who is a Disinterested Person and is willing to serve, then the parties shall provide for the appointment of a panel of three Disinterested Persons to resolve the matter or matters in controversy, as follows:

(i) Each of STAR and CITIZEN shall name an arbitrator who is a Disinterested Person. Should the demanding party fail to name an arbitrator who is a Disinterested Person within fifteen (15) days of the lapse of the aforesaid thirty (30) day period, the demanding party's right to arbitration of the specific matter or matters in controversy shall lapse. Should the other party fail to name an arbitrator who is a Disinterested Person within the same fifteen (15) day period, then the matter or matters in controversy shall be determined by the Disinterested Person appointed by the demanding party, acting as a single arbitrator.

(ii) In turn, the two arbitrators so named shall name a third arbitrator who is a Disinterested Person. Should the two arbitrators, within thirty (30) days after having been named as arbitrators as provided herein, fail to name a third arbitrator who is a Disinterested Person and is willing to serve, then the demanding party, within thirty (30) days of the lapse of the aforesaid thirty (30) days, either alone or together with the other party, may apply to the presiding judge for the United States District Court for the District of Arizona, sitting in Tucson, or if he refuses, within fifteen

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(15) days of such refusal, to the Senior Judge of the Pima County Superior Court, Tucson, Arizona, to designate and appoint a third arbitrator, from a list of six names submitted with the application to the court. The list shall contain the names of three Disinterested Persons specified by each of the two arbitrators. The three arbitrators shall decide the matter or matters in controversy by majority vote. If the demanding party fails to make application to the court for designation and appointment of a third arbitrator within the specified time period (which shall include the names of three Disinterested Person designated by the arbitrator named by it), the demanding party's right to arbitration of the specific matter or matters in controversy shall lapse. If the other party fails to join in the applica tion to the court or to furnish the names of three Disinterested Persons designated by the arbitrator named by it, then the matter or matters in controversy shall be determined by the Disinterested Person initially appointed by the demanding party, acting as a single arbitrator.

(d) The decision of a single arbitrator shall be rendered in writing within thirty (30) days after his appointment, and where three arbitrators are acting said decision shall be rendered in writing within thirty (30) days after appointment of the third arbitrator; provided, however, additional time to render a decision may be taken by the arbitrator or arbitrators as he, she or they may deem reasonably necessary under the circumstances. The written

decision of the arbitrator or arbitrators, as the case may be, shall be final and shall be binding upon the parties and the Partnership. All expenses and compensation of the arbitrator or the arbitrators, as the case may be, in connection with any matter or matters in controversy shall be paid by the Partnership. No arbitrator(s) shall determine or have the power to determine whether any party is in breach of an y obligation under this Partnership Agreement or any other agreement, it being the intention of the parties that the sole function of the arbitration process described in this Section 6.3 is to provide a mechanism to break a deadlock at the Board of Directors of the Partnership on matters that are appropriately before the Board and that are within the power and authority of the Board of Directors pursuant to this Partnership Agreement.

6.4 From and after the occurrence of a Default, if the Board of Directors is evenly divided with respect to any proposed Operating Decision, as defined in Section 9 hereof, or is unable to meet for failure to obtain a quorum with respect to any proposed Operating Decision, then any such Operating Decisions shall be made solely by the Non-Defaulting Partner, as defined in Section 9 hereof, and such decisions shall be binding on the Partnership and the Defaulting Partner, as defined in Section 9 hereof.

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7. DURATION; TERMINATION

7.1 Dissolution of Partnership. The Partnership shall continue until dissolved as herein provided. Except as provided in Section 7.2 hereof, no Partner shall cause the Partnership to be dissolved without the prior written consent of the other Partner. Upon dissolution of the Partnership, the provisions of Sections 7.2 and 7.3 hereof shall apply, as the case may be.

7.2 Termination; Dissolution of the Partnership.

(a) This Partnership Agreement shall terminate only upon expiration of its term, including any renewals thereof, as provided in and subject to Section 1.4 hereof.

(b) No Partner shall cause the Partnership to be dissolved except as provided in this Section 7.2(b), and the Partnership shall continue unless the Partnership is dissolved and liquidated in accordance with Section 7.3 hereof. The Partnership shall be dissolved upon the occurrence of any of the following:

(i) expiration of the term of this Partnership Agreement, including any renewals thereof, as set forth in Section 1.4 hereof; or

(ii) the Bankruptcy, as defined in Section 9 hereof, of a Partner; or

(iii) the occurrence of any other event specified under the Arizona Revised Uniform Partnership Act as one effecting a dissolution.

(c) Notwithstanding the provisions of Section 7.2(b) above, the Partnership shall not be dissolved as a result of the occurrence of any event specified in Sections 7.2(b)(ii) or (iii) (each, a "Default") if, within 90 days of such Default (or, if later, within 20 business days after receipt by the Non-Defaulting Partner of notice of such Default from the Defaulting Partner), the remaining Partners, which for this purpose shall include the Non-Defaulting Partner and any transferee of the Non-Defaulting Partner, unanimously agree in writing to continue the business of the Partnership.

(d) A Defaulting Partner shall give notice to the Non-Defaulting Partner of a Default within 10 business days of such Default.

No termination of this Partnership Agreement or dissolution of the Partnership shall be construed to release any Partner from liability at law or in equity to the other Partner or the Partnership arising out of any breach of the terms of this Partnership Agreement or the Management Agreement.

7.3 Closing of Affairs. If both this Partnership Agreement and the Management Agreement terminate upon expiration of their term, including any renewals thereof, or in the absence of an election pursuant to Section 7.2(c) to continue the business of the Partnership, then:

(a) STAR and CITIZEN will meet with each other and use their best efforts to develop a just and equitable plan for discontinuing and dissolving the Partnership, distributing its assets in kind between STAR and CITIZEN (after payment of all indebtedness and liabilities of the Partnership and all costs of dissolution and liquidation) equally to STAR and CITIZEN, and partitioning on an equal basis all capital assets used or held for use by the Partnership, so as to enable either STAR and CITIZEN to separately publish the Products, as independent businesses (a "Distribution Plan"). If STAR and CITIZEN agree on a Distribution Plan, the assets of the Partnership shall be distributed, and said capital assets shall be partitioned, in accordance with the Distribution Plan, the Licens es granted pursuant to Sections 1.2(b)(1) and 1.3(b)(1) of the Management Agreement shall automatically expire and terminate, and the Partnership shall thereupon be dissolved. Except as provided in the Distribution Plan and upon the effective distribution of assets by the Partnership pursuant thereto, neither STAR nor CITIZEN shall have any separate right, title or interest in or to any asset of the Partnership.

(b) If STAR and CITIZEN are unable to agree upon a Distribution Plan, or if the Partnership's assets are not sufficient to pay all of its indebtedness and liabilities and all costs of dissolution and liquidation, the business affairs and assets of the Partnership shall be liquidated as promptly as possible and receivables collected, all in an orderly and businesslike manner so as not to involve undue sacrifice, and the assets of the Partnership and the capital assets used or held for use by the Partnership shall be converted into cash and all of its indebtedness and liabilities paid. In the event there is a cash surplus available for distribution, the surplus will be distributed equally to STAR and CITIZEN, and in the event there is a deficiency, the same will be made up by STAR and CITIZEN in accordance with Section 2.2(b) of this Partnership Agreement, and the Partnership shall thereupon be dissolved.

7.4 Withdrawal. Except upon dissolution and liquidation in accordance with Section 7.3 hereof, no Partner shall have the right to withdraw from the Partnership, to require any purchase of its interest in the Partnership under applicable law, or to require that the Partnership return any of a Partner's capital contribution.

8. MISCELLANEOUS.

8.1 Amendments and Waivers. This Partnership Agreement may not be amended, modified, terminated, rescinded, or cancelled, except by a writing signed by both of the Partners. The observance of any term of this Partnership Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by a writing signed by the Partner against which such waiver is to be asserted.

8.2 Specific Performance. In addition to any other remedies the Partners may have, each Partner shall have the right to enforce the provisions of this Partnership Agreement through injunctive relief or by a decree or decrees of specific performance.

8.3 Severability. If any provision of this Partnership Agreement or the application thereof to any person or circumstance shall to any extent be held in any proceeding to be invalid or unenforceable, the remainder of this Partnership Agreement, or the application of such provision to persons or circumstances other than those to which it was held to be invalid or unenforceable, shall not be affected thereby, and shall be valid and be enforceable to the fullest extent permitted by law, but only if and to the extent such enforcement would not materially and adversely frustrate the Partners' essential purposes and intent as expressed herein and in the Management Agreement.

8.4 No Waiver. No delay on the part of any Partner in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any Partner of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8.5 Headings. The section headings herein are intended only for convenience and do not constitute a part of this Partnership Agreement and shall not be considered in the interpretation of this Partnership Agreement or any of its provisions.

8.6 Variation of Pronouns. All pronouns and all variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity or identities of the antecedent person or persons may require.

8.7 Counterparts. This Partnership Agreement may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement, and any party hereto may execute this Partnership Agreement by signing one or more counterparts hereof. This Partnership Agreement shall become effective when counterparts hereof duly executed by each Partner have been delivered to each Partner.

8.8 Binding Effect; No Third-Party Beneficiaries. This Partnership Agreement shall be binding upon and shall inure to the benefit of the Partners and their respective permitted successors and assigns. Nothing in this Partnership Agreement, expressed or implied, shall give to anyone other than the Partners and their respective permitted successors and assigns and the Partnership any benefit, or any legal or equitable right, remedy or claim, under or in respect of this Partnership Agreement.

8.9 Governing Law. This Partnership Agreement shall be governed by, construed and enforced in accordance with the internal laws of the State of Arizona, without giving effect to conflict of laws principles.

8.10 Priority of Interpretation. If any provision of this Partnership Agreement conflicts with any provision in the Management Agreement, the provision in this Partnership Agreement shall control.

8.11 Notices. Each notice or other communication given pursuant to this Partnership Agreement shall be in writing and shall be deemed to have been duly given when hand delivered or five days after being deposited in the United States mail, certified, postage prepaid, return receipt requested, and addressed to the party to be notified at such party's address as set forth below:

STAR:	Star Publishing Company 4850 South Park Avenue Tucson, Arizona 85726-6887 Attention: Publisher
	with a copy to:
	Lee Enterprises, Inc. 201 N. Harrison. Davenport, Iowa 52801 Attention: Chief Legal Officer
CITIZEN:	Citizen Publishing Company c/o Gannett Co., Inc. 7950 Jones Branch Drive McLean, Virginia 22107 Attention: Chief Financial Officer
Partnership:	TNI Partners 4850 South Park Avenue P.O. Box 26887 Tucson, Arizona 85726-6887 Attention: President

All such notices to the Partnership shall be to the attention of the President, with copies to STAR and CITIZEN at the addresses then designated by them for the receipt of such notices pursuant to this Section 8.11. Any party may change its address or the individual to whom notice is to be directed hereunder by notice to the other parties given in accordance with this Section 8.11.

9. CERTAIN DEFINED TERMS.

"Bankruptcy" means with respect to any Partner, (A) the making by such Partner of an assignment for the benefit of creditors or admitting in writing its inability to pay its debts when due; or (B) the commencement by such Partner with respect to itself or its assets of any liquidation, dissolution, bankruptcy, reorganization, insolvency or other proceeding for the relief of financially distressed debtors; or (C) the appointment for such Partner, or a substantial part of such Partner's assets, of a receiver, liquidator, custodian or trustee, and, if any of the events referred to in this clause (C) occur involuntarily, the failure of the same to be dismissed, stayed or discharged within 90 days; or (D) the entry of an order for relief against such Partner under Title 11 of the United States Code, or any other similar law enacted by the United States Congress to regulate bankruptcies; or (E) th e commencement against such Partner of any liquidation, dissolution, bankruptcy, reorganization, insolvency or other proceeding for the relief of financially distressed debtors if such proceeding remains undismissed for a period of 90 days.

"Default" shall have the meaning set forth in Section 7.2(c) hereof.

"Defaulting Partner" means a Partner that causes a Default.

"Non- Defaulting Partner" means the Partner other than the Defaulting Partner.

"Operating Decisions" means decisions related to the following subsections of Section 6.1 hereof: (i), (ii), (iv), (v) and (vi).

"Person" means an individual, corporation, limited liability company, partnership, joint venture, person (including, without limitation, a person as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), trust, association, or other entity,

"Products" means the Citizen Products, Star Products and TNI Products as follows:

(a) "Citizen Products": the Tucson Citizen website, http://tucsoncitizen.com, and the Tucson Citizen editorial insert, which are owned by Citizen and licensed to the Partnership;

(b) "Star Products": The Arizona Daily Star, La Estrella de Tucson and The Arizona Daily Star websites (http://www.azstarnet.com and the websites affiliated with www.azstarnet.com) , which are owned by Star and licensed to the Partnership;

(c) "TNI Products": all other publications, products and websites, including, but not limited to, the Partnership website, http://tucson.com, the Buyer's Edge, CareerBuilder Weekly, Cars.com Unlimited, Oro Valley/Marana Magazine, Saddlebag Notes, Tucson Bridal Magazine and TV Y Mas, which are either owned by or licensed to the Partnership.

[Signatures follow on next page]

IN WITNESS WHEREOF, each of the parties hereto has caused this Partnership Agreement to be duly executed as of the date first above written.

STAR PUBLISHING COMPANY

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Treasurer

CITIZEN PUBLISHING COMPANY

By: /s/ Daniel S. Ehrman, Jr.
Name: Daniel S. Ehrman, Jr.
Title: ______________________________

Exhibit 10.3

LICENSE AGREEMENT (Star)

THIS LICENSE AGREEMENT (the "License Agreement") was originally made as of the 26th day of December, 1988, and is hereby amended and restated as of November 30, 2009, by and between STAR PUBLISHING COMPANY, an Arizona corporation ("Licensor"), and TNI PARTNERS, an Arizona partnership ("Licensee").

WHEREAS, Licensor and CITIZEN PUBLISHING COMPANY, an Arizona corporation, have entered into an Amended and Restated Management Agreement dated as of the date hereof (the "Contract"), and have formed the Licensee under a Partnership Agreement (the "Partnership Agreement"), for the purpose of publishing The Arizona Daily Star, owned by Licensor, and the Tucson Citizen owned by Citizen Publishing Company, all on the terms set forth in the Contract; and

WHEREAS, the Contract provides that Licensor shall grant to Licensee a license as hereinafter provided;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements herein contained, the parties agree as follows:

1. Grant of License. Licensor hereby grants Licensee a royalty-free license and right (which license and right shall be exclusive against all persons and entities, except for Licensor and its Affiliates, as that term is defined in the Partnership Agreement, subject to the provisions of Section 3 herein) to use (i) the whole or any part of the name, title, and masthead of the Star Products (as defined in the Contract) and all intangible rights and privileges of whatever kind belonging to or incidental thereto, including any and all copyrights and trademarks relating thereto and any and all copyrights, and the right to renew the same, on issues of The Arizona Daily Star and any Star Product published before, on or after the date hereof, and the right to reprint all or any party thereof (collectively the "Names"); (ii) all lists relating to subscriptions, bulk sales, circulation, dealers and sub-dealers of The Arizona Daily Star and any Star Product, together with all records and other lists relating to or concerning the following: routes, daily draws by editions, distributions, delivery, sales, subscriptions and returns of The Arizona Daily Star and any Star Product in any territory, all lists of dealers and agencies served by all distribution methods in the City of Tucson, its metropolitan areas and in all cities and towns served by The Arizona Daily Star or any other Star Product, including a list of dealer and agency deposits, if any; and (iii) lists of all advertisers and advertising contracts relating to The Arizona Daily Star and any Star Product and related advertiser information, including dates of contracts, names and addresses of advertisers, space contracted for, frequency of insertions, rates per line, expiration dates and any special conditions, records requirements or publication orders with advertisers with the dates thereof, and any special agreements or commitments with advertisers, as w ell as lists of all insertion orders (the items in clauses (ii) and (iii) are collectively referred to as the "Intangibles").

2. Term. The term of this License shall remain in effect for so long as and only for so long as the Contract remains in effect.

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3. Use by Licensor. Licensor shall maintain quality control of the manner in which the Names are used by Licensee, all as provided in Contract. Neither Licensor, Lee Enterprises, Inc. nor any of their respective Affiliates shall use any of the Names or the Intangibles in connection with the printing or distribution of a daily newspaper, the dissemination of news or editorial information, or the sale or dissemination of advertising, in each case in the Tucson, Arizona metropolitan area, or otherwise in competition with the activities of the Licensee contemplated or permitted by the Contract. Notwithstanding the foregoing, Licensor, Lee Enterprises, Inc., and their respective Affiliates may engage in those activities described in the last sentence of Section 3.3(c) of the Partnership Agreement.

4. Default. If, for a period of six consecutive months, Licensee uses neither the Names nor the Intangibles, or if Licensee becomes insolvent, or if Licensee initiates proceedings in any court under any bankruptcy, reorganization or similar law or for the appointment of a trustee or receiver of Licensee's property, or if Licensee is adjudicated a bankrupt or debtor under any bankruptcy, reorganization or similar law, or if there shall be a default in the performance of any agreement herein contained on the part of Licensee and such default remains uncured for more than 180 days after written notice of such default is given by Licensor, this License Agreement (if Licensor so elects by written notice to Licensee) shall thereupon become nu ll and void, and Licensee shall have no further right to use of the Names or the Intangibles.

5. Assignment. Licensee shall not, without Licensor's prior written consent, which consent shall not be unreasonably withheld, assign, directly or indirectly, its rights hereunder, except that no such consent shall be required if such assignment is made pursuant to Section 7.2 of the Partnership Agreement.

6. Indemnification. Licensor agrees to indemnify and hold Licensee and its officers, agents and employees harmless from and against any and all claims, actions, liabilities, losses, damages, costs and expenses including reasonable attorneys' fees, arising out of any claim that Licensor did not have the right and power to enter into and perform this License Agreement and to license the Names and the Intangibles to Licensee as provided in this License Agreement without infringing the rights of any third

party. Licensor shall have the right to defend any such claim or action at Licensor's own expense with counsel of its selection, in which event Licensee shall have the right at its expense to participate in such defense with counsel of its own selection. Licensee shall notify Licensor promptly of any adverse use or infringement of the use of the Names by any third parties and assist Licensor in all re asonable ways in the protection thereof. Subject to the first sentence of this Section 6, Licensor shall not be liable to Licensee for any loss or liability suffered by Licensee by reason of Licensee's use of the Names or the Intangibles or by reason of any infringement thereof by any third parties unless caused by Licensor.

7. Waivers. No assent, express or implied, by either party hereto, to any breach of any of the other party's covenants or agreements shall be deemed or taken to be a waiver of any succeeding breach of the same covenant or agreement.

8. Notices. Each notice or other communication given hereunder shall be deemed to have been duly given when hand delivered or five days after being deposited in the U.S. mail, certified, postage prepaid, return receipt requested, addressed as follows (or to such other address as may be given by either party hereto to the other party:

Licensor:

Star Publishing Company
4850 South Park Avenue
Tucson, Arizona 85726-6887
Attention: Publisher

With a copy to:

Lee Enterprises, Inc.
201 N. Harrison
Davenport, Iowa 52801
Attention: Chief Legal Officer

Licensee:

TNI Partners
4850 South Park Avenue
Tucson, Arizona 85726-6887
Attention: Business Manager

With copies to:

Lee Enterprises, Inc.
201 N. Harrison
Davenport, Iowa 52801
Attention: Chief Legal Officer

Gannett Co., Inc.
7950 Jones Branch Drive
McLean, Virginia 22107
Attention: Chief Financial Officer

9. Law Governing. This License Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Arizona, without giving effect to conflicts of laws principles.

10. Counterparts. This License Agreement may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement, and any party hereto may execute this License Agreement by signing one or more counterparts hereof.

[*remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement as of the 30th day of November, 2009.

STAR PUBLISHING COMPANY

By: /s/ Carl G. Schmidt

Title: Treasurer

TNI PARTNERS

By: Citizen Publishing Company,
General Partner

By: /s/ Daniel S. Ehrman, Jr.

Title: ______________________________

By: Star Publishing Company,
General Partner

By: /s/ Carl G. Schmidt

Title: Treasurer

[*Signature Page to Star License Agreement*]

Exhibit 10.4

LICENSE AGREEMENT (Citizen)

THIS LICENSE AGREEMENT (the "License Agreement") was originally made as of the 26th day of December, 1988, and is hereby amended and restated as of November 30, 2009, by and between CITIZEN PUBLISHING COMPANY, an Arizona corporation ("Licensor"), and TNI PARTNERS, an Arizona partnership ("Licensee").

WHEREAS, Licensor and STAR PUBLISHING COMPANY, an Arizona corporation ("STAR"), have entered into an Amended and Restated Management Agreement dated the date hereof (the "Contract"), and have formed the Licensee under a Partnership Agreement (the "Partnership Agreement"), for the purpose of publishing The Arizona Daily Star, owned by Star Publishing Company and the Tucson Citizen owned by Licensor, all on the terms set forth in the Contract; and

WHEREAS, the Contract provides that Licensor shall grant to Licensee a license as hereinafter provided;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements herein contained, the parties agree as follows:

1. Grant of License. Licensor hereby grants Licensee a royalty-free license and right (which license and right shall be exclusive against all persons and entities, except for Licensor and its Affiliates, as that term is defined in the Partnership Agreement, subject to the provisions of Section 3 herein) to use (i) the whole or any part of the name, title, and masthead of the Citizen Products (as defined in the Contract) and all intangible rights and privileges of whatever kind belonging to or incidental thereto, including any and all copyrights and trademarks relating thereto and any and all copyrights, and the right to renew the same, on issues of the Tucson Citizen and any Tucson Product published before, on or after the date hereof, and the right to reprint all or any part thereof (collectively the "Names"); (ii) all lists relating to subscriptions, bulk sales, circulation, dealers and s ub-dealers of the Tucson Citizen and any Tucson Product, together with all records and other lists relating to or concerning the following: routes, daily draws by editions, distribution, delivery, sales, subscriptions and returns of the Tucson Citizen and any Tucson Product in any territory, all lists of dealers and agencies served by all distribution methods in the City of Tucson, its metropolitan areas and in all cities and towns served by the Tucson Citizen or any Tucson Product, including a list of dealer and agency deposits, if any; and (iii) lists of all advertisers and advertising contracts relating to the Tucson Citizen and any Tucson Product and related advertiser information, including dates of contracts, names and addresses of advertisers, space contracted for, frequency of insertions, rates per line expiration dates and any special conditions, records requirements or publication orders with advertisers with the dates thereof, and any special agreements or commitments with advertisers, as well as lists of all insertion orders (the items in clauses (ii) and (iii) are collectively referred to as the "Intangibles").

2. Term. The term of this License shall remain in effect for so long as and only for so long as the Contract remains in effect.

---

3. Use by Licensor. Licensor shall maintain quality control of the manner in which the Names are used by Licensee, all as provided in the Contract. Neither Licensor, Gannett Co., Inc. nor any of their respective Affiliates shall use any of the Names or the Intangibles in connection with the printing or distribution of a daily newspaper, the dissemination of news or editorial information, or the sale or dissemination of advertising, in each case in the Tucson, Arizona metropolitan area, or otherwise in competition with the activities of the Licensee contemplated or permitted by the Contract. Notwithstanding the foregoing, Licensor, Gannett Co. Inc., and their respective Affiliates may engage in those activities described in the last sentence of Section 3.3(c) of the Partnership Agreement.

4. Default. If, for a period of six consecutive months, Licensee uses neither the Names nor the Intangibles, or if Licensee becomes insolvent, or if Licensee initiates proceedings in any court under any bankruptcy, reorganization or similar law or for the appointment of a trustee or receiver of Licensee's property, or if Licensee is adjudicated a bankrupt or debtor under any bankruptcy, reorganization or similar law, or if there shall be a default in the performance of any agreement herein contained on the part of Licensee and such default remains uncured for more than 180 days after written notice of such default is given by Licensor, this License Agreement (if Licensor so elects by written notice to Licensee) shall thereupon become null and void and Licensee shall have no further right to use of the Names or the Intangibles.

5. Assignment. Licensee shall not, without Licensor's prior written consent, which consent shall not be unreasonably withheld, assign, directly or indirectly, its rights hereunder, except that no such consent shall be required if such assignment is made pursuant to Section 7.2 of the Partnership Agreement.

6. Indemnification. Licensor agrees to indemnify and hold Licensee and its officers, agents and employees harmless from and against any and all claims, actions, liabilities, losses, damages, costs and expenses including reasonable attorneys' fees, arising out of any claim that Licensor did not have the right and power to enter into and perform this License Agreement and to license the Names and the Intangibles to Licensee as provided in this License Agreement without infringing the rights of any third party. Licensor shall have the right to defend any such claim or action at Licensor's own expense with counsel of its selection, in which event Licensee shall have the right at its expense to participate in such defense with counsel of its own selection. Licensee shall notify Licensor promptly of any adverse use or infringement of the use of the Names by any third parties and assist Licensor in all reasonable ways in the protection thereof. Subject to the first sentence of this Section 6, Licensor shall not be liable to Licensee for any loss or liability suffered by Licensee by reason of Licensee's use of the Names or the Intangibles or by reason of any infringement thereof by any third parties unless caused by Licensor.

7. Waivers. No assent, express or implied, by either party hereto, to any breach of any of the other party's covenants or agreements shall be deemed or taken to be a waiver of any succeeding breach of the same covenant or agreement.

8. Notices. Each notice or other communication given hereunder shall be deemed to have been duly given when hand delivered or five days after being deposited in the U.S. mail, certified, postage prepaid, return receipt requested, addressed as follows (or to such other address as may be given by either party hereto to the other party:

Licensor:

Citizen Publishing Company
c/o Gannett Co., Inc.
7950 Jones Branch Drive
McLean, Virginia 22107
Attention: Chief Financial Officer

Licensee:

TNI Partners
4850 South Park Avenue
Tucson, Arizona 85726-6887
Attention: Business Manager

With copies to:

Lee Enterprises, Inc.
201 N. Harrison
Davenport, Iowa 52801
Attention: Chief Legal Officer

Gannett Co., Inc
7950 Jones Branch Drive
McLean, Virginia 22107
Attention: Chief Financial Officer

9. Law Governing. This License Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Arizona, without giving effect to conflict of laws principles.

10. Counterparts. This License Agreement may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement, and any party hereto may execute this License Agreement by signing one or more counterparts hereof.

[*remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement as of the 30th day of November, 2009.

CITIZEN PUBLISHING COMPANY

By: /s/ Daniel S. Ehrman, Jr.

Title: ___________________________________

TNI PARTNERS

By: Citizen Publishing Company, General Partner

By: /s/ Daniel S. Ehrman, Jr.

Title: ___________________________________

By: Star Publishing Company, General Partner

By: /s/ Carl G. Schmidt

Title: Treasurer

[*Signature Page to Citizen License Agreement*]

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Mary E. Junck, certify that:

1. I have reviewed this quarterly report on Form 10-Q ("Quarterly Report") of Lee Enterprises, Incorporated ("Registrant");
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;
3. Based on my knowledge, the Consolidated Financial Statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this Quarterly Report based on such evaluation; and
    d) disclosed in this Quarterly Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of Registrant's Board of Directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 10, 2010

/s/ Mary E. Junck
Mary E. Junck
Chairman, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Carl G. Schmidt, certify that:

1. I have reviewed this quarterly report on Form 10-Q ("Quarterly Report") of Lee Enterprises, Incorporated ("Registrant");
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;
3. Based on my knowledge, the Consolidated Financial Statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this Quarterly Report based on such evaluation; and
    d) disclosed in this Quarterly Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of Registrant's Board of Directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 10, 2010

/s/ Carl G. Schmidt
Carl G. Schmidt
Vice President, Chief Financial Officer and Treasurer

Exhibit 32

The following statement is being furnished to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Re: Lee Enterprises, Incorporated

Ladies and Gentlemen:

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), each of the undersigned hereby certifies that to our knowledge:

(i) this quarterly report on Form 10-Q for the period ended December 27, 2009 ("Quarterly Report"), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
(ii) the information contained in this Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Lee Enterprises, Incorporated for the periods presented in the Quarterly Report.

Date: February 10, 2010

/s/ Mary E. Junck	/s/ Carl G. Schmidt
Mary E. Junck	Carl G. Schmidt
Chairman, President and	Vice President, Chief Financial Officer
Chief Executive Officer	and Treasurer

A signed original of this written statement required by Section 906 has been provided to Lee Enterprises, Incorporated and will be retained by Lee Enterprises, Incorporated and furnished to the Securities and Exchange Commission upon request.