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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report: January 29, 2005

Commission File Number 1-6227

LEE ENTERPRISES, INCORPORATED

(Exact name of Registrant as specified in its charter)

Delaware	42-0823980
(State of Incorporation)	(I.R.S. Employer Identification No.)

201 N. Harrison Street, Davenport, Iowa 52801
(Address of Principal Executive Offices)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[X] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement

On January 29, 2005, Lee Enterprises, Incorporated, a Delaware corporation (“Lee”), and LP Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Lee (the “Purchaser”), entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Pulitzer Inc. (“Pulitzer”). The Merger Agreement provides for the Purchaser to be merged with and into Pulitzer (the “Merger”), with Pulitzer as the surviving corporation. Each share of Pulitzer’s Common Stock and Class B Common Stock outstanding immediately prior to the effective time of the Merger will be converted into the right to receive from the surviving corporation in cash, without interest, an amount equal to $64.00 per share.

The Merger will effect a change of control of Pulitzer. At the effective time of the Merger and as a result of the Merger, Pulitzer will become a wholly-owned subsidiary of Lee, the directors of the Purchaser will become the directors of the surviving corporation, and the officers of the Purchaser will become the officers of the surviving corporation.

Consummation of the Merger is subject to customary conditions, including the adoption of the Merger Agreement by the required vote of Pulitzer’s stockholders and the expiration or termination of any waiting period (and any extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

The Merger Agreement includes customary representations, warranties and covenants by Pulitzer, including covenants (i) to cause a stockholders’ meeting to be called and held as soon as reasonably practicable to vote on the adoption of the Merger Agreement, (ii) to cease immediately any discussions and negotiations with respect to an alternate acquisition proposal, (iii) not to solicit any alternate acquisition proposal and, with certain exceptions, not to enter into discussions concerning or furnish information in connection with any alternate acquisition proposal, and (iv) subject to certain exceptions, for Pulitzer’s board of directors not to withdraw or modify its recommendation that the stockholders vote to adopt the Merger Agreement. The Merger Agreement contains certain termination rights for both Pulitzer and Lee and further provides that, upon termination of the Merger Agreement under specified circumstances, Pulitzer may be required to pay Lee a fee of up to $55 million.

In connection with the Merger, Deutsche Bank Trust Company Americas, Deutsche Bank Securities Inc., SunTrust Bank and SunTrust Capital Markets, Inc. have provided Lee a Senior Secured Financing Commitment Letter dated January 29, 2005 (the “Commitment Letter”). The Commitment Letter contemplates, on the terms and conditions provided therein, an aggregate of $1.55 billion of bank senior secured financing, substantially all of the proceeds of which will be used to fund the Merger and refinance Lee’s existing debt. The Commitment Letter contains a $450 million Revolving Loan for a term of seven years, an $800 million Term Loan A for a term of seven years and a $300 million Term Loan B for a term of eight years. Interest rates float based on LIBOR and, in the case of the Revolving Loan and Term Loan A, based on Lee’s leverage ratio, as defined in the Commitment Letter. The Commitment Letter contains other customary terms and covenants.

There are no material relationships between Pulitzer and either Lee or the Purchaser other than those relating to the Merger Agreement.

The foregoing descriptions of the Merger Agreement and the Commitment Letter are qualified in their entirety by reference to the full text of the Merger Agreement and the Commitment Letter, which will be filed by Lee as exhibits to a future Current Report on Form 8-K.

Item 8.01. Other Events

On January 30, 2005, Lee and Pulitzer issued a joint press release announcing the execution of the Merger Agreement. The press release is attached as Exhibit 99.1 and is incorporated herein by reference.

Following the announcement of the Merger Agreement, on January 31, 2005, Lee has provided a series of questions with answers about the Merger for Lee stockholders, which is attached as Exhibit 99.2 and is incorporated herein by reference.

These communications may be deemed soliciting material pursuant to Rule 14a-12 of the Securities Exchange Act of 1934, as amended, and are filed herewith as exhibits and incorporated herein by reference.

Additional Information and Where to Find It

The proposed transaction will be submitted to Pulitzer's stockholders for their consideration, and Pulitzer will file with the SEC a proxy statement to be used to solicit the stockholders' approval of the proposed transaction, as well as other relevant documents concerning the proposed transaction. STOCKHOLDERS OF PULITZER ARE URGED TO READ THE PROXY STATEMENT REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. A free copy of the proxy statement, as well as other filings containing information about Pulitzer, may be obtained at the SEC's Internet site (http://www.sec.gov). Copies of the proxy statement and the SEC filings that will be incorporated by reference in the proxy statement can also be obtained, without charge, by directing a request to James V. Maloney, Secretary, Pulitzer Inc., 900 North Tucker Boulevard, St. Louis, Missouri 63101.

Participants in the Solicitation

Pulitzer and its directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from the stockholders of Pulitzer in connection with the proposed transaction. Information regarding Pulitzer's directors and executive officers is available in Pulitzer's proxy statement for its 2004 annual meeting of stockholders, which was filed with the SEC on April 2, 2004. Additional information regarding the interests of such potential participants will be included in the proxy statement and the other relevant documents filed with the SEC when they become available.

Item 9.01. <u>Financial Statements and Exhibits</u>

(c) Exhibits

99.1 Press release issued jointly by Lee Enterprises, Incorporated and Pulitzer Inc., dated January 30, 2005.
99.2 A series of questions with answers about the Merger for Lee stockholders.

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

Date: January 31, 2005

/s/Carl G. Schmidt

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

INDEX TO EXHIBITS

Exhibit No.	Description
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LEE ENTERPRISES

201 N. Harrison St.
Davenport, IA 52801
www.lee.net

PULITZER INC.

900 N. Tucker Blvd.
St. Louis, MO 63101
www.pulitzerinc.com

FOR SCHEDULED RELEASE, 10 p.m. CST, Jan. 30, 2005

Pulitzer chooses Lee Enterprises to continue its newspaper legacy

Lee agrees to pay $64 per share in $1.46 billion acquisition of 14 daily newspapers, including the *St. Louis Post-Dispatch*

DAVENPORT, Iowa, and ST. LOUIS, Mo. (Jan. 30, 2005) — Lee Enterprises, Incorporated (NYSE: LEE), and Pulitzer Inc. (NYSE: PTZ) announced today that they have entered into a definitive agreement for Lee to acquire Pulitzer for a cash purchase price of $64 per share, with enterprise value totaling $1.46 billion.

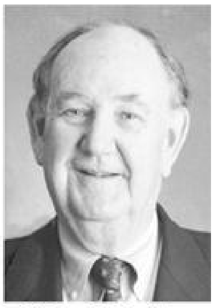
Pulitzer operates 14 daily newspapers, including the *St. Louis Post-Dispatch*, founded by legendary publisher Joseph Pulitzer in 1878. Others are the *Arizona Daily Star* in Tucson, Ariz.; *The Pantagraph*, Bloomington, Ill.; *The Daily Herald*, Provo, Utah; the *Santa Maria Times*, Santa Maria, Calif.; *The Napa Valley Register*, Napa, Calif.; *The World*, Coos Bay, Ore.; *The Sentinel*, Hanford, Calif.; the *Arizona Daily Sun*, Flagstaff, Ariz.; the *Daily Chronicle*, DeKalb, Ill.; *The Garden Island*, Lihue, Hawaii; the *Daily Journal*, Park Hills, Mo.; *The Lompoc Record*, Lompoc, Calif.; and *The Daily News*, Rhinelander, Wis.

Pulitzer also operates more than 100 weekly newspapers, shoppers, and niche publications, including the *Suburban Journals* of Greater St. Louis, a group of 38 weekly newspapers and niche publications with distribution of more than a million copies a week. Pulitzer also owns leading online sites in all of its markets, including STLtoday.com in St. Louis and azstarnet.com in Tucson.

Mary Junck, chairman and chief executive officer of Lee, described the acquisition as a continuation of Lee's long-term strategies:

Mary Junck
Chairman & CEO
Lee Enterprises

"...An exciting and logical next step for Lee"



Michael E. Pulitzer
Chairman
Pulitzer Inc.

"We couldn't have found a better steward."

"It's another terrific acquisition for Lee – and, in both order of magnitude and revenue growth opportunities, remarkably similar to our highly successful purchase of the 16 Howard newspapers three years ago. The acquisition of Pulitzer allows us to take an exciting and logical next step into another exceptionally attractive group of markets, exactly the kind where we excel as an industry leader in building revenue and circulation."

She added: "Just like in Lee, Pulitzer's newspapers are, far and away, the primary source for news, information and advertising in their markets. Impressively, that's also true in St. Louis, where Pulitzer has expanded on the powerful reach of the *Post-Dispatch* with its network of *Suburban Journals* and STLtoday.com. Because of Pulitzer's strength and extended media platform, and also because of Midwestern lifestyle and economic similarities, we view St. Louis as very much like other Lee markets where we have been so successful."

In the combined company, Pulitzer will represent about 39 percent of the revenue and 34 percent of the daily circulation.

The acquisition is comparable to the 2002 purchase of Howard Publications, Inc. At that time, Lee grew by 50 percent in revenue and 75 percent in circulation. The Pulitzer acquisition will increase Lee's size by 60 percent in revenue and 50 percent in circulation.

Lee will become the fourth largest U.S. newspaper publisher in terms of dailies owned and seventh largest in circulation, growing from 44 to 58 daily newspapers in 23 states, with new total circulation of 1.7 million daily and 2.0 million Sunday. Combining calendar 2004 results, Lee's revenue will rise by more than $440 million, to $1.14 billion.

Michael E. Pulitzer, grandson of the founder and chairman of the Pulitzer board of directors, said: "After a lengthy review process in which we explored a broad range of strategic alternatives, the Pulitzer board has determined unanimously that a combination with Lee is the best way to enhance value for all Pulitzer's shareholders. As part of Lee, our newspapers will benefit from greater scale and resources, which are necessary to compete effectively in today's increasingly competitive media market. Lee and Pulitzer share similar cultures and values, beginning with our long history in, and passion for, the newspaper business. We both care deeply about our employees, communities and the public trust, and we manage our newspapers in the same devoted ways. In short, we couldn't have found a better steward to continue Pulitzer's 125-year legacy of journalistic excellence."

Robert C. Woodworth, chief executive officer of Pulitzer, said: "Lee is among the best newspaper operators in the industry, with an especially impressive record for revenue growth. When people ask me what to expect under the new ownership, the answer is obvious: Nothing breeds success like success, and Mary Junck has put together an impressive team at Lee that delivers results."

Junck said Lee will apply its five top operating priorities at the new newspapers, focusing on revenue growth, readership and circulation, strong local news, online strength and careful cost controls.

"Our management team is strong, experienced and enthusiastic about this opportunity, and our success with Howard has prepared us exceedingly well – and from what we've seen already, the Pulitzer management is equally enthusiastic and receptive," she said.

"In St. Louis, we've been impressed with the excellent strategies already in place and look forward to contributing additional revenue programs to help speed progress on an exciting range of opportunities. The same is true in Tucson and at the other Pulitzer newspapers, where we'll also help the management teams introduce our many successful retail, classified and online advertising sales approaches, as well as our circulation sales and retention programs," Junck said.

While emphasizing that the basis of the acquisition is revenue growth, she said expected cost savings include purchasing leverage and reductions in corporate costs.

Junck said the purchase price of $64 per share, after consideration of $290 million of Pulitzer cash, marketable securities and restricted funds to be retained by Lee, assumption of $306 million of

Pulitzer debt, and exclusion of minority interest and one-time adjustments to 2004 results, translates into a multiple of 13.5 times operating cash flow(1) for the 12 months ended Dec. 26, 2004, before revenue and cost synergies. For Lee's fiscal year ending Sept. 30, 2006, the first full year of post-merger combined operations, after projected revenue and cost synergies, the transaction price translates into an estimated 11-11.5 times operating cash flow.

The transaction will be financed by a $1.55 billion fully committed bank facility led by Deutsche Bank and SunTrust Bank. Junck added "Although this transaction takes Lee's initial level of debt higher than it's been historically, we are confident that the combined cash flow of the business will enable us to return quickly to an investment grade profile."

"Importantly, the transaction will be immediately accretive to free cash flow(2), as was the case with the Howard acquisition," Junck said. For the fiscal year ending Sept. 30, 2006, free cash flow per diluted share is expected to increase approximately 50 cents.

Junck said that because of significant non-cash charges for amortization of intangible assets, the transaction is expected to be dilutive to reported earnings by an estimated 8-10 cents per diluted share in fiscal 2005, excluding one-time transition costs and assuming a May 31 closing. Dilution to reported earnings per share is estimated to be approximately 10-11 percent in fiscal 2006. Timing of the closing and final valuation of intangible assets can both significantly affect these estimates.

Under the agreement, Pulitzer Inc. will become a Lee subsidiary. With the addition of about 4,000 people from Pulitzer, Lee will have about 10,700 employees.

Among other aspects of the acquisition, Lee will gain a small minority stake in the St. Louis Cardinals major league baseball team.

The boards of directors of both companies have unanimously approved the transaction. The transaction is subject to customary closing conditions, including regulatory clearances and approval by Pulitzer shareholders. The transaction is expected to close in the second quarter of calendar 2005.

An audio and visual webcast discussing details of acquisition will be broadcast at 10 a.m. Central Standard Time Monday at www.lee.net. The presentation also will be accessible through a limited number of listen-only phone lines at 1-800-599-9829, with an access code of 58546073. Those who wish to monitor the presentation live should connect five minutes before the scheduled start. Both the webcast and a recording of the call will be available for replay for one week beginning Monday afternoon. The webcast replay may be accessed at www.lee.net. The phone replay may be accessed at 1-888-286-8010, with an access code of 59688318.

Also, in order to provide more detail for stockholders, a series of questions with answers is being posted along with this news release at www.lee.net and www.pulitzerinc.com.

Lazard advised Lee in the transaction. Goldman, Sachs & Co. advised Pulitzer.

For more information about Lee and Pulitzer, please visit www.lee.net and www.pulitzerinc.com.

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(1) Operating cash flow, which is defined as operating income before depreciation, amortization and equity in net income of associated companies, represents a non-GAAP financial measure. The Company believes that operating cash flow is useful in evaluating its financial performance because of their focus on results from operations before depreciation and amortization.

(2) Free cash flow, which is defined as net income before depreciation, amortization and deferred income taxes, and less capital expenditures, (and the related measure of free cash flow per share) represent non-GAAP financial measures. The Company believes that free cash flow and free cash flow per share are useful in evaluating its financial performance because of their focus on cash generation in the business, which is not impacted by depreciation, amortization and deferred income taxes.

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

Contacts:

- Dan Hayes, Director of Communications, Lee Enterprises, dan.hayes@lee.net, (563) 383-2163
- James V. Maloney, Director of Shareholder Relations, Pulitzer Inc., jmaloney@pulitzer.net (314)340-8402

Q&A / Stockholders

Q: Lee has historically focused on smaller market properties and bills itself as the premier publisher of daily newspapers in midsize markets. How does this acquisition, particularly St. Louis, fit your strategy?

The deal enhances Lee's core position, gets us into markets in the rapidly growing Southwest and extends our company into another metro market that plays into our core competencies.

Pulitzer properties like *The Pantagraph* in Bloomington, Ill., *The Daily Herald* in Provo, Utah, and the *Napa Valley Register* in Napa, Calif., are obvious natural fits with the bulk of our operations.

In Tucson, the *Arizona Daily Star* is in a JOA operation similar in size and scope to our partnership in Madison, Wis. Coincidentally, the president of the joint company and the top advertising executive are former Lee executives, so our comfort level there is high.

That brings us to St. Louis, which we have concluded is an attractive market similar in many respects to existing Lee markets:

- Pulitzer has built a strong platform in St. Louis, including the *Post-Dispatch*, the *Suburban Journals*, STLtoday.com and a direct-mail operation. The *Suburban Journals* alone have distribution of more than a million copies a week.
- Pulitzer's platform with multiple titles in the market is similar to the Lee SBU approach you'd find in Madison, Lincoln and other Lee markets.
- Market penetration, especially in the growing St. Louis suburbs, is well within the range of what we see in larger Lee markets. The *Post-Dispatch* has no daily newspaper competition on the Missouri side of the river and enjoys readership reach that is among the best of U.S. metro papers.
- Operationally, the *Post-Dispatch* resembles Lee's larger newspapers, especially those that compete in metro areas.
- St. Louis is a Midwestern community with values like those in other Lee markets, including Mississippi River cities where Lee owns papers, like Davenport, Iowa, or La Crosse, Wis.
- It is a regional hub for shopping, health care and culture.
- Residents enjoy high purchasing power, a low cost of living and relatively easy commuting.

Q: Does Lee have the expertise to compete in a metro market?

Yes.

In the first place, Pulitzer already has strong management in place, and we have been impressed with both strategies we've seen and people we've met.

As for Lee's experience:

Two of our largest newspapers operate in metro markets. The *North County Times* in Oceanside and Escondido, Calif., is in the northern suburbs of San Diego. *The Times* in Munster, Ind., circulates in the southeast suburbs of Chicago. Both papers were part of the Howard Publications acquisition in 2002. Both have grown since the purchase, particularly the *North County Times*, where cash flow has almost doubled in three years.

Several of Lee's executives have metro market experience. Chief among them is Mary Junck, our chairman, president and CEO, who joined Lee in 1999. She previously held several senior executive positions at Times Mirror Company. From 1997 to 1999, she was executive vice president of Times Mirror and president of Times Mirror Eastern Newspapers. She was responsible for all newspaper operations in the region, including *Newsday*, *The Baltimore Sun*, the *Hartford Courant*, *The Morning Call* and Southern Connecticut Newspapers. From 1993 to 1997, she was publisher and chief executive officer of *The Baltimore Sun*. From 1990 to 1992, she was publisher and president of the *St. Paul Pioneer Press*, where she had served as president, general manager and senior vice president since 1985.

Q: How will Lee pay for Pulitzer?

Lee has received a fully committed $1.55 billion credit facility led by Deutsche Bank and SunTrust Bank. The facility consists of a seven year, $450 million revolving credit and $1.1 billion of seven or eight year term loans at floating rates tied to the company's leverage levels. The agreements have traditional covenants that allow the company very good operating flexibility. Debt repayments in the early years of the agreements are modest.

An agreement of this nature would not have been possible without the strong cash flow generation our company has historically demonstrated.

Q: Discuss the impact on earnings per share and Lee's balance sheet.

The transaction will immediately and positively influence Lee's ability to generate substantial free cash flow to maintain a strong balance sheet, as we demonstrated after the Howard acquisition. Although this transaction takes Lee's initial level of debt higher than we've had historically, we are confident in our ability to return quickly to an investment grade profile.

The transaction will be immediately accretive to free cash flow. For the fiscal year ending Sept. 30, 2006, free cash flow per diluted share is expected to increase approximately 50 cents.

Because of significant non-cash charges for amortization of intangible assets, the transaction is expected to be dilutive to reported earnings by an estimated 8-10 cents per diluted share in fiscal 2005, excluding one-time transition costs and assuming a May 31 closing. Dilution to reported earnings per share is estimated to be approximately 10-11 percent in fiscal 2006. Timing of the closing and final valuation of intangible assets can both significantly affect these estimates.

Lee is extremely confident in the ability of the combined company to generate substantial and increasing free cash flow, which will enable Lee to rapidly delever the balance sheet. We expect that over the next 24 months that Lee will return to a solid investment grade profile. We are comfortable with the pro forma capital structure given the financial attributes of the company and the attractive financing available in the current market. The bank financing is fully committed with 7-8 year maturities. Further, there are no onerous covenants and no significant debt amortization requirements in the early years. Lee may consider other financing opportunities in the long-term debt market or in the equity or equity linked market. Nothing, however, is needed or required. We are comfortable with our business and our balance sheet.

Q: How does the purchase price compare to similar deals in recent history?

The purchase price of $64 per share translates to 13.5 times operating cash flow for the 12 months ended December 26, 2004, and 11-11.5 times operating cash flow for the first full fiscal year, ending September 30, 2006. Both are in the range of other major newspaper stock purchases in the last five years.

Q: Do you plan to sell any of the Pulitzer newspapers?

No. The purchase of Pulitzer expands Lee's geographic reach into some fast-growing markets in the Southwest, and it enhances our position in other areas of the country, plus extends Lee into an attractive top 25 metro market. While we regularly evaluate proposals to buy, sell or exchange properties, we have no plans at this time to divest any of the Pulitzer newspapers.

Q: What kind of cost-saving opportunities do you see in the merger?

The pro forma assumes a significant reduction in corporate costs. We can expect some savings due to increased purchasing power, but we don't expect savings in newsprint expense as Pulitzer is already part of the same buying group as Lee. We have a track record of steadily improving margins by maintaining careful cost controls while also focusing on topline growth and producing quality products.

Q: What are the opportunities for revenue growth?

Lee has consistently outperformed the industry average on revenue growth, and we see attractive room for topline growth in Pulitzer by energetically applying Lee's proven sales tactics.

In particular, we expect early successes from the use of Lee's blitz-team approach, combining sales training programs with intensive prospecting and team selling in specific categories. Based on the needs of an individual market and local ad management teams, we send in well-trained sales crews to assist local salespeople in focused efforts, often targeting competing media, including yellow pages, cable and radio. Our Flight frequency advertising sales program should be easily integrated into Pulitzer markets, as should our current focus on key classified categories such as automotive and recruitment.

In addition to advertising sales training programs, Lee's focus on topline revenue growth includes simply hiring the best salespeople we can and filling open positions quickly.

In St. Louis, we see opportunity for continued growth in territories and midsize accounts, as well as in improved cross-selling between the *Post-Dispatch* and the Suburban Journals. These are areas where Lee has a good track record of success.

In St. Louis and elsewhere, we believe Lee's online sales model, including selling "big ads" and creating stronger classified verticals, will lead to substantial increases in revenue. In online, as with print, Lee's SWAT team approach includes training with intensive prospecting and team selling.

We also see opportunity for continued growth in niche publications in several Pulitzer markets, similar to what we've launched in other Lee properties.

Q: Can you increase circulation as you have in Lee?

Pulitzer has had circulation success of its own.

Lee's track record historically has been better than the industry as a whole, especially on Sundays, the most important day of the week for advertisers. Overall, the application of Lee's best practices helped the Howard newspapers increase circulation. We think those strategies also will help Pulitzer papers grow paid circulation through diversified sales pressure, improved retention programs, such as EZ Pay, and focused single copy sales.

In St. Louis, we believe we can improve circulation through stronger sales pressure and marketing efforts. The *Post-Dispatch* also will benefit as a result of Pulitzer's work to purchase the majority of distribution routes through negotiations with independent distributors. That makes customer contact easier and allows for better control of single-copy sales programs.

We expect circulation revenue to remain generally flat.

Q: What do you forecast in terms of capital spending?

Lee's estimate for 2005 for its own capital spending is $20 million. On a combined basis, we expect capital spending of 3% or less of revenue on an ongoing basis. As part of our due diligence effort, we engaged an independent consultant to evaluate press and production facilities in St. Louis, Tucson and Bloomington, the three largest operations. The consultant confirmed that Pulitzer has done a good job of maintaining the physical needs of its properties, as does Lee. At some point in the future, those operations will need to be upgraded again, but the time horizon for those events appears to be well into the future.

Q: Discuss the union situation in St. Louis and elsewhere in Pulitzer.

Of nearly 1,300 employees at the *Post-Dispatch*, more than 1,000 are represented by 11 unions. The largest is the Guild, which covers about 600 full-time and part-time employees.

Current Pulitzer management has worked to maintain good relations with the unions and all employees. While we have not yet had a chance to meet with union representatives, we look forward to doing so. Based on information from Pulitzer, we believe the climate is positive and that contracts give management sufficient operating flexibility.

There are only a few small unions outside of St. Louis.

Q: How do you view the JOA with Gannett in Tucson?

We expect to have a good relationship with Gannett Co., Inc., as our partners in Tucson.

The joint operating agreement in Tucson has been in place since 1940. Pulitzer became a partner in 1971 and Gannett bought its half-interest in 1977.

Pulitzer oversees the news operations for the *Arizona Daily Star,* a morning newspaper with circulation of about 100,000 daily and 162,000 on Sunday. Gannett operates the *Tucson Citizen,* a 30,000-circulation afternoon newspaper six days a week.

With the exception of the two newsrooms, joint operations of the two papers are controlled by TNI Partners. Both Pulitzer and Gannett have three members on the TNI Board, which hires the president. Coincidentally, the current president, Mike Jameson, is a former Lee executive, as is the top advertising executive, Dan Adams. We're pleased to renew our relationships with them.

The current operating agreement in Tucson expires in 2015, but it can be renewed by either party for successive periods of 25 years each.

Q: Do you plan to make management changes?

We don't expect widespread changes. By way of reference, we made no immediate changes at the publisher level when we bought Howard Publications in 2002, other than filling a vacant position. Most of the publishers and other key personnel are still with Lee.

We have met or talked with every Pulitzer publisher and many of the top managers. Our overall impression is that Pulitzer is a well-run company with many talented people in upper management and on the front lines. Just as with Howard, we expect our other newspapers in Lee to benefit from the influx of new talent and fresh ideas.

Q: Will Pulitzer family members be involved in the combined business?

We do not expect Pulitzer family members to be actively engaged in the combined business, but will welcome their advice on preserving the Pulitzer heritage.

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Participants in the Solicitation

The directors and executive officers of Pulitzer Inc. and other persons may be deemed to be participants in the solicitation of proxies in respect of the transaction. Information regarding Pulitzer’s directors and executive officers will be available in the proxy statement. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement and other relevant materials to be filed with the SEC when they become available.