

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

FORM 10-Q

Quarterly Report Under Section 13 or 15(d) of the  
Securities Exchange Act of 1934  
For Quarter Ended March 31, 2001

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

A Delaware Corporation  
215 N. Main Street, Davenport, Iowa 52801  
Phone: (319) 383-2100

I.D. #42-0823980

Indicate by a 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  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Class	Outstanding at March 31, 2001
-----	-----
Common stock, \$2.00 par value	33,261,970
Class "B" Common Stock, \$2.00 par value	10,560,335

PART I. FINANCIAL INFORMATION

Item. 1.

LEE ENTERPRISES, INCORPORATED

CONSOLIDATED STATEMENTS OF INCOME  
(In Thousands Except Per Share Data)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2001	2000	2001	2000
	-----			
	(Unaudited)			
Operating revenue:				
Advertising .....	\$ 63,877	\$ 62,040	\$ 141,562	\$ 132,173
Circulation .....	19,729	19,972	40,902	40,184
Other .....	17,273	17,003	34,474	33,055
Equity in net income of associated companies .....	1,318	1,958	3,884	4,248
	-----	-----	-----	-----
	102,197	100,973	220,822	209,660
	-----			
Operating expenses:				
Compensation costs .....	41,517	38,328	85,042	78,009
Newsprint and ink .....	9,957	8,997	21,094	18,010
Depreciation .....	4,284	3,577	8,413	7,053
Amortization of intangibles .....	3,898	3,734	7,799	7,470
Other .....	26,955	25,307	55,239	51,731
	-----	-----	-----	-----
	86,611	79,943	177,587	162,273
	-----			
Operating income .....	15,586	21,030	43,235	47,387
	-----			
Nonoperating (income) expenses, net:				

Financial (income) .....	(8,431)	(609)	(17,942)	(1,663)
Financial expense .....	3,181	2,758	6,345	6,143
Other, net .....	226	218	631	(18,031)
	(5,024)	2,367	(10,966)	(13,551)
Income from continuing operations before taxes on income .....	20,610	18,663	54,201	60,938
Income taxes .....	7,469	6,926	20,045	22,805
Income from continuing operations ...	13,141	11,737	34,156	38,133
Discontinued operations:				
Income from discontinued operations, net of income tax effect .....	--	590	--	4,738
Gain (loss) on disposition, net of income tax effect .....	(85)	1,274	250,802	1,274
	(85)	1,864	250,802	6,012
Net income .....	\$13,056	\$ 13,601	\$ 284,958	\$ 44,145
Average outstanding shares:				
Basic .....	43,665	44,098	43,665	44,132
Diluted .....	44,032	44,423	44,002	44,527
Earnings per share:				
Basic:				
Income from continuing operations .....	\$ 0.30	\$ 0.27	\$ 0.78	\$ 0.86
Income from discontinued operations .....	--	0.04	5.75	0.14
Net income .....	\$ 0.30	\$ 0.31	\$ 6.53	\$ 1.00
Diluted:				
Income from continuing operations .....	\$ 0.30	\$ 0.27	\$ 0.78	\$ 0.85
Income from discontinued operations .....	--	0.04	5.70	0.14
Net income .....	\$ 0.30	\$ 0.31	\$ 6.48	\$ 0.99
Dividends per share .....	\$ 0.17	\$ 0.16	\$ 0.34	\$ 0.32

## LEE ENTERPRISES, INCORPORATED

CONDENSED CONSOLIDATED BALANCE SHEETS  
(In Thousands)

ASSETS	March 31, 2001	September 30, 2000
----- (Unaudited)		
Cash and cash equivalents	\$ 38,281	\$ 29,427
Temporary cash investments	456,585	-
Accounts receivable, net	40,050	42,712
Newsprint inventory	4,586	4,280
Other	6,460	7,380
Net assets of discontinued operations	535	167,767
	-----	
Total current assets	546,497	251,566
Investments	32,357	34,176
Property and equipment, net	123,577	127,356
Intangibles and other assets	328,746	333,135
	-----	
	\$ 1,031,177	\$ 746,233
	=====	

## LIABILITIES AND STOCKHOLDERS' EQUITY

-----		
Current liabilities:		
Current maturities of long-term debt	\$ 185,000	\$ 49,532
Income taxes payable	91,137	7,799
Other	63,233	60,296
	-----	
Total current liabilities	339,370	117,627
Long-term debt, less current maturities	-	173,400
Deferred items	29,141	60,039
Stockholders' equity	662,666	395,167
	-----	
	\$ 1,031,177	\$ 746,233
	=====	

## LEE ENTERPRISES, INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In Thousands)

	2001	2000
	-----	
	(Unaudited)	
Six Months Ended March 31:		
Cash Provided by (Required for) Operating Activities:		
Net income	\$ 284,958	\$ 44,145
Adjustments to reconcile net income to net cash provided by (required for) operations:		
Depreciation and amortization	16,236	20,537
Gain on sale of properties	(396,190)	(18,439)
Distributions in excess of current earnings of associated companies	2,484	1,184
Other balance sheet changes	52,426	17,536
	-----	
Net cash provided by (required for) operating activities	(40,086)	64,963
	-----	
Cash Provided by (Required for) Investing Activities:		
Purchase of property and equipment	(4,920)	(18,359)
Purchase of temporary cash investments, net	(456,585)	-
Acquisitions	(4,230)	(8,075)
Proceeds from sale of assets	565,264	8,775
Other	(1,992)	(42)
	-----	
Net cash provided by (required for) investing activities	97,537	(17,701)
	-----	
Cash (Required for) Financing Activities:		
Purchase of Lee common stock	(8,633)	(6,214)
Cash dividends paid	(7,382)	(7,071)
Payments on short-term notes payable, net	(37,937)	(6,000)
Other	5,355	323
	-----	
Net cash (required for) financing activities	(48,597)	(18,962)
	-----	
Net increase in cash and cash equivalents	8,854	28,300
	-----	
Cash and cash equivalents:		
Beginning	29,427	10,536
	-----	
Ending	\$ 38,281	\$ 38,836
	=====	

## LEE ENTERPRISES, INCORPORATED

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## Note 1. Basis of Presentation

The information furnished reflects all adjustments, consisting of normal recurring accruals, which are, in the opinion of management, necessary to a fair presentation of the financial position as of March 31, 2001 and the results of operations for the three- and six-month periods ended March 31, 2001 and 2000 and cash flows for the six-month periods ended March 31, 2001 and 2000.

## Note 2. Investment in Associated Companies

The Company has a 50% ownership interest in Madison Newspapers, Inc., a newspaper company which publishes daily, Sunday, and weekly publications in Madison and three other daily newspapers, seven weekly publications, and various other classified publications in Wisconsin, and also holds interests in Internet service ventures. The condensed operating results of Madison Newspapers, Inc. set forth below include the results of operations of three daily newspapers, five weekly publications, and three other classified publications acquired by Madison Newspapers, Inc. on July 1, 2000 from Independent Media Group, Inc. (in thousands):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2001	2000	2001	2000
Revenues	\$ 24,557	\$ 23,579	\$ 54,016	\$ 47,642
Operating expenses, except depreciation and amortization	19,075	16,991	38,726	33,092
Income before depreciation and amortization, interest, and taxes	5,482	6,588	15,290	14,550
Depreciation and amortization	1,161	714	2,322	1,429
Operating income	4,321	5,874	12,968	13,121
Financial income (expense)	28	640	(27)	1,042
Income before income taxes	4,349	6,514	12,941	14,163
Income taxes	1,712	2,613	5,172	5,692
Net income	\$ 2,637	\$ 3,901	\$ 7,769	\$ 8,471

## Note 3. Cash Flows Information

The components of other balance sheet changes are:

	Six Months Ended March 31,	
	2001	2000
	(In Thousands)	
Decrease in receivables	\$ 2,662	\$ 5,104
Decrease in inventories and other	614	2,201
(Decrease) in accounts payable, accrued expenses and unearned income	(5,047)	(911)
Increase in income taxes payable	83,338	2,594
Deferred income taxes	(29,665)	-
Other	524	8,548
	\$ 52,426	\$ 17,536

Note 4.

Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands except per share amounts):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2001	2000	2001	2000
-----				
Numerator:				
Income applicable to common shares:				
Income from continuing operations	\$ 13,141	\$ 11,737	\$ 34,156	\$ 38,133
Income (loss) from discontinued operations	(85)	1,864	250,802	6,012
	-----	-----	-----	-----
	\$ 13,056	\$ 13,601	\$ 284,958	\$ 44,145
	=====	=====	=====	=====
Denominator:				
Basic-weighted average common shares outstanding	43,665	44,098	43,665	44,132
Dilutive effect of employee stock options	367	325	337	395
	-----	-----	-----	-----
Diluted outstanding shares	44,032	44,423	44,002	44,527
	=====	=====	=====	=====
Basic earnings per share:				
Income from continuing operations	\$ 0.30	\$ 0.27	\$ 0.78	\$ 0.86
Income from discontinued operations	-	0.04	5.75	0.14
	-----	-----	-----	-----
Net income	\$ 0.30	\$ 0.31	\$ 6.53	\$ 1.00
	=====	=====	=====	=====
Diluted earnings per share:				
Income from continuing operations	\$ 0.30	\$ 0.27	\$ 0.78	\$ 0.85
Income from discontinued operations	-	0.04	5.70	0.14
	-----	-----	-----	-----
Net income	\$ 0.30	\$ 0.31	\$ 6.48	\$ 0.99
	=====	=====	=====	=====

Note 5. Sale of Assets

On October 1, 1999 the Company acquired a daily newspaper and specialty publications in Beatrice, Nebraska and received \$9,300,000 of cash in exchange for all the assets used in, and liabilities related to, the publication, marketing, and distribution of two daily newspapers and the related specialty and classified publications in Kewanee, Geneseo, and Aledo, Illinois and Ottumwa, Iowa. In connection with this transaction, the Company recognized a gain on sale of \$18,439,000, which is included in other nonoperating income in 2000.

Note 6.

Discontinued Operations

On March 1, 2000, the Company decided to discontinue the operations of the Broadcast division. On May 7, 2000 the Company entered into an agreement to sell substantially all of its broadcasting operations, consisting of eight network-affiliated and seven satellite television stations, to Emmis Communications Corporation and closed the transaction on October 1, 2000. The net proceeds of approximately \$565,000,000 resulted in an after-tax gain for financial reporting purposes of approximately \$251,000,000. The results for the broadcast operations have been classified as discontinued operations for all periods presented in the consolidated statements of income. Under the terms of its senior note agreement, the Company will be required to repay the outstanding balance of \$173,400,000 on October 1, 2001 unless the Company reinvests the net proceeds of the broadcast sale or obtains a waiver of that provision of the agreement. Therefore, the \$173,400,000 has been classified as a current liability as of March 31, 2001.

On January 18, 2001, the Company entered into an agreement to sell its remaining broadcast property which will complete the Company's exit from television broadcasting. The assets and liabilities of the remaining broadcast property has been classified as "net assets of discontinued operations" as of March 31, 2001.

The income (loss) from discontinued operations consists of the following (in thousands):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2001	2000	2001	2000
Income from discontinued operations	\$ -	\$ 3,325	\$ -	\$ 10,396
Gain (loss) on disposition	(139)	-	396,190	-
Income taxes (credits)	(54)	1,461	145,388	4,384
	\$ (85)	\$ 1,864	\$ 250,802	\$ 6,012

The assets and liabilities of the Broadcast division consist of the following:

	March 31, 2001
	(In Thousands)
Assets:	
Accounts receivable, net	\$ 130
Property and equipment, net	377
Intangibles and other assets	59
	566
Liabilities	31
Net assets of discontinued operations	\$ 535

Note 7.

Amortization of Intangibles

Amortization of goodwill was \$1,883,000 and \$1,780,000 for the quarters ended March 31, 2001 and 2000, respectively, including approximately \$700,000 in each period that is not deductible for income tax purposes. For the six months ended March 31, amortization of goodwill was \$3,766,000 in 2001 and \$3,560,000 in 2000, including approximately \$1,400,000 in each period that is not deductible for income tax purposes.

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

Operations results are summarized below(dollars in thousands, except per share data):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2001	2000	2001	2000
Operating revenue	\$102,197	\$100,973	\$220,822	\$209,660
Percent change	1.2%	4.6%	5.3%	3.3%
Income before depreciation, amortization, interest and taxes (EBITDA) *	23,768	28,341	59,447	61,910
Percent change	(16.1%)	4.4%	(4.0%)	5.1%
Operating income	15,586	21,030	43,235	47,387
Percent change	(25.9%)	3.6%	(8.8%)	4.6%
Nonoperating income (expense), net	5,024	(2,367)	10,966	13,551
Income from continuing operations	13,141	11,737	34,156	38,133
Percent change	12.0%	6.6%	(10.4%)	53.6%
Earnings per share, continuing operations				
Basic	\$ 0.30	\$ 0.27	\$ 0.78	\$ 0.86
Percent change	11.1%	8.0%	(9.3%)	53.6%
Diluted	\$ 0.30	\$ 0.27	\$ 0.78	\$ 0.85
Percent change	11.1%	8.0%	(8.2%)	54.5%

\* EBITDA is not a financial performance measurement under generally accepted accounting principles (GAAP), and should not be considered in isolation or as a substitute for GAAP performance measurements. EBITDA is also not reflected in our consolidated statement of cash flows, but it is a common and meaningful alternative performance measurement for comparison to other companies in the newspaper publishing industry. The computation excludes other nonoperating items which are primarily the gain on sale of businesses and losses related to Ad One, LLC.

QUARTER ENDED MARCH 31, 2001

Operating results consist of the following:

	Three Months Ended March 31,	
	2001	2000
	(Dollars In Thousands)	
Advertising revenue:		
Retail advertising:		
Retail - "run-of-press"	\$ 25,060	\$ 24,328
Retail - preprint and other	11,908	10,455
Total retail advertising	36,968	34,783
Percent change	6.3%	1.5%
National	2,560	2,400
Percent change	6.7%	4.0%
Classified	22,819	23,394
Percent change	(2.5%)	6.6%
Other	1,530	1,463
Percent change	4.6%	14.7%
Total advertising	63,877	62,040
Percent change	3.0%	3.7%
Circulation revenue	19,729	19,972
Percent change	(1.2%)	(3.3%)
Other revenue	17,273	17,003
Percent change	1.6%	18.8%

The following advertising and circulation revenue results are presented exclusive of acquisitions and dispositions.

Retail "run-of-press" advertising is advertising by merchants in the local community which is printed in the newspaper, rather than "preprints", which are printed separately by the Company or others inserted into the newspaper. Retail revenue decreased \$(184,000), (.8%) in 2001.

Total revenue realized from retail and national merchants includes preprints, which have lower-priced, higher-volume distribution rates. Preprint revenue decreased \$(156,000), (1.6) in 2001.

Classified advertising revenue decreased approximately \$(1,155,000), (5.0%) in 2001, primarily in the employment and automotive categories.

In 2001, total advertising revenue decreased \$(1,422,000), (2.3%).

In 2001, circulation revenue decreased \$(1,044,000), (5.3%) in part due to one less Sunday in the quarter.

Other revenue consists of revenue from commercial printing, products, and services delivered outside the newspaper (which include activities such as target marketing, special event production, and online services), and editorial service contracts with Madison Newspapers, Inc.

Other revenue by category is as follows:

	Three Months Ended March 31,	
	2001	2000
	(In Thousands)	
Commercial printing	\$ 6,317	\$ 6,751
New revenue:		
Niche publications	4,163	3,767
Internet/online	1,399	688
Other	2,824	3,225
Total new revenue	8,386	7,680
Editorial service contracts	2,570	2,572
	\$17,273	\$17,003

In 2001 exclusive of acquisitions and dispositions, other revenue increased \$7,000. Commercial printing decreased by \$(508,000), (9.2%) due to reductions of the volume of material printed by customers. Niche publications revenue increased \$863,000, 27.5% with the introduction of new products. Internet/online revenue increased \$310,000, 45.3% due to growth in advertising revenue. Other revenue declined \$(656,000), (19.4%) primarily due to a decline in target marketing and events revenues.

The following table sets forth the percentage of revenue of certain items:

	Three Months Ended March 31,	
	2001	2000
Revenue	100.0%	100.0%
Compensation costs	41.2	38.7
Newsprint and ink	9.9	9.1
Other operating expenses	26.7	25.6
	77.8	73.4
Income before depreciation, amortization, interest and taxes	22.2	26.6
Depreciation and amortization	8.1	7.4
Operating margin wholly-owned properties	14.1%	19.2%

Exclusive of the effects of acquisitions and dispositions, in 2001 costs other than depreciation and amortization increased \$2,111,000, 3.0%. Compensation expense increased \$1,244,000, 3.3% due primarily to increases in benefit costs, additional sales people to drive local ad revenue, and one-time costs related to workforce reductions. Newsprint and ink costs increased \$557,000, 6.5%, as the result of a price increase offset in part by conservation efforts, page width reductions, and lower advertising and circulation volumes which decreased consumption by 9.1%. Other operating costs, exclusive of depreciation and amortization, increased \$310,000, 1.3%.

## NONOPERATING INCOME AND INCOME TAXES

Interest on deferred compensation arrangements for executives and others is offset by financial income earned on the invested funds held in trust. Financial income and interest expense decreased by \$(246,000) in 2001 as a result of these arrangements. Financial income increased \$7,822,000 due primarily to income earned on invested proceeds from the sale of its broadcast properties which contributed approximately \$.11 per share to net income.

In 2001, other nonoperating income, net consists primarily of losses related to its 6.3% interest in Ad One, LLC, a provider of integrated online classified solutions for the newspaper industry. In 2000, other nonoperating income, net consists primarily of gain from the sale of publishing properties and losses related to Ad One, LLC.

Income taxes were 36.2% and 37.1% of pretax income from continuing operations for the quarters ended March 31, 2001 and 2000, respectively. Income taxes were reduced in 2001 due to a lower state income tax rate.

### SIX MONTHS ENDED MARCH 31, 2000

Operating results consist of the following:

	Six Months Ended March 31,	
	2001	2000
	(Dollars In Thousands)	
Advertising revenue:		
Retail advertising:		
Retail - "run-of-press"	\$ 57,302	\$ 54,337
Retail - preprint and other	28,692	23,939
Total retail advertising	85,994	78,276
Percent change	9.9%	(0.1%)
National	5,614	4,624
Percent change	21.4%	8.4%
Classified	46,948	46,514
Percent change	0.9%	5.6%
Other	3,006	2,759
Percent change	9.0%	10.2%
Total advertising	141,562	132,173
Percent change	7.1%	2.3%
Circulation revenue	40,902	40,184
Percent change	1.8%	(3.5%)
Other revenue	34,474	33,055
Percent change	4.3%	16.9%

The following advertising and circulation revenue results are presented exclusive of acquisitions and dispositions.

Retail "run-of-press" advertising is advertising by merchants in the local community which is printed in the newspaper, rather than "preprints", which are printed separately by the Company or others inserted into the newspaper. Retail revenue increased \$635,000, 1.2% in 2001, primarily attributable to increased spending by advertisers which was offset by a shift to preprint advertising.

Total revenue realized from retail and national merchants includes preprints, which have lower-priced, higher-volume distribution rates. Preprint revenue increased \$1,003,000, 4.6% in 2001.

Classified advertising revenue decreased approximately \$(899,000), (1.9%) in 2001, primarily in the employment and automotive categories partially offset by an increase in real estate advertising.

In 2001, total advertising revenue increased \$1,844,000, 1.4%.

In 2001, circulation revenue decreased \$(996,000), (2.5%) due primarily to a reduction in volume.

Other revenue consists of revenue from commercial printing, products and services delivered outside the newspaper (which include activities such as target marketing, special event production, and online services), and editorial service contracts with Madison Newspapers, Inc.

Other revenue by category is as follows:

	Six Months Ended March 31,	
	2001	2000
	(In Thousands)	
Commercial printing	\$ 13,474	\$ 13,161
New revenue:		
Niche publications	7,595	6,479
Internet/online	2,692	1,317
Other	5,824	7,230
Total new revenue	16,111	15,026
Editorial service contracts	4,889	4,868
	\$ 34,474	\$ 33,055

In 2001 exclusive of acquisitions and dispositions, other revenue increased \$454,000. Commercial printing decreased by \$(555,000), (5.0%) due to reductions of the volume of materials printed by customers. Niche publications revenue increased \$1,728,000, 30.3% with the introduction of new products. Internet/online revenue increased \$623,000, 47.4% due to growth in advertising revenue. Other revenue declined \$(1,363,000), (19.5%) primarily due to a decline in target marketing and events revenues.

The following table sets forth the percentage of revenue of certain items in the publishing operations.

	Six Months Ended March 31,	
	2001	2000
Revenue	100.0%	100.0%
Compensation costs	39.2	38.0
Newsprint and ink	9.7	8.8
Other operating expenses	25.5	25.2
	74.4	72.0
Income before depreciation, amortization, interest and taxes	25.6	28.0
Depreciation and amortization	7.5	7.1
Operating margin wholly-owned properties	18.1%	20.9%

Exclusive of the effects of acquisitions and dispositions, in 2001 costs other than depreciation and amortization increased \$5,428,000, 3.8%. Compensation expense increased \$2,741,000, 3.6% due primarily to an increase in average compensation rates, benefit costs, additional sales people to drive local ad revenue, and one-time costs related to workforce reductions. Newsprint and ink costs increased \$2,038,000, 11.8%, as a result of price increases offset in part by conservation efforts, page width reductions, and lower advertising and circulation volumes which reduced consumption by 7.6%. Other operating costs, exclusive of depreciation and amortization, increased \$649,000, 1.3%.

#### NONOPERATING INCOME AND INCOME TAXES

Interest on deferred compensation arrangements for executives and others is offset by financial income earned on the invested funds held in trust. Financial income and interest expense decreased by \$(376,000) in 2001, as a result of these arrangements. Financial income increased \$16,279,000 due primarily to income earned on invested proceeds from the sale of its broadcast properties.

In 2001, other nonoperating income, net consists primarily of losses related to its 6.3% interest in Ad One, LLC, a provider of integrated online classified solutions for the newspaper industry. In 2000, other nonoperating income, net consists primarily of gain from the sale of publishing properties and losses related to Ad One, LLC.

Income taxes were 37.0% and 37.4% of pretax income from continuing operations for the six months ended March 31, 2001 and 2000, respectively. Income taxes were reduced in 2001 due to a lower state income tax rate.

#### LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operations excluding the provision for payment of income taxes arising from the sale of its broadcast properties was \$44,844,000.

The Company anticipates that funds necessary for capital expenditures and other requirements will be available from internally generated funds and the net after-tax proceeds from the sale of its Broadcast properties.

Under the terms of its senior note agreement, the Company will be required to repay the outstanding balance of \$173,400,000 on October 1, 2001 unless the Company reinvests the net proceeds of the sale of its broadcast properties in operating assets of the Company or obtains a waiver of that provision of the agreement. Other covenants under these agreements are not considered restrictive to normal operations or anticipated stockholder dividends.

## SAFE HARBOR STATEMENT

The Private Securities Litigation Reform Act of 1995 provides a "Safe Harbor" for forward-looking statements. This report contains certain information which may be deemed forward-looking 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 uncertainties are changes in advertising demand, newsprint prices, interest rates, regulatory rulings, other economic conditions, and the effect of acquisitions, investments, and dispositions on the Company's results of operations or financial condition. The words "believe," "expect," "anticipate," "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 as of the date of this report. Further information concerning the Company and its businesses, including factors that potentially could materially affect the Company's financial results, is included in the Company's annual report on Form 10-K. The Company does not undertake to publicly update or revise its forward-looking statements.

LEE ENTERPRISES, INCORPORATED

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

- (a) The annual meeting of the Company was held on January 23, 2001.
- (b) Mary E. Junck, Andrew E. Newman, and Gordon D. Prichett were re-elected directors for three-year terms expiring at the 2004 annual meeting. J.P. Guerin was re-elected as a director for a one-year term expiring at the 2002 annual meeting. Directors whose terms of office continued after the meeting include: Rance E. Crain, Richard D. Gottlieb, Phyllis Sewell, William E. Mayer, Mark Vittert, and Gregory P. Schermer.
- (c) Votes were cast, all by proxy, for nominees for director as follows:

	Vote For	Withheld
	-----	
Mary E. Junck	105,947,054	2,786,394
Andrew E. Newman	105,970,326	2,763,122
Gordon D. Prichett	105,935,734	2,797,714
J.P. Guerin	105,970,863	2,762,585

Abstentions and broker non-votes were not significant.

- (d) Not applicable.

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibit 3(ii) Amended and restated bylaws
- (b) The following reports on Form 8-K were filed during the three months ended March 31, 2001. Date of Report: January 18, 2001

Item 5. The Company announced plans to sell its remaining broadcast property, KMAZ-TV in EL Paso, Texas to Council Tree Hispanic Broadcasters, L.L.C.

Date of Report: March 20, 2001

Item 9. The Company issued February 2001 revenue summary and assessment.

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/ G.C. Wahlig

DATE 4/02/01

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G. C. Wahlig, Vice President of Finance,  
Interim Chief Financial Officer, and  
Chief Accounting Officer

BY-LAWS  
OF  
LEE ENTERPRISES, INCORPORATED  
(A Delaware corporation)  
Effective January 23, 2001

ARTICLE I

OFFICES

SECTION 1. Principal Office. The principal office shall be at 229 South State Street, in the City of Dover, County of Kent, State of Delaware, and the name of the resident agent in charge thereof is THE PRENTICE-HALL CORPORATION SYSTEM, INC.

SECTION 2. Other Offices. The corporation may also have an office or offices at such other place or places, within or without the State of Delaware, as the Board of Directors may from time to time designate or the business of the corporation require.

ARTICLE II

STOCKHOLDERS' MEETINGS

SECTION 1. Annual Meetings. An annual meeting of the stockholders of the corporation shall be held at such time and place within or without the State of Delaware as may be determined by the Board of Directors, and as shall be designated in the notice of said meeting, for the purpose of electing directors and for the transaction of such other proper business, notice of which was given in the notice of the meeting.

SECTION 2. Nomination of Directors and other business.

(a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election as directors may be made at a meeting of stockholders only (x) by or at the direction of the Board of Directors, (y) by any person or persons authorized to do so by the Board or (z) by any stockholder of the corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 2. Any such nomination, other than those made by or at the direction of the Board or by persons authorized by the Board, shall be made pursuant to timely notice in writing to the Chairman of the Nominating Committee of the Board of Directors. Such stockholder's notice of a proposed nomination shall set forth, as to each person whom the stockholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the corporation which are beneficially owned by the person, and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as now or hereafter amended; and as to the stockholder giving the notice, (v) the name and record address of such stockholder and (vi) the class and number of shares of the corporation which are beneficially owned by such stockholder. The corporation may require any proposed nominee to furnish such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as director. No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth herein and unless qualified under the other provisions of these bylaws. If the Chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedure, he or she shall so declare to the meeting and the defective nomination shall be disregarded.

(b) To be properly brought before any annual or special meeting of stockholders, business must be either (x) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board, (y) otherwise properly brought before the meeting by or at the direction of the Board, or (z) otherwise properly brought before the meeting by a stockholder. In addition to any other applicable requirements,

for business to be properly brought before a meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation. A stockholder's notice to the Secretary shall set forth with respect to each matter the stockholder proposes to bring before the meeting (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and record address of the stockholder proposing such business, (iii) the class and number of shares of the corporation which are beneficially owned by the stockholder, and (iv) any material interest of the stockholder in such business. Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at any meeting of stockholders except in accordance with the procedures set forth in this Section 2, provided, however, that nothing in this Section 2 shall be deemed to preclude discussion by any stockholder of any business properly brought before the meeting. If the Chairman of the meeting determines that such business was not properly brought before the meeting in accordance with the foregoing procedure, he or she shall so declare to the meeting, and any such business not properly brought before the meeting shall not be transacted.

- (c) To be timely, a stockholder's notice of nomination or other business must be delivered to, or mailed and received at, the principal executive offices of the corporation, as to the annual meeting of stockholders, not later than the date fixed annually by the Board of Directors and set forth in the proxy statement for the preceding annual meeting. As to any other meeting such notice shall be given not less than 40 days nor more than 65 days prior to the meeting; provided, however, that in the event that less than 45 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 15th day following the day on which such notice of the date of the special meeting was mailed or such public disclosure was made, whichever first occurs.

SECTION 3. Special Meetings. Special meetings of the stockholders may be held at such time and place within or without the State of Delaware as may be designated in the notice of said meeting, upon call of the Board of Directors, the Chairman of the Board, or the President.

SECTION 4. Notice of Meetings and Adjourned Meetings. Unless otherwise provided by law, written notice of any meeting of the stockholders stating the place, date, hour and purpose or purposes of the meeting shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, notice shall be deemed for all purposes to have been given when deposited in the United States mail, postage prepaid, directed to the stockholder at the address of the stockholder as it appears on the records of the corporation. An affidavit of the Secretary or an Assistant Secretary or of the transfer agent of the corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, provided that if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 5. Record Date for Determination of Stockholders. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the stock record books of the corporation shall not be closed, but the Board of Directors shall fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 6. Quorum. Except as otherwise provided by law or the Restated Certificate of Incorporation of the corporation, a quorum of all meetings of stockholders shall consist of the holders of record of stock representing a majority of the voting power of all classes of the corporation, issued and outstanding, entitled to vote at the meeting, present in person or by proxy. For purposes of the foregoing, two or more classes or series of stock shall be considered a single class if the holders thereof are entitled to vote together as a single class at the meeting. In the absence of a quorum at any meeting or any adjournment thereof, a majority of the voting power of those present in person or by proxy and entitled to vote may adjourn such meeting from time to time. At any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 7. Organization. Meetings of the stockholders shall be presided over by the President. If he or she is not present, the Chairman of the Board or a Vice President (in that order) shall preside. In their absence or inability to act, another person designated by the President shall preside. The Secretary of the corporation, or an Assistant Secretary, shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, the presiding officer shall choose any person present to act as secretary of the meeting.

SECTION 8. Voting. Except as provided in Section 9 or as otherwise provided by law, each stockholder entitled to vote at any meeting of stockholders shall be entitled to such number of votes as is specified, in respect of the class or series of capital stock held by such stockholder, in the corporation's Restated Certificate of Incorporation. Any vote of stock of the corporation may be given by the stockholder entitled thereto in person or by his or her proxy appointed by an instrument in writing, subscribed by such stockholder or his or her attorney thereto authorized and delivered to the Secretary of the meeting; provided, however, that no proxy shall be voted on after three (3) years from its date unless said proxy provides for a longer period. Except as otherwise required by law or the Restated Certificate of Incorporation or these By-Laws, or in electing directors, all matters coming before any meeting of the stockholders shall be decided by the vote of a majority of the voting power of all classes of stock of the corporation present in person or by proxy at such meeting and entitled to vote thereat, a quorum being present. At all elections of directors the voting may, but need not be, by ballot and a plurality of the votes cast thereat shall elect.

SECTION 9. Voting of Shares by Aliens. No more than twenty percent (20%) of the outstanding shares of stock of the corporation entitled to vote on any matter submitted to stockholders (including the election of directors) shall be voted, directly or indirectly, by or for the account of all aliens as a group. All references herein to "alien" shall include the representatives, associates and affiliates of such alien. The term "alien", "representative", "associate", and "affiliate" shall be defined as set forth in Subdivision (J) to Article FOURTH of the Restated Certificate of Incorporation of the corporation.

SECTION 10. List of Stockholders. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 11. Inspectors of Voting. Except as otherwise provided by statute, the President or in his or her absence the Chairman of the meeting, shall appoint one or more inspectors of voting for each meeting of stockholders.

SECTION 12. Meeting Procedures. Meetings of stockholders shall be conducted in a fair manner but need not be governed by any prescribed rules of order. The presiding officer's rulings on procedural matters shall be final. The presiding officer is authorized to impose reasonable time limits on the remarks of individual stockholders and may take such steps as such officer may deem necessary or appropriate to assure that the business of the meeting is conducted

in a fair and orderly manner including, without limitation, to adjourn any meeting and determine the date, time and place at which any adjourned meeting shall be reconvened, unless otherwise determined by the Board of Directors.

## ARTICLE III

### DIRECTORS

SECTION 1. Powers, Number, Qualification, Term, Quorum and Vacancies. The property, affairs and business of the corporation shall be managed by its Board of Directors, consisting of such number as shall be fixed from time to time by resolution adopted at a meeting of the stockholders or as may be determined by the Board of Directors as hereinafter provided. The number of directors shall never be less than three (3). The directors shall be divided into three classes as nearly equal in number as possible, with the term of office of one class expiring each year. Following expiration of terms for which they were elected, each class of directors shall thereafter be elected for a three-year term. The directors shall have power from time to time, and at any time, when the stockholders as such are not assembled in a meeting, regular or special, to increase or decrease their own number. During the intervals between annual meetings of stockholders, any vacancy occurring in the Board of Directors caused by resignation, removal, death or incapacity, and any newly created directorships resulting from an increase in the number of directors, shall be filled by a majority vote of the directors then in office, whether or not a quorum. Each director chosen to fill a vacancy shall hold office for the unexpired term in respect of which such vacancy occurred. Each director chosen to fill a newly created directorship shall hold office until the next election of the class for which such director shall have been chosen. When the number of directors is changed, any newly created directorships or any decrease in directorships shall be so apportioned among the classes as to make all classes as nearly equal in number as possible. Each director shall serve until a successor shall have been duly elected and qualified, except in the event of resignation, removal, death or other incapacity.

Directors need not be stockholders. No alien (including the representatives, associates and affiliates thereof) shall be eligible to serve as a director of the corporation. The terms "alien", "representative", "associate", and "affiliate", shall be defined as set forth in Subparagraph (J) to Article FOURTH of the Restated Certificate of Incorporation of the corporation.

A majority of the members of the Board of Directors then acting, but in no event less than one-third nor less than two (2) of the number of directors authorized, acting at a meeting duly assembled, shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time until a quorum shall have been obtained.

SECTION 2. Meetings. Meetings of the Board of Directors shall be held at such place within or outside the State of Delaware as may from time to time be fixed by resolution of the Board of Directors, or as may be specified in the notice of the meeting. Regular meetings of the Board of Directors shall be held at such times as may from time to time be fixed by resolution of the Board of Directors, and special meetings may be held at any time upon the call of the President or any two (2) directors by oral, telegraphic, facsimile or other written notice duly communicated to, served on, sent, or mailed to each director at his or her principal address as recorded in the records of the corporation not less than twenty-four (24) hours before such meeting. A meeting of the Board of Directors shall be held without notice immediately after the annual meeting of stockholders. Notice need not be given of regular meetings of the Board of Directors held at times fixed by resolution of the Board of Directors. Meetings may be held at any time without notice if all the directors are present, or if at any time before or after the meeting those not present waive notice of the meeting in writing.

SECTION 3. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the Board or committee.

SECTION 4. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of two (2) or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; provided, however, that in the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

SECTION 5. Dividends. Subject always to the provisions of the law and the Certificate of Incorporation, the Board of Directors shall have full power to determine whether any, and if any, what part of any, funds legally available for the payment of dividends shall be declared in dividends and paid to stockholders; the division of the whole or any part of such funds of the corporation shall rest wholly within the lawful discretion of the Board of Directors, and it shall not be required at any time, against such discretion, to divide or pay any part of such funds among or to the stockholders as dividends or otherwise; and the Board of Directors may fix a sum which may be set aside or reserved over and above the capital paid in of the corporation as working capital for the corporation or as a reserve for any proper purpose, and from time to time may increase, diminish, and vary the same in its absolute judgment and discretion.

SECTION 6. Removal of Directors. A director may be removed from office at any time, but only for cause, by the affirmative vote of the holders of a majority of the outstanding shares of stock entitled to vote for the election of directors at a meeting of the stockholders called for that purpose.

SECTION 7. Indemnification of officers, directors, employees and aliens.

(a) Each officer, director, employee and agent of the corporation and each person serving at the request of the corporation as an officer, director, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified (including payment of expenses in advance) by the corporation to the full extent from time to time provided or authorized by the General corporation Law of the State of Delaware. This right of indemnification shall not be exclusive of other indemnification rights to which any such person may be entitled under contract, by-law, vote of stockholders or disinterested directors, policy of insurance or otherwise. The subsequent provisions of this By-law shall not limit or otherwise modify the foregoing provision.

(b) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

- (c) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such persons shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.
- (d) To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (b) and (c), or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.
- (e) Any indemnification under subsections (b) and (c) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in subsections (b) and (c). Such determination shall be made (1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders.
- (f) Expenses incurred by an officer or director in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as authorized in this Section. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.
- (g) The indemnification and advance of expenses provided by or granted pursuant to, the other subsections of this section shall not be deemed exclusive of any other rights to which those seeking indemnification and advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. The corporation shall have authority to enter into indemnification agreements with its officers and directors, the terms of which shall be approved by the board of directors.
- (h) The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this section.
- (i) For purposes of this Section, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under

the provisions of this Section with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

- (j) For purposes of this Section, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Section. References to "actions" or "proceedings" shall include administrative or investigative inquiries as well as suits at law or in equity.
- (k) The indemnification and advancement of expenses provided by, or granted pursuant to, this section shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

#### ARTICLE IV

##### OFFICERS, GROUPS AND STAFF

SECTION 1. Number. The Board of Directors at its first meeting after each annual meeting of the stockholders, or at any time thereafter, shall elect a Chairman of the Board, a President (acting as Chief Executive Officer), one or more Vice Presidents (the number to be determined by the Board of Directors), a Secretary and a Treasurer. The Board of Directors may elect or appoint from time to time one or more Group Presidents, Assistant Secretaries and Assistant Treasurers and such other officers and agents as it shall deem necessary.

SECTION 2. Term and Removal. Each elective officer shall hold office until the next annual meeting of the Board of Directors, or until his or her successor is elected and qualifies. Each appointive officer shall hold office at the will of the Board of Directors. Any officer elected or appointed by the Board of Directors may be removed, either with or without cause, at any time, by the affirmative vote of a majority of the members of the Board of Directors then in office. A vacancy in any office arising from any cause may be filled by the Board of Directors.

SECTION 3. Chairman of the Board. The Chairman of the Board, in the absence of the President, shall preside at all meetings of the Board of Directors, and shall have such powers and perform such duties as may be assigned to him or her by the President or the Board of Directors.

SECTION 4. President. The President shall be Chief Executive Officer of the corporation, shall preside at all meetings of the Board of Directors, and shall have general supervision of the business, affairs and property of the corporation and over its several officers, subject to the control of the Board of Directors. He or she shall be ex officio a member of all standing committees, other than the Audit and Executive Compensation Committees, and shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she shall make recommendations to the Board of Directors with respect to corporate policies and other matters of importance which he or she believes should be submitted for Board consideration. He or she shall have all the powers usually vested in the office of a general manager and chief executive officer of a corporation. He or she shall have power to execute contracts and other documents on behalf of the corporation, under seal or otherwise, except as to those matters as may be specifically reserved to the Board of Directors by resolution adopted from time to time by the Board of Directors.

SECTION 5. Group Presidents. Each Group President shall be a corporate officer and within the limitations placed by the policies adopted by the Board of Directors or the President, shall be the chief operating officer of the operating group assigned and shall in general supervise and control such business and affairs of the group and operations assigned thereto and perform such other duties as may be prescribed from time to time by the President or the Board of Directors.

SECTION 6. Vice Presidents. Each Vice President shall have such powers and perform such duties as may be assigned to him or her by the President or the Board of Directors.

SECTION 7. Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He or she

shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors and shall perform such other duties as may be prescribed by the President or the Board of Directors. He or she shall keep in safe custody the seal of the corporation and, when authorized to do so, affix the same to any instrument requiring it, and when so affixed it shall be attested by his or her signature or by the signature of the Treasurer or an Assistant Secretary.

SECTION 8. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever and deposit all such monies in the name of the corporation in such banks, trust companies or other depositaries as shall be selected in accordance with the provisions of Article VI of these By-Laws; and, in general, perform all of the duties incident to the office of Treasurer and such other duties as shall from time to time be assigned to him or her by the President or the Board of Directors.

SECTION 9. Assistant Secretaries and Assistant Treasurers. Assistant Secretaries and Assistant Treasurers, if any, shall be elected or appointed by the Board of Directors and shall have such powers and shall perform such duties as shall be assigned to them by the President or the Board of Directors.

SECTION 10. Establishment of Groups. The Board of Directors or the President may cause the business of the corporation to be divided into one or more groups, based upon product or service, geographical territory, character and type of operations, or upon such other basis as the Board of Directors or the President may from time to time determine to be advisable. A group shall operate under the authority and direction of a Group President and may operate under trade names approved for such purpose as may be authorized by the Board of Directors or the President.

SECTION 11. Group Officers. The Group President of a group, after authorization by the President, may appoint any number of group officers (who shall not, by virtue of such appointment, be corporate officers), and may remove any such group officer. Such officers shall have such authority as may from time to time be assigned by the Group President.

SECTION 12. Staff Officers. The President may appoint any number of staff officers (who shall not, by virtue of such appointment, be corporate officers), and may remove any such staff officer as the President may deem appropriate from time to time. Such officers shall have such authority as may from time to time be assigned by the President.

#### ARTICLE V

##### CERTIFICATES OF STOCK AND UNCERTIFICATED STOCK

SECTION 1. Certificates of Shares and Uncertificated Shares. The Board of Directors may authorize the issuance of some or all of the shares of its common stock without certificates. The authorization does not affect shares already represented by certificates until they are surrendered to the corporation. Shares of stock held by or for the account of aliens (including the representatives, associates, and affiliates thereof) shall be represented by "Foreign Share Certificates". The terms "alien", "representative", "associate" and "affiliate" shall be defined as set forth in Subparagraph (J) of Article FOURTH of the Restated Certificate of Incorporation of the corporation. All such other shares of stock shall be represented by either "Domestic Share Certificates" or, in the case of uncertificated stock, by such written statements issued by the corporation in respect of uncertificated shares. All such certificates or written statements shall be in such form and design as the Board of Directors may approve and each certificate or written statement shall be signed by the Chairman of the Board, the President or a Vice President and the Secretary or Assistant Secretary, and shall express on its face its number, date of issuance, the number of shares for which and the person to whom issued.

SECTION 2. Ownership, Control and Transfer of Shares. Not more than twenty percent (20%) of the outstanding shares of stock of the corporation shall at any time be owned or controlled, directly or indirectly, by or for the account of all aliens as a group. Shares of stock shall be transferable on the books of the corporation by the holder thereof in person or by duly authorized attorney upon the surrender of the certificate representing shares to be transferred, properly endorsed, or, in the case of uncertificated stock, by the registration of the transfer of the uncertificated shares on the books of the corporation by the holder thereof; provided, however, that shares of stock other than shares represented by foreign share certificates shall be transferable to aliens or any person holding for the account thereof only when the aggregate number of shares of stock owned by or for the account of all aliens as a group will not then be more than twenty percent (20%) of the number of shares outstanding. The Board of Directors may direct that, before shares of stock shall be transferred on the books of the corporation, the corporation may require information as to whether the proposed transferee is an alien or will own the stock for the account of an alien. The issuance or transfer of any of the shares of stock at any time outstanding to an alien contrary to the provisions of this Section shall be void. All references herein to "alien" shall include the representatives, associates and affiliates of such alien. The terms "alien", "representative",

"affiliate", "associate", "control" and "person" shall be defined as set forth in Subparagraph (J) to Article FOURTH of the Restated Certificate of Incorporation of the corporation.

Transfers of shares of the capital stock of the corporation shall be made only on the books of the corporation by the registered holder thereof, or by his or her attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation, or with a transfer clerk or a transfer agent appointed as in Section 4 of this Article provided, and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon, or, in the case of uncertificated stock, by the registration of the transfer of the uncertificated shares and the payment of all taxes thereon. The person in whose name shares of stock stand on the books of the corporation shall be deemed the owner thereof for all purposes as regards the corporation; provided that whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact, if known to the Secretary of the corporation, shall be so expressed in the entry of transfer. The Board may, from time to time, make such additional rules and regulations as it may deem expedient, not inconsistent with these By-Laws, concerning the issue, transfer, and registration of certificates for shares or uncertificated shares of the capital stock of the corporation.

The certificates of stock or written statement in respect of uncertificated shares shall be signed by the Chairman of the Board, the President or a Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and sealed with the seal of the corporation. If a certificate of stock or written statement is countersigned (1) by a transfer agent other than the corporation or its employee, or (2) by a registrar other than the corporation or its employee, any other signature on the certificate or written statement may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate of stock or written statement shall have ceased to be such officer, transfer agent or registrar before such certificate of stock or written statement is issued, it may be issued by the corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

SECTION 3. Lost, Stolen, Destroyed, or Mutilated Certificates. No certificate for shares of stock in the corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the corporation, if the Board of Directors shall so require, of a bond of indemnity in such amount (not exceeding twice the value of the shares represented by such certificate), upon such terms and secured by such surety as the Board of Directors may in its discretion require.

SECTION 4. Transfer Agent and Registrar. The Board of Directors may appoint one or more Transfer Clerks or one or more Transfer Agents and one or more Registrars, and may require all certificates of stock to bear the signature or signatures of any of them.

SECTION 5. Rules and Regulations. The Board of Directors shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates for shares of the capital stock of the corporation.

## ARTICLE VI

### BANK ACCOUNTS, CHECKS, LOANS, ETC.

SECTION 1. Bank Accounts and Checks. Such officers or agents of the corporation as from time to time shall be designated by the Board of Directors shall have authority to deposit any funds of the corporation in such banks or trust companies as shall from time to time be designated by the Board of Directors; and such officers or agents as from time to time shall be designated by the Board of Directors shall have authority to withdraw from time to time any or all of the funds of the corporation so deposited in any bank or trust company, upon checks, drafts or other instruments or orders for the payment of money, drawn against the account or in the name or behalf of the corporation, and made or signed by such officers or agents; and each bank or trust company with which funds of the corporation are so deposited is authorized to accept, honor, cash and pay, without limit as to amount, all checks, drafts or other instruments or orders for the payment of money, when drawn, made or signed by officers or agents so designated by the Board of Directors, regardless of whether the same are payable to the order of any officer or agent signing the same, until written notice of the revocation by the Board of Directors of the authority of such officers or agents shall have been received by such bank or trust company. The officers of the corporation or any of them shall from time to time certify to the banks or trust companies in which funds of the corporation are deposited, the signatures of the officers or agents of the corporation so authorized to draw against the same, and such signatures may include the signature of such certifying officer or officers.

SECTION 2. Loans. Such officers or agents of the corporation as from time to time shall be designated by the Board of Directors shall have authority to effect loans, advances or other forms of credit at any time or times for the corporation from such banks or trust companies as the Board of Directors shall from time to time designate, and as security for the repayment of such loans, advances or other forms of credit to assign, transfer, endorse and deliver, either originally or in addition or substitution, any or all stocks, bonds, rights and interests of any kind in or to stocks or bonds, certificates of such rights or interests, deposits, accounts, documents covering merchandise, bills receivable and other commercial paper and evidences of debt, at any time held by the corporation; and for such loans, advances, or other forms of credit to make, execute and deliver one or more notes, acceptances or other written obligations of the corporation on such terms, and with such provisions as to the securities including the sale or disposition thereof, as such officers or agents shall deem proper; and also to sell to, or discount or rediscount with, such banks or trust companies any and all commercial paper, bills receivable, acceptances and other instruments and evidences of debt at any time held by the corporation, and to that end to endorse, transfer and deliver the same. The officers of the corporation or any of them shall from time to time certify the signatures of the officers or agents so authorized, which may include the signature of such certifying officer or officers, to each bank or trust company so designated by the Board of Directors; and each such bank or trust company is authorized to rely upon such certification until written notice of the revocation by the Board of Directors of the authority of such officers or agents shall have been received by such bank or trust company.

#### ARTICLE VII

##### FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of October in each year and shall end on the thirtieth day of September next following, unless otherwise determined by the Board of Directors.

#### ARTICLE VIII

##### CORPORATE SEAL

The corporate seal of the corporation shall consist of two concentric circles, between which shall be the name of the corporation, and in the center shall be inscribed the year of its incorporation and the words, "Corporate Seal, Delaware".

#### ARTICLE IX

##### AMENDMENTS

The By-Laws of the corporation shall be subject to alteration, amendment or repeal and new By-Laws not inconsistent with any provision of the Restated Certificate of Incorporation or statute may be made, either by the affirmative vote of the holders of record of stock representing a majority of the voting power of all classes of stock of the corporation present in person or by proxy at any annual or special meeting of the Stockholders and entitled to vote thereat, a quorum being present, or by the affirmative vote of a majority of the whole Board, given at any regular or special meeting of the Board, provided that notice of the proposal to so make, alter, amend or repeal such By-Laws be included in the notice of such meeting of the Board or the Stockholders, as the case may be. By-Laws made, altered or amended by the Board may be altered, amended or repealed by the Stockholders at any annual or special meeting thereof.