FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

For the fiscal year ended September 30, 1999

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

Commission File Number 1-6227

LEE ENTERPRISES, INCORPORATED
(Exact name of registrant as specified in its charter)

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

215 N. Main Street, Davenport, Iowa	52801
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (319) 383-2100

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange On Which Registered
Common Stock - $2.00 par value	New York Stock Exchange
Preferred Share Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Title of Class	
Class B Common Stock	$2.00 par value

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

State the aggregate market value of voting stock held by nonaffiliates of the registrant as of December 1, 1999. Common Stock and Class B Common Stock, $2.00 par value, $1,136,812,000.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of December 1, 1999. Common Stock, $2.00 par value, 33,314,738 shares; and Class B Common Stock, $2.00 par value, 10,966,544 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Lee Enterprises, Incorporated Definitive Proxy Statement dated December 27, 1999 are incorporated by reference in Part III of this Form 10-K.

PART I

Item 1. Business

This Annual Report on Form 10-K contains certain forward-looking statements that are based largely on the Company's current expectations and are 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, the availability of quality broadcast programming at competitive prices, changes in the terms and conditions of network affiliation agreements, quality and rating of network over-the-air broadcast programs, legislative or regulatory initiatives affecting the cost of delivery of over-the-air broadcast programs to the Company's customers, and 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 filing.

Item 1(a) Recent business developments. On October 1, 1999 the Company sold substantially 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 exchange for $9,300,000 of cash and a daily newspaper and specialty publications in Beatrice, Nebraska. In addition in November 1999 the Company canceled its local marketing agreement for KASY-TV in Albuquerque, New Mexico. The information following includes the properties owned as of December 1, 1999.

Item 1(b) Financial information about industry segments. See Note 12 to the Notes to Financial Statements under Item 8, herein.

Item 1(c) Narrative description of business.

PUBLISHING

The Company and its subsidiaries publish the following:

Daily Newspapers:

Newspaper	City	State	Circulation Daily (M-F)	Circulation Sunday
Southern Illinoisian	Carbondale	Illinois	26,108	34,681
Herald & Review	Decatur	Illinois	36,322	44,836
Quad City Times	Davenport	Iowa	52,918	74,777
Globe Gazette	Mason City	Iowa	19,597	24,077
Muscatine Journal	Muscatine	Iowa	8,393	- -
Winona Daily News	Winona	Minnesota	12,070	12,855
Billings Gazette	Billings	Montana	48,389	54,648
The Montana Standard	Butte	Montana	14,898	15,299
Ravalli Republic	Hamilton	Montana	5,200 *	- -
Independent Record	Helena	Montana	13,369	14,303
Missoulian	Missoula	Montana	31,885	37,797
Beatrice Daily Sun	Beatrice	Nebraska	8,485	- -
Lincoln Journal Star	Lincoln	Nebraska	74,228	82,517
The Bismarck Tribune	Bismarck	North Dakota	29,958	32,653
Democrat-Herald	Albany	Oregon	20,569	34,107 **
Ashland Daily Tidings	Ashland	Oregon	4,979 *	- -
Corvallis Gazette-Times	Corvallis	Oregon	12,879	- - **
Rapid City Journal	Rapid City	South Dakota	30,397	34,216
LaCrosse Tribune	LaCrosse	Wisconsin	31,779	40,089
Wisconsin State Journal	Madison	Wisconsin	87,909	158,000
The Journal Times	Racine	Wisconsin	29,409	32,750
Total paid daily and Sunday circulation			599,741	727,605

Source - Audit Bureau of Circulation (ABC): Average of 6 months ended March and September 1999.

* From publishers' statement.
** Combined edition with Democrat-Herald.

Weekly Newspapers:

Newspaper	City	State	Day(s)	Circulation
Bettendorf News	Bettendorf	Iowa	Wednesday	2,600
Big Fork Eagle	Big Fork	Montana	Wednesday	4,500
Hungry Horse News	Columbia Falls	Montana	Thursday	7,000
Whitefish Pilot	Whitefish	Montana	Thursday	4,000
The Plattsmouth Journal	Plattsmouth	Nebraska	Monday and Thursday	5,000
Mandan News	Mandan	North Dakota	Thursday	1,900
Cottage Grove Sentinel	Cottage Grove	Oregon	Wednesday	4,500
Gresham Outlook	Gresham	Oregon	Wednesday and Saturday	8,800
Lebanon Express	Lebanon	Oregon	Wednesday	3,500
Newport News-Times	Newport	Oregon	Wednesday and Friday	13,900
Sandy Post	Sandy	Oregon	Wednesday	2,000
The Springfield News	Springfield	Oregon	Wednesday and Saturday	11,000
Total paid weekly circulation				68,700

Source: Company Statistics

The Company owns 50% of the capital stock of Madison Newspapers, Inc. and 17% of the nonvoting common stock of The Capital Times Company. The Capital Times Company owns the remaining 50% of the capital stock of Madison Newspapers, Inc.

Madison Newspapers, Inc. owns the Wisconsin State Journal, a morning newspaper published seven days each week, and The Capital Times, an afternoon paper published Monday through Saturday each week. Both newspapers are produced in the printing plant of Madison Newspapers, Inc., which maintains common advertising, circulation, delivery, and business departments for the two newspapers.

The Company has a contract to furnish the editorial and news content for the Wisconsin State Journal. The Wisconsin State Journal is classified as one of the Lee Group of newspapers in the newspaper field and in the rating services.

Classified Publications:

Publication	City	State	Day(s)	Circulation
Dandy Dime	Tucson	Arizona	Friday	28,500
The Redding Nickel	Redding	California	Thursday	27,500
Prairie Shopper	Decatur	Illinois	Tuesday	45,000
Thrifty Nickel	East Moline	Illinois	Thursday	11,700
The Gateway Express	Clinton	Iowa	Wednesday and Friday	6,800
The Advertiser	Davenport	Iowa	Wednesday	28,000
Winnebago/Hancock Shopper	Forest City	Iowa	Monday	12,500
Mason City Shopper	Mason City	Iowa	Tuesday	34,000
The Post	Muscatine	Iowa	Tuesday	20,900
Thrifty Nickel	Billings	Montana	Thursday	30,000
Yellowstone Shopper	Billings	Montana	Thursday	47,200
Mini Nickel	Bozeman	Montana	Thursday	22,900
Nickel Saver	Butte	Montana	Thursday	10,000
North Valley Advertiser	Columbia Falls	Montana	Tuesday	8,000
Western Shopper	Deer Lodge	Montana	Wednesday	4,800
The Trader	Dillon	Montana	Monday	6,200
Consumers Press	Great Falls	Montana	Thursday	33,000
Life & Times Press	Hamilton	Montana	Wednesday	12,300
The Adit	Helena	Montana	Wednesday	23,500
The Western Montana Messenger	Missoula	Montana	Wednesday	33,000
Nifty Nickel	Las Vegas	Nevada	Thursday	60,000
Dickinson Finder	Albuquerque	New Mexico	Friday	28,000
Quik Quarter/Thrifty Nickel	Albuquerque	New Mexico	Thursday	38,000
Dickinson Finder	Dickinson	North Dakota	Wednesday	13,800
The Finder	Mandan	North Dakota	Wednesday	39,200
The Finder	Minot	North Dakota	Wednesday	18,000
The Klamath Falls Nickel	Klamath Falls	Oregon	Thursday	19,000
The Medford Nickel	Medford	Oregon	Thursday	27,500
Nickel Ads	Portland	Oregon	Friday	202,000
Rapid City Advertiser	Rapid City	South Dakota	Wednesday	28,000
Northern Hills Advertiser	Spearfish	South Dakota	Wednesday	15,000
Pioneer Shopper	St. George	Utah	Thursday	27,000
Little Nickel	Lynnwood	Washington	Wednesday and Thursday	320,000
Nickel Saver	Moses Lake	Washington	Thursday	21,500
Nickel Nik	Spokane	Washington	Friday	37,000
Smart Shopper	Spokane	Washington	Friday	15,000
Buyline	Walla Walla	Washington	Thursday	20,000
Nickel Ads	Wenatchee	Washington	Thursday	26,500
The Foxxy Shopper	LaCrosse	Wisconsin	Tuesday	34,000
Cover Story	Madison	Wisconsin	Sunday	85,000
Pennysaver	Racine	Wisconsin	Monday	65,000
Foxxy Shopper	Sparta	Wisconsin	Tuesday	42,500
Total non-paid weekly circulation				1,627,800

Source: Company statistics

Classified publications are weekly advertising publications available in racks or delivered free by carriers or third-class mail to all households in a particular geographic area. Classified publications offer advertisers a cost-effective local advertising system. Classified publications are particularly effective in large markets with high media fragmentation in which major metropolitan newspapers generally have low penetration.

Specialty Publications and Other Products and Services:

	City	State
Cars & Trucks	Tuscon	Arizona
Wheels for You	Decatur	Illinois
Lee Print	Davenport	Iowa
Classic Images	Muscatine	Iowa
Films of the Golden Age	Muscatine	Iowa
International Newspaper Network	Big Fork	Montana
Western Business	Billings	Montana
Intermountain Printing and Publishing	Deer Lodge	Montana
Ag Almanac	Great Falls	Montana
The Eastman's Journal	Helena	Montana
Montana Magazine	Helena	Montana
AutoFinder	Missoula	Montana
Broadwater	Townsend	Montana
Wheels for You	Grand Island	Nebraska
Wheels for You	Lincoln	Nebraska
Home Scene	Las Vegas	Nevada
Nifty Nickel Cars & Trucks	Las Vegas	Nevada
Wheels for You	Albuquerque	New Mexico
Farm & Ranch Guide	Bismarck	North Dakota
Family Times	Corvallis	Oregon
Internet Broadcasting Partners	Portland	Oregon
Tri-State Neighbor	Sioux Falls	South Dakota
Homes	Moses Lake	Washington
Drive Line	Spokane	Washington
Home Buyer's Guide	Spokane	Washington
Nickel Nik's RV Wheel Deals	Spokane	Washington
Nickel Nik's Truck Deals	Spokane	Washington
Nickel Nik's Wheel Deals	Spokane	Washington
Homes	Wenatchee	Washington
The Enterpriser	LaCrosse	Wisconsin
Home Buyers Guide	LaCrosse	Wisconsin
Wheels for You	LaCrosse	Wisconsin
AgriView	Madison	Wisconsin
Midwest Messenger	Tekamah	Nebraska

The Company's strategy is to increase its share of local advertising in its existing markets, and over time, to increase circulation through internal expansion into contiguous markets and make selective acquisitions.

The basic raw material of newspapers, classified, and specialty publications is newsprint. The Company and its subsidiaries purchase newsprint from U.S. and Canadian producers. The Company believes it will continue to receive a supply of newsprint adequate to its needs. Newsprint prices are volatile and fluctuate based upon factors which include both the foreign and domestic production capacity and consumption. The price fluctuations can have a significant effect on the results of operations. For the quantitative impacts of these fluctuations, see "Management Discussion and Analysis of Financial Condition and Results of Operations" under Item 7, herein.

Publishing revenue has traditionally been highest in the quarter ended December 31 and, likewise, has been lowest in the quarter ended March 31.

The Company's newspapers, classified and specialty publications compete with newspapers having national or regional circulation, magazines, radio, television, other advertising media such as billboards, classified and specialty publications and direct mail, as well as other information content providers such as on-line services. In addition, many of the Company's daily and Sunday newspapers compete with other newspapers in nearby cities and towns.

BROADCASTING

The Company and its subsidiaries own and operate the following television stations:

Station	Nielsen DMA Market Ranking
ABC Affiliate, KGUN-TV - Tucson, Arizona	72
CBS Affiliates:	
KOIN-TV - Portland, Oregon	23
KRQE-TV - Albuquerque, New Mexico	49 (1)
KGMB-TV - Honolulu, Hawaii	71 (2)
KMTV - Omaha, Nebraska	73
NBC Affiliates:	
WSAZ-TV - Huntington-Charleston, West Virginia	59
KSNW-TV - Wichita, Kansas	65 (3)
KSNT-TV - Topeka, Kansas	138
Telemundo Affiliate, KMAZ-TV - El Paso, Texas	96 (4)

(1) Combined DMA rank. KRQE-TV also operates stations KBIM-TV, Roswell, New Mexico and KREZ-TV, Durango, Colorado.

(2) KGMB-TV also operates stations KGMD-TV, Hilo, Hawaii and KGMV-TV, Maui, Hawaii.

(3) KSNW-TV also operates stations KSNG-TV, Garden City, Kansas; KSNC-TV, Great Bend, Kansas; and KSNK-TV, Oberlin, Kansas/McCook, Nebraska.

(4) KZIA-TV changed its call letters to KMAZ-TV effective October 31, 1997. Affiliation changed from UPN effective January 15, 1998.

Broadcasting revenue has traditionally been highest in the quarter ended December 31 and, likewise, has been lowest in the quarter ended March 31.

The Company's television stations compete with other over-the-air broadcast television stations, direct broadcast satellite ("DBS") and cable television, radio companies, other advertising media such as newspapers, magazines and billboards, as well as other information content providers such as on-line services. Competition in the television broadcasting industry occurs primarily in individual market areas. Generally, a television station in one market does not compete with other stations in other market areas, nor does a group of stations, such as those owned by the Company, compete with any other group of stations as such. DBS and cable television systems in the Company's broadcasting markets operate on a subscriber payment basis and compete by importing out-of-market television signals or by originating programming to the extent permitted or required by present or future rules of the Federal Communications Commission ("FCC").

The Company's television broadcasting operations are subject to the jurisdiction of the FCC under the Communications Act of 1934, as amended (the "Act"). The Act empowers the FCC, among other things, to issue, revoke or modify broadcasting licenses, to assign frequency bands, to determine the location of stations, to regulate the apparatus used by stations, to establish areas to be served, to adopt regulations necessary to carry out the provisions of the Act and to impose penalties for violation of such regulations. Television licenses are granted for a maximum period of five years and, upon application, may be renewed for additional five-year terms. The FCC is required to hold a hearing on a renewal application if a substantial and material question of fact is raised with respect to the renewal application, or if for any reason the FCC is unable to find that the grant of the renewal application would serve the public interest, convenience and necessity. Renewal of the Company's television licenses has never been denied and all such licenses are now in full force and effect.

OTHER MATTERS

In the opinion of management, compliance with present statutory and regulatory requirements respecting environmental quality will not necessitate significant capital outlays, or materially affect the earning power of the business of the Company, or cause material changes in the Company's business, whether present or intended.

In September 1999, the Company, its subsidiaries and associated companies had approximately 6,100 employees, including approximately 1,500 part-time employees.

Item 2. Properties

The Company's executive offices are located in facilities leased at 215 North Main Street, Davenport, Iowa.

All of the printing plants (except Madison, which is owned by Madison Newspapers, Inc.) are owned by the Company. All printing plants (including Madison) are well maintained, are in good condition, and are suitable for the present office and publishing operations. Upon completion of the production facility expansion in Lincoln, Nebraska, the Company believes all plants will be adequately equipped with typesetting, printing and other required equipment.

All offices, studios, and transmitter buildings of the broadcasting divisions are owned or subject to long-term lease by the Company. All of the television properties are adequately equipped for present operations, and are in good condition and repair. See Item 7 "Management Discussion and Analysis of Financial Condition and Results of Operations - Liquidity, Capital Resources and Commitments" for a discussion of the implementation of digital television service. Network television programs are received via satellite.

Item 3. Legal Proceedings

Not applicable.

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

Not applicable.

Executive Officers of the Company

The following table shows the names and ages of all executive officers of the Company, the period of service for each with the Company, the period during which each has held his present office and the office held by each.

Name	Age	Period of Service With Company	Period In Present Office	Present Office
Richard D. Gottlieb	57	36 years	8 years	President and Chief Executive Officer
Mary E. Junck	52	7 months	7 months	Executive Vice President and Chief Operating Officer
Larry L. Bloom	50	6 years	6 years	Senior Vice President - Finance, Treasurer, and Chief Financial Officer
Phil E. Blake	55	20 years	1 month	Vice President - Publishing
Randy N. Miller	47	2 years	1 month	Vice President - Publishing
Greg R. Veon	47	23 years	1 month	Vice President - Publishing
Colleen B. Brown	41	1 year	6 months	President of the Broadcast Group
Vytenis P. Kuraitis	51	5 years	3 years	Vice President - Human Resources
Charles D. Waterman, III	53	10 years	10 years	Secretary
George C. Wahlig	52	10 years	7 years	Vice President - Finance and Chief Accounting Officer
Gregory P. Schermer	45	11 years	2 years	Vice President - Interactive Media

Mary E. Junck was elected Executive Vice President in May 1999; from May 1996 to April 1999 she was Executive Vice President of The Times Mirror Company and President of Eastern Newspapers. She was named Publisher and Chief Executive Officer of The Baltimore Sun in 1993.

Phil E. Blake was elected Vice President - Publishing in November 1999. He is presently, and for more than the past 5 years has been, publisher of the Wisconsin State Journal and publisher and treasurer of Madison Newspapers, Inc.

Randy N. Miller was elected Vice President - Publishing in November 1999; from June 1997 through September 1997 he was Director of Newspaper Operations and Planning, from October 1997 through November 1999 he was appointed Vice President - Newspaper; from February 1995 to May 1997 he was publisher of the Battle Creek Enquirer; and for three years prior thereto he was the Vice President for Human Resources and Strategic Planning for Detroit Newspapers.

Greg R. Veon was elected Vice President - Publishing in November 1999; from November 1995 through November 1999 he was Vice President - Marketing; from 1992 through November 1995 he was Vice President and General Manager of KOIN-TV, Portland, Oregon.

Colleen B. Brown was elected President of the Broadcast group in July 1999; from June 1998 through July 1999 she was Vice President of the Broadcast group; from 1995 through July 1998 she was President and General Manager of KPNX-TV in Phoenix, Arizona; and prior thereto she was the President and General Manager of WFMY-TV in Greensboro, North Carolina.

Vytenis P. Kuraitis was elected Vice President - Human Resources in January 1997. From August 1994 through January 1997 he was Director of Human Resources.

Charles D. Waterman, III was elected Secretary of the Company in November 1989. He is presently, and for more than the past five years has been, a partner in the law firm of Lane & Waterman, Davenport, Iowa, general counsel of the Company.

Gregory P. Schermer was elected Vice President - Interactive Media in November 1997; from 1989 through November 1997 he was, and continues to serve as, corporate counsel for the Company.

PART II

Item 5. Market for the Registrant's Common Stock and Related Stockholder Matters

COMMON STOCK PRICES AND DIVIDENDS

Lee Common Stock is listed on the New York Stock Exchange. Lee Class B Common Stock was issued to stockholders of record of the Company in 1986 pursuant to a 100% stock dividend and is converted at sale or the option of the holder into Lee Common Stock. The table below shows the high and low prices of Lee Common Stock for each quarter during the past three years, the closing price at the end of each quarter and the dividends paid per share.

	Quarter			
	4th	3rd	2nd	1st
STOCK PRICES				
1999:				
High	$31-1/16	$30-1/2	$31-7/16	$ 31-1/2
Low	26-1/8	27-1/2	26-5/16	21-13/16
Closing ...	27-3/8	30-1/2	29	31-1/2
1998:				
High	31-3/4	33-7/8	33-9/16	29-13/16
Low	23-1/2	27-5/16	28	25-1/2
Closing ...	25-15/16	30-5/8	33-9/16	29-9/16
1997:				
High	29-1/8	27	25-1/8	23-5/8
Low	25	22-3/8	22-3/8	21
Closing ...	28-3/8	26-3/8	24-1/4	23-1/4
DIVIDENDS PAID				
1999	$ .15	$ .15	$ .15	$ .15
1998	.14	.14	.14	.14
1997	.13	.13	.13	.13

For a description of the relative rights of Common Stock and Class B Common Stock, see Note 7 of the Notes to Consolidated Financial Statements under Item 8, herein.

At September 30, 1999, the Company had 3,424 holders of Common Stock and 2,159 holders of Class B Common Stock.

Item 6. Selected Financial Data

FIVE YEAR FINANCIAL PERFORMANCE

Year Ended September 30:	1999	1998	1997	1996	1995
	(In Thousands Except Per Share Data)				
OPERATIONS					
Operating revenue	$536,333	$517,293	$446,686	$427,369	$383,740
Income from continuing operations	$ 67,973	$ 62,233	$ 62,745	$ 53,670	$ 52,232
Discontinued operations	- -	- -	- -	7,725	6,227
Gain (loss) on disposition of discontinued operations	- -	- -	1,485	(15,948)	- -
Net income	$ 67,973	$ 62,233	$ 64,230	$ 45,447	$ 58,459
PER SHARE AMOUNTS					
Weighted average shares:					
Basic	44,273	44,829	46,393	46,973	46,053
Diluted	44,861	45,557	47,243	47,899	46,873
Basic:					
Income from continuing operations	$ 1.54	$ 1.39	$ 1.35	$ 1.14	$ 1.13
Discontinued operations	- -	- -	- -	.16	.14
Gain (loss) on disposition of discontinued operations	- -	- -	.03	(.33)	- -
Net income	$ 1.54	$ 1.39	$ 1.38	$ .97	$ 1.27
Diluted:					
Income from continuing operations	$ 1.52	$ 1.37	$ 1.33	$ 1.12	$ 1.12
Discontinued operations	- -	- -	- -	.16	.13
Gain (loss) on disposition of discontinued operations	- -	- -	.03	(.33)	- -
Net income	$ 1.52	$ 1.37	$ 1.36	$ .95	$ 1.25
Dividends	$ .60	$ .56	$ .52	$ .48	$ .44
OTHER DATA					
Total assets	$679,513	$660,585	$650,963	$527,416	$559,929
Debt, including current maturities	204,625	219,481	203,735	95,503	123,489
Stockholders' equity	354,329	319,759	319,390	324,954	311,042

Item 7. Management Discussion and Analysis of Financial Condition and Results of Operations

This Management Discussion and Analysis of Financial Condition and Results of Operations contains certain forward-looking statements that are based largely on the Company's current expectations and are 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, the availability of quality broadcast programming at competitive prices, changes in the terms and conditions of network affiliation agreements, quality and rating of network over-the-air broadcast programs, legislative or regulatory initiatives affecting the cost of delivery of over-the-air broadcast programs to the Company's customers, and 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 filing.

Operating results are summarized below:

	1999	1998	1997
	(Dollars in Thousands, Except Per Share Data)		
Operating revenue	$536,333	$517,293	$446,686
Percent change	3.7%	15.8%	4.5%
Income before depreciation, amortization, interest and taxes (EBITDA) *	156,488	150,423	132,455
Percent change	4.0%	13.6%	8.1%
Operating income	116,740	112,847	104,151
Percent change	3.4%	8.3%	9.9%
Income from continuing operations	67,973	62,233	62,745
Percent change	9.2%	(0.8)%	16.9%
Earnings per share, continuing operations			
Basic	1.54	1.39	1.35
Percent change	10.8%	3.0%	18.4%
Diluted	1.52	1.37	1.33
Percent change	10.9%	3.0%	18.8%

* EBITDA is not a financial performance measurement under generally accepted accounting principles (GAAP), and should not be considered in isolation or 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 our industry. The computation excludes the gain on sale of businesses.

The fiscal 1998 comparisons are significantly affected by the September 8, 1997 acquisition of The Pacific Northwest Group. The Pacific Northwest Group publishes eight daily and weekly newspapers geographically clustered in Oregon's Willamette Valley and classified publications in eight markets in the states of Washington, Oregon, Nevada, and Utah.

If Lee had owned these properties since October 1, 1996, the operating revenue increase for 1998 would have been 3.9%, EBITDA and operating income would have increased 2.4%, income from continuing operations would have increased 4.6% and earnings per share on a diluted basis would have increased 8.7%.

PUBLISHING

	1999	1998	1997
	(Dollars in Thousands)		
Operating revenue	$404,608	$382,894	$318,441
Percent change	5.7%	20.2%	5.2%
Operating income:			
Wholly-owned properties	103,852	94,159	88,865
Percent change	10.3%	6.0%	17.4%
Equity in net income	9,238	8,367	7,756
Percent change	10.4%	7.9%	10.7%
Operating margin, wholly-owned properties	25.7%	24.6%	27.9%

The publishing segment includes newspapers, classified and specialty publications. Operating revenue consists of the following:

	1999	1998	1997
	(Dollars in Thousands)		
Daily newspapers:			
Advertising	$206,228	$195,852	$179,822
Percent change	5.3%	8.9%	6.3%
Circulation	81,562	81,912	80,522
Percent change	(0.4)%	1.7%	0.9%
Other	116,818	105,130	58,097
Percent change	11.1%	81.0%	8.4%

Exclusive of acquisitions in 1999, 1998, and 1997, advertising revenue increased 5.1%, 5.0%, and 6.0%, circulation revenue (decreased) increased (.6%), (.6%), and .7%, and other revenue increased 3.6%, 4.9%, and 3.8%, respectively.

The following daily newspaper advertising lineage, circulation volume statistics, and related revenue results are presented on a pro forma basis for daily newspapers wholly owned at the end of fiscal 1999.

Changes in advertising units for classified and local advertising, which account for more than 70% of newspaper advertising revenue, are as follows:

ADVERTISING LINEAGE, IN THOUSANDS OF INCHES (PRO FORMA):

	1999	1998	1997
Classified	4,740	4,427	4,314
Percent change	7.1%	2.7%	4.5%
Local	5,903	5,703	5,695
Percent change	3.5%	0.1%	(1.2)%

Classified advertising revenue increased approximately 6.1% in 1999, 9.7% in 1998, and 9.7% in 1997. The average rate realized decreased by (.9%) in 1999 and increased by 6.9% in 1998, and 5.0% in 1997. In 1999 growth in advertising lineage was in the automotive and to a lesser extent in the employment categories. This growth offset a decrease in real estate lineage. The decrease in the average rate realized was largely due to an increased amount of lower rate automotive advertising. In 1998 continued significant growth in employment and real estate advertising offset a small reduction in automotive. In 1997 significant growth in employment advertising offset softness in automotive and other advertising.

Local "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 and inserted into the newspaper. In 1999 local run-of-press revenue increased 3.4% and volume increased 3.5% as a result of the continuing emphasis on price incentives in return for larger or more frequent ads. In 1998 revenue increased 1.3% as the Company emphasized printing and frequency which resulted in a .1% increase in local advertising units. Revenue increased 3.1% in 1997 on higher average rates despite decreases in advertising inches.

Total revenue realized from local and national merchants includes preprints which have lower-priced, higher-volume distribution rates. Preprint revenue increased 2.6% in 1999, 4.8% in 1998, and 5.2% in 1997.

In 1999 circulation revenue decreased by (.6%) as a result of a (2%) decrease in volume offset by higher rates. In 1998 circulation revenue decreased (.6%) and volume decreased (.7%). In 1997 circulation revenue increased .8% as a result of higher rates, offset by a (2.3%) decrease in volume.

Other revenue consists of revenue from weekly newspapers, classified, specialty publications, commercial printing, products delivered outside the newspaper (which include activities such as target marketing, special event production, and on-line service) and editorial service contracts with Madison Newspapers, Inc.

Other revenue by category and by property is as follows:

	1999	1998	1997
	(In Thousands)		
Weekly newspapers, classified and specialty publications:			
Properties owned for entire period	$ 24,678	$ 24,174	$ 23,083
Acquired since September 30, 1996	54,686	46,116	2,700
Commercial printing:			
Properties owned for entire period	13,673	13,858	14,351
Acquired since September 30, 1996	1,548	947	- -
Products delivered outside the newspaper:			
Properties owned for entire period	13,418	11,650	9,928
Acquired since September 30, 1996	71	17	59
Editorial service contracts	8,744	8,368	7,976
	$116,818	$105,130	$ 58,097

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

	1999	1998	1997
Revenue	100.0%	100.0%	100.0%
Compensation costs	35.2	35.1	34.0
Newsprint and ink	9.3	10.7	9.7
Other operating expenses	23.3	23.1	23.4
	67.8	68.9	67.1
Income before depreciation, amortization, interest and taxes	32.2	31.1	32.9
Depreciation and amortization	6.5	6.5	5.0
Operating margin wholly-owned properties	25.7%	24.6%	27.9%

Exclusive of the effects of acquisitions, in 1999 costs other than depreciation and amortization increased by 1.0%. Newsprint and ink costs decreased by (13.0%) due to lower prices for newsprint offset by a slight increase in usage. Compensation costs increased 4.1% due to an increase in average compensation and hours worked. Other operating costs increased 2.8%.

Exclusive of the effects of the 1998 acquisitions, in 1998 costs other than depreciation and amortization increased 5.2%. Newsprint and ink costs increased 12.2% due to higher prices for newsprint and greater consumption. Compensation cost increased 5.3% due to an increase in average compensation and hours worked. Other operating costs increased 2.1%.

Exclusive of the effects of the 1997 acquisitions, in 1997 costs other than depreciation and amortization decreased (.5%). Newsprint and ink costs decreased (20.9%) due to lower prices for newsprint. Newsprint consumption was flat in 1997 as compared to 1996. Compensation costs increased 4.4% as a result of salary increases. Other operating costs increased 3.7% due to normal inflationary increases.

BROADCASTING

	1999	1998	1997
	(Dollars in Thousands)		
Operating revenue	$122,487	$126,032	$120,489
Percent change	(2.8)%	4.6%	2.3%
Operating income	19,371	24,948	22,262
Percent change	(22.4)%	12.1%	(3.0)%
Operating margin	15.8%	19.8%	18.5%

Revenue for 1999 decreased $(3,545,000), (2.8)%. Local/regional/national revenue decreased $(1,870,000), (1.8%) due to the absence of winter Olympics advertising on our CBS affiliates and the Super Bowl on our NBC affiliates in the second quarter offset in part by an increase in revenues in the fourth quarter. Political advertising increased $970,000, 20.6%. Compensation received from the television networks decreased $(900,000) in 1999 primarily as a result of the acquisition of broadcast rights for NFL football by the CBS television network. In return for reduced network compensation the Company received the right to sell additional broadcast time. The networks are continuing their efforts to reduce network compensation. In fiscal 2000 the Company anticipates receiving $2,000,000 less network compensation than the $6,400,000 received in 1999. Production revenues and revenues from other sources decreased $(1,752,000), (17.5%), as a result of the sale of MIRA Creative Group and loss of NBA production services during the strike.

Revenue for 1998 increased $5,543,000, 4.6%. Local/regional/national revenue increased $6,834,000 due to winter Olympics advertising in the second quarter and improved rates realized. Political advertising decreased $1,063,000. Production revenues and revenues from other sources were flat.

Revenue for 1997 increased $2,692,000, 2.3%. Local/regional/national revenue increased $1,342,000 while political advertising decreased $(244,000). Production revenue increased $562,000 due to the addition of a second mobile production facility at MIRA Productions in Portland, Oregon, and revenues from other services increased $913,000.

The following table sets forth the percentage of revenue of certain items in the broadcasting segment.

	1999	1998	1997
Revenue	100.0%	100.0%	100.0%
Compensation costs	42.5	40.9	41.8
Programming costs	8.5	6.6	6.6
Other operating expenses	23.3	23.6	23.4
	74.3	71.1	71.8
Income before depreciation, amortization, interest and taxes	25.7	28.9	28.2
Depreciation and amortization	9.9	9.1	9.7
Operating margin wholly-owned properties	15.8%	19.8%	18.5%

Operating income decreased in 1999 by $(5,577,000). Compensation costs increased $557,000, 1.1% due to an increase in the average hourly rate which offset a decrease in the number of hours worked. Programming costs increased by $1,984,000, 23.7% due to an increase in the cost of syndicated programs and a $732,000 write-down of nonperforming programs. In 2000 programming costs will increase by approximately $1,000,000 as a result of changes in certain network programming contracts. Other operating expense decreased $(1,186,000), (4.0)% due to the sale of MIRA Creative Group, reductions in insurance costs, more focused cost-effective station promotion, and generally tighter cost controls.

Operating income increased in 1998 by $2,686,000. Compensation costs increased $1,092,000, 2.2% due to an increase in the average hourly rate which offset a decrease in the number of hours worked. Programming costs increased by $462,000, 5.8% due to an increase in the cost of syndicated programs. Other operating expense increased $1,477,000, 5.2% due to increased costs for promotion, audience ratings services, and bad debt expense when two advertisers filed for bankruptcy.

Operating income decreased in 1997 by $691,000. Compensation costs increased $3,898,000, 8.4% due to an increase in the number of hours worked and an increase in the average hourly rate. Programming costs decreased by $(1,344,000), (14.5%), due to decreased amortization from programs amortized on an accelerated basis offset in part by a $400,000 write-down of programming at KMAZ-TV El Paso due to the January 1998 conversion to a Telemundo affiliate providing Spanish language programming. Other operating expense increased 5.8% due to the rental of two news helicopters in 1997 and increased outside services. The primary driver of the outside services increase is MIRA Productions, which uses contract labor and rental equipment for special projects.

CORPORATE

Corporate costs in 1999 increased by $1,094,000, 7.5%. Increases included depreciation, compensation, donations, and other expenses.

Corporate costs in 1998 decreased by $(105,000), (.7%). Reductions in financial system installation costs, incentive compensation, and donations were offset by increases in depreciation and other expenses.

Corporate costs in 1997 increased by $3,800,000, 35.1% as a result of increased marketing costs and the enhancement of computer software.

NON-OPERATING INCOME AND EXPENSE

Interest expense decreased by approximately $(1,748,000) in 1999 primarily due to payments on long-term debt and a $500,000 increase in capitalized interest offset by additional deferred compensation costs. Interest expense increased by approximately $6,300,000 in 1998 due to borrowings to finance The Pacific Northwest Group acquisition. Interest expense decreased by approximately $(1,300,000) in 1997 primarily due to a lower debt level. 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 increased by $501,000, $24,000, and $1,700,000 in 1999, 1998, and 1997, respectively, as a result of these arrangements.

Other non-operating income, net represents the gain from the sale of a shopper publication in September 1999.

INCOME TAXES

Income taxes were 36.2%, 37.8%, and 38.0% of pretax income in 1999, 1998, and 1997, respectively. In 1999 income taxes were reduced by $1,500,000 due to a settlement of a contingency. Exclusive of the settlement, income taxes were 37.6% of pretax income.

DISCONTINUED OPERATIONS

On January 17, 1997, the Company consummated the sale of the capital stock of its graphic arts products subsidiary, NAPP Systems Inc., for approximately $55,900,000, net of selling expenses. The results for NAPP Systems Inc.'s operations have been classified as discontinued operations for all periods presented. For the year ended September 30, 1997, the Company recorded an after-tax gain of $1,485,000 due to higher than estimated earnings and dividends through the closing date. For additional information related to the disposition, see Note 2 of the Notes to Consolidated Financial Statements under Item 8, herein.

LIQUIDITY, CAPITAL RESOURCES AND COMMITMENTS

Cash provided by operations totaled $97,852,000 in 1999. The Company has a $50,000,000 revolving credit arrangement with banks which expires in 2003. The major sources and uses of cash in 1999 were as follows:

	(In Thousands)
Sources of cash:	
Operations	$ 97,852
Short-term borrowings	6,000
All other	1,043
	104,895
Uses of cash:	
Acquisitions	15,416
Purchase of property and equipment	32,431
Cash dividends paid	26,623
Purchase of Lee Enterprises, Incorporated stock	11,830
Payment of debt	25,000
	111,300
(Decrease) in cash	$ (6,405)

The Company generally finances significant acquisitions by long-term borrowings.

Capital expenditures for new and improved facilities and equipment are expected to be about $39,500,000 in 2000. The FCC has required implementation of digital television ("DTV") service which includes high definition television systems. Implementation of DTV service will impose substantial additional costs on television stations to provide the new service due to increased equipment costs. KOIN-TV in Portland, Oregon was required by the FCC to broadcast a digital TV signal by November 1, 1999 but has filed a request for a six-month extension. The Company plans to spend approximately $5,000,000 in fiscal 2000 for DTV conversion. The Company expects that the balance of capital expenditures necessary to convert its stations to DTV will aggregate approximately $33,000,000. The Company is currently required to convert its remaining stations to DTV by May 1, 2002.

The Company also is in the process of building a new production facility for the Journal Star in Lincoln, Nebraska. The total cost is expected to be approximately $32,000,000 and will be completed in fiscal 2000. Approximately $18,000,000 has been spent through September 30, 1999 on this project and spending in fiscal 2000 is expected to be approximately $14,000,000.

The Company anticipates that funds necessary for capital expenditures and other requirements will be available from internally generated funds and the Company's revolving credit agreements.

DIVIDENDS AND COMMON STOCK PRICES

The current quarterly cash dividend is 16 cents per share, an annual rate of 64 cents.

During the fiscal year ended September 30, 1999, the Company paid dividends of $26,623,000 or 39.2% of 1999's net income. The Company will continue to review its dividend policy to assure that it remains consistent with its capital demands. Covenants under borrowing arrangements are not considered restrictive to payment of dividends. Lee Common Stock is listed on the New York Stock Exchange. The table under Item 5 herein shows the high and low prices of Lee Common Stock for each quarter during the past three years. It also shows the closing price at the end of each quarter and the dividends paid in the quarter.

INFLATION

The net effect of inflation on operations has not been material in the last several years because of efforts by the Company to lessen the effect of rising costs through a strategy of improving productivity, controlling costs and, where conditions permit, increasing selling prices.

YEAR 2000

The Year 2000 issue concerns the inability of information technology (IT) systems and equipment utilizing microprocessors to recognize and process date-sensitive information after 1999 due to the use of only the last two digits to refer to a year. This problem could affect both computer software and hardware and other equipment that relies on microprocessors. Management has completed its company-wide evaluation of this impact on its IT systems and its date-sensitive equipment. Identified critical date-sensitive equipment is believed to be substantially Year 2000 compliant. Renovation and testing have been completed on all significant IT systems that utilize company-developed software that were not Year 2000 compliant. The Company has received representations and completed testing to determine that significant software developed by others is Year 2000 compliant. Installation of a new Year 2000-compliant financial system is complete. Testing of computer hardware for IT systems is substantially complete.

The Company is monitoring the progress of material vendors and suppliers whose uninterrupted delivery of product or service is material to the production or distribution of our print and broadcast products in their efforts to become Year 2000 compliant. Material vendors and suppliers include electric utilities, telecommunications, news and content providers, television networks, other television programming suppliers, the U.S. Postal Service, and financial institutions.

From September 30, 1994, through September 30, 1999, the Company spent approximately $500,000 to address Year 2000 issues for IT systems (exclusive of the cost of the new financial, newspaper production, and other systems that were scheduled to be replaced before the year 2000 for reasons other than Year 2000 compliance). Total costs to address Year 2000 issues for IT systems are currently estimated to be less than $600,000 and consist primarily of staff and consultant costs. Year 2000 remediation will require the replacement of telephone switches and software at a cost of approximately $1,000,000. Through September 30, 1999 approximately $600,000 had been spent for new telephone equipment. Funds for these costs are expected to be provided by the operating cash flows or bank line of credit of the Company.

The Company could be faced with severe consequences if Year 2000 issues are not identified and resolved in a timely manner by the Company and material third parties. A worst-case scenario would result in the short-term inability of the Company to produce or distribute newspapers or broadcast television programming due to unresolved Year 2000 issues. This would result in lost revenues; however, the amount would be dependent on the length and nature of the disruption, which cannot be predicted or estimated. In light of the possible consequences, the Company is devoting the resources needed to address Year 2000 issues in a timely manner. Management monitors the progress of the Company's Year 2000 efforts and provides update reports to the audit committee of the Board of Directors at each meeting. While management expects a successful resolution of these issues, there can be no guarantee that material third parties, on which the Company relies, will address all Year 2000 issues on a timely basis or that their failure to successfully address all issues would not have an adverse effect on the Company.

The Company's contingency plans in case business interruptions do occur are substantially complete, but will continue to be refined and implemented up to the Year 2000.

QUARTERLY RESULTS

The Company's largest source of publishing revenue, local run-of-press advertising, is seasonal and tends to fluctuate with retail sales in markets served. Historically, local run-of-press advertising is higher in the first and third quarters. Newspaper classified advertising revenue (which includes real estate and automobile ads) and broadcasting revenue are lowest in January and February, which are included in our second fiscal quarter.

Quarterly results of operations are summarized under Item 8, herein.

Item 8. Financial Statements and Supplementary Data

FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS

	September 30, 1999	1998	1997
	(Dollars in Thousands)		
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 10,536	$ 16,941	$ 14,163
Trade receivables, less allowance for doubtful accounts 1999 $4,460; 1998 $4,110; 1997 $4,600	67,122	60,443	56,960
Receivables from associated companies	1,438	1,437	1,437
Inventories	3,625	3,878	3,716
Program rights and other	19,822	16,892	17,691
Total current assets	102,543	99,591	93,967
Investments:			
Associated companies	16,326	14,107	12,185
Other	15,819	12,364	12,506
	32,145	26,471	24,691
Property and Equipment:			
Land and improvements	14,103	13,856	12,994
Buildings and improvements	67,342	65,945	64,937
Equipment	246,484	219,491	194,510
	327,929	299,292	272,441
Less accumulated depreciation	188,726	170,920	152,415
	139,203	128,372	120,026
Intangibles and Other Assets:			
Intangibles	396,392	398,111	404,481
Other	9,230	8,040	7,798
	405,622	406,151	412,279
	$679,513	$660,585	$650,963

See Notes to Consolidated Financial Statements.

	September 30,		
	1999	1998	1997
	(Dollars In Thousands)		
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Notes payable and current maturities of long-term debt	$ 17,620	$ 33,453	$177,561
Accounts payable	11,764	14,277	23,429
Compensation and other accruals	26,551	26,966	27,324
Income taxes payable	5,378	6,475	4,754
Unearned income	18,135	16,890	15,840
Total current liabilities	79,448	98,061	248,908
Long-Term Debt, net of current maturities	187,005	186,028	26,174
Deferred Items:			
Retirement and compensation	13,781	13,117	13,948
Income taxes	44,950	43,620	42,543
	58,731	56,737	56,491
Stockholders' Equity:			
Capital stock:			
Serial convertible preferred, no par value; authorized 500,000 shares; issued none	- -	- -	- -
Common, $2 par value; authorized 60,000,000 shares; issued and outstanding 1999 33,071,000 shares	66,142	65,144	66,719
Class B, common, $2 par value; authorized 30,000,000 shares; issued and outstanding 1999 11,188,000 shares	22,376	23,556	24,298
Additional paid-in capital	32,641	28,715	25,629
Unearned compensation	(961)	(650)	(493)
Retained earnings	234,131	202,994	203,237
	354,329	319,759	319,390
	$679,513	$660,585	$650,963

CONSOLIDATED STATEMENTS OF INCOME

	Year Ended September 30, 1999	1998	1997
	(In Thousands Except Per Share Data)		
Operating revenue:			
Publishing:			
Daily newspapers:			
Advertising	$206,228	$195,852	$179,822
Circulation	81,562	81,912	80,522
Other	116,818	105,130	58,097
Broadcasting	122,487	126,032	120,489
Equity in net income of associated companies	9,238	8,367	7,756
	536,333	517,293	446,686
Operating expenses:			
Compensation costs	202,513	192,755	165,547
Newsprint and ink	37,447	41,165	30,906
Depreciation	21,909	19,662	17,175
Amortization of intangibles	17,839	17,914	11,129
Other	139,885	132,950	117,778
	419,593	404,446	342,535
Operating income	116,740	112,847	104,151
Non-operating (income) expense, net:			
Financial expense	12,863	14,611	8,321
Financial (income)	(1,920)	(1,896)	(5,392)
Other, net	(738)	- -	- -
	10,205	12,715	2,929
Income from continuing operations before taxes on income	106,535	100,132	101,222
Income taxes	38,562	37,899	38,477
Income from continuing operations	67,973	62,233	62,745
Discontinued operations, gain on disposition of discontinued operations, net of income tax effect	- -	- -	1,485
Net income	$ 67,973	$ 62,233	$ 64,230
Earnings per share:			
Basic:			
Income from continuing operations	$ 1.54	$ 1.39	$ 1.35
Income from discontinued operations	- -	- -	.03
Net income	$ 1.54	$ 1.39	$ 1.38
Diluted:			
Income from continuing operations	$ 1.52	$ 1.37	$ 1.33
Income from discontinued operations	- -	- -	.03
Net income	$ 1.52	$ 1.37	$ 1.36

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Year Ended September 30,					
	Amount			Shares		
	1999	1998	1997	1999	1998	1997
	(In Thousands Except Per Share Data)					
Common Stock:						
Balance, beginning	$ 65,144	$ 66,719	$ 68,578	32,572	33,359	34,289
Conversion from Class B Common Stock	1,116	649	1,131	558	325	565
Shares issued	286	286	474	143	143	237
Shares reacquired	(404)	(2,510)	(3,464)	(202)	(1,255)	(1,732)
Balance, ending	$ 66,142	$ 65,144	$ 66,719	33,071	32,572	33,359
Class B Common Stock:						
Balance, beginning	$ 23,556	$ 24,298	$ 25,466	11,778	12,149	12,733
Conversion to Common Stock	(1,116)	(649)	(1,131)	(558)	(325)	(565)
Shares reacquired	(64)	(93)	(37)	(32)	(46)	(19)
Balance, ending	$ 22,376	$ 23,556	$ 24,298	11,188	11,778	12,149
Additional Paid-In Capital:						
Balance, beginning	$ 28,715	$ 25,629	$ 20,189			
Shares issued	3,926	3,086	5,440			
Balance, ending	$ 32,641	$ 28,715	$ 25,629			
Unearned Compensation:						
Balance, beginning	$ (650)	$ (493)	$ (637)			
Restricted shares issued	(1,081)	(714)	(405)			
Restricted shares canceled	45	7	59			
Amortization	725	550	490			
Balance, ending	$ (961)	$ (650)	$ (493)			
Retained Earnings:						
Balance, beginning	$202,994	$203,237	$211,358			
Net income	67,973	62,233	64,230			
Cash dividends per share 1999 $.60; 1998 $.56; 1997 $.52	(26,623)	(25,160)	(24,173)			
Shares reacquired	(10,213)	(37,316)	(48,178)			
Balance, ending	$234,131	$202,994	$203,237			
Stockholders' Equity	$354,329	$319,759	$319,390	44,259	44,350	45,508

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended September 30,		
	1999	1998	1997
	(In Thousands)		
Cash Provided by Operating Activities:			
Net income	$ 67,973	$ 62,233	$ 64,230
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	39,748	37,576	29,581
Gain on sale of businesses	(738)	- -	(1,985)
Distributions less than earnings of associated companies	(2,220)	(1,922)	(696)
Change in assets and liabilities, net of effects from business acquisitions:			
(Increase) in receivables	(6,154)	(3,131)	(2,817)
(Increase) decrease in inventories, program rights and other	(749)	1,427	1,552
Increase (decrease) in accounts payable, accrued expenses and unearned income	(2,117)	2,370	3,144
Increase (decrease) in income taxes payable	(1,097)	1,721	516
Other, primarily deferred items	3,206	465	4,021
Net cash provided by operating activities	97,852	100,739	97,546
Cash (Required for) Investing Activities:			
Acquisitions	(15,416)	(11,944)	(188,689)
Purchase of property and equipment	(32,431)	(26,725)	(16,342)
Proceeds from sale of businesses	492	- -	54,795
Other	(3,867)	(952)	(1,838)
Net cash (required for) investing activities	(51,222)	(39,621)	(152,074)
Cash Provided by (Required for) Financing Activities:			
Purchase of common stock	(11,830)	(51,388)	(41,055)
Cash dividends paid	(26,623)	(25,160)	(24,173)
Proceeds from long-term borrowings	- -	185,000	- -
Proceeds from (payments on) short-term notes payable, net	6,000	(145,000)	130,000
Principal payments on long-term borrowings	(25,000)	(25,000)	(21,219)
Other	4,418	3,208	5,871
Net cash provided by (required for) financing activities	(53,035)	(58,340)	49,424
Net increase (decrease) in cash and cash equivalents	(6,405)	2,778	(5,104)
Cash and cash equivalents:			
Beginning	16,941	14,163	19,267
Ending	$ 10,536	$ 16,941	$ 14,163

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of business:

The Company has two principal businesses: publishing and broadcasting. As of September 30, 1999, operating divisions and associated companies publish twenty-one daily newspapers, and more than 80 other weekly, classified and specialty publications, and operate nine full-service network-affiliated television stations and seven satellite television stations.

Significant accounting policies:

Accounting estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of consolidation: The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany items have been eliminated.

Inventories: Newsprint inventories are priced at the lower of cost or market with cost being determined primarily by the last-in, first-out method. Newsprint inventories as of September 30, 1999, 1998, and 1997 were less than replacement cost by $4,710,000, $4,815,000, and $4,856,000, respectively.

Program rights: Cost of program rights is stated at the lower of cost or estimated net realizable value. The total cost of the rights is recorded as an asset and a liability when the program becomes available for broadcast. Cost of program rights is charged to operations primarily on accelerated bases related to the usage of the program. The current portion of program rights represents those rights that will be amortized in the succeeding year.

Investments: Investments in the common stock or joint venture capital of associated companies are reported at cost plus the Company's share of undistributed earnings since acquisition, less amortization of intangibles.

Long-term loans to associated companies are included in investments in associated companies.

Other investments primarily consist of various marketable securities held in trust under a deferred compensation arrangement. These investments are classified as trading securities and carried at fair value with gains and losses reported in the consolidated statements of income.

Property and equipment: Property and equipment is carried at cost. Equipment, except for printing presses and broadcast towers, is depreciated primarily by declining-balance methods. The straight-line method is used for all other assets. The estimated useful lives in years are as follows:

	Years
Buildings and improvements	5-25
Publishing:	
Printing presses	15-20
Other major equipment	3-11
Broadcasting:	
Towers	15-20
Other major equipment	3-10

The Company capitalizes interest as part of the cost of constructing major facilities.

Intangibles: Intangibles include covenants not to compete, consulting agreements, customer lists, broadcast licenses and agreements, newspaper subscriber lists, and the excess costs over fair value of net assets of businesses acquired.

The excess costs over fair value of net tangible assets include $21,510,000 incurred prior to October 31, 1970, which is not being amortized. Excess costs related to specialty publications are being amortized over 10 to 15 year periods. Intangibles, representing non-compete covenants, consulting agreements, customer lists, broadcast licenses and agreements, and newspaper subscriber lists are being amortized over periods of 3 to 40 years. The remaining costs are being amortized over a period of 40 years. All intangibles are amortized by the straight-line method.

The Company reviews its intangibles and other long-lived assets annually to determine potential impairment. In performing the review, the Company estimates the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment is recognized. The amount of impairment is measured based upon projected discounted future cash flows using a discount rate reflecting the Company's average cost of funds.

Unearned income: Unearned income arises as a normal part of business from advance subscription payments for newspapers. Revenue is recognized in the period in which it is earned.

Advertising costs: Advertising costs, which are not material, are expensed as incurred.

Income taxes: Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and loss carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Cash and cash equivalents: For the purpose of reporting cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less at date of acquisition to be cash equivalents.

Restricted stock: The Company amortizes as compensation cost the value of restricted stock, issued under a long-term incentive plan, by the straight-line method over the three year restriction period.

Note 2. Discontinued Operations

On January 17, 1997 the Company sold the capital stock of its graphic arts products subsidiary, NAPP Systems Inc., for approximately $55,900,000, net of selling expenses. The results for NAPP Systems Inc.'s operations have been classified as discontinued operations and in 1997 include a gain on disposition of $1,985,000, less income taxes of $500,000 resulting in income from discontinued operations of $1,485,000.

Note 3. Acquisitions

On September 8, 1997, the Company acquired, for cash, 100% of the outstanding stock of Southern Utah Media, Inc. (now known as The Pacific Northwest Publishing Group, Inc.), Oregon News Media, Inc., and Nevada Media, Inc. (collectively referred to as The Pacific Northwest Group). The Pacific Northwest Group publishes daily and weekly newspapers and classified publications. The total acquisition cost was $186,253,000. The excess of the total acquisition cost, over the fair value of the net assets acquired, was $166,916,000.

The acquisition was accounted for as a purchase, and the results of operations of The Pacific Northwest Group since the date of acquisition are included in the consolidated financial statements.

The Company also acquired one daily newspaper, two weekly, and four classified or specialty publications in 1999, five classified or specialty publications and one commercial printer in 1998 and five classified or specialty publications in 1997.

The purchase price of business acquisitions was allocated as follows:

	Year Ended September 30,		
	1999	1998	1997
	(In Thousands)		
Noncash working capital acquired	$ (100)	$ 377	$ 2,897
Property and equipment	1,207	1,326	16,278
Intangibles	16,048	11,485	169,554
Other long-term assets	- -	- -	10
Issuance of note payable	(1,000)	(1,194)	(50)
Deferred items	(739)	(50)	- -
Total cash purchase price	$ 15,416	$ 11,944	$188,689

Note 4. Investments in Associated Companies

The Company has a 50% ownership interest in Madison Newspapers, Inc., a newspaper publishing company operating in Madison, Wisconsin, and interests in two Internet service ventures.

Summarized financial information of the associated companies is as follows:

Combined Associates	1999	1998	1997
	(In Thousands)		
ASSETS			
Current assets	$ 30,560	$ 25,867	$ 23,854
Investments and other assets	6,035	5,966	5,700
Property and equipment, net	9,545	10,204	9,730
	$ 46,140	$ 42,037	$ 39,284
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities	$ 14,058	$ 14,510	$ 14,792
Long-term debt	434	661	435
Stockholders' equity	31,648	26,866	24,057
	$ 46,140	$ 42,037	$ 39,284
Revenue	$ 91,283	$ 85,436	$ 79,677
Income before depreciation, amortization, interest, and income taxes	31,983	29,434	26,895
Operating income	29,339	26,553	24,732
Net income	18,475	16,738	15,517

Receivables from associated companies consist of dividends. Certain information relating to Company investments in these associated companies is as follows:

	1999	1998	1997
	(In Thousands)		
Share of:			
Stockholders' equity	$15,824	$13,433	$12,028
Undistributed earnings	15,642	13,281	11,568

Note 5. Debt

The Company has a $50,000,000 unsecured revolving loan agreement with a bank group which expires in 2003. Interest rates float at rates specified in the agreement. There were $6,000,000 of borrowings under this agreement at September 30, 1999.

The Company has long-term obligations, net of current maturities, as follows:

	September 30,		
	1999	1998	1997
	(In Thousands)		
Insurance companies senior notes payable, 6.14% to 6.64%, due in varying amounts from 2001 to 2013	$185,000	$185,000	$ - -
Insurance company senior notes payable, effective rate of 9.96%, $25,000,000 due January 1999	- -	- -	25,000
Program contracts, noninterest bearing, due through 2002	2,005	1,028	1,174
	$187,005	$186,028	$ 26,174

Aggregate maturities during the next five years are $11,620,000, $13,180,000, $11,980,000, $11,640,000, and $36,600,000. Covenants under these agreements are not considered restrictive to normal operations or anticipated stockholder dividends.

Note 6. Retirement and Compensation Plans

Substantially all the Company's employees are covered by a qualified defined contribution retirement plan. The Company has other retirement and compensation plans for executives and others. Retirement and compensation plan costs, including interest on deferred compensation costs, charged to operations were $12,000,000 in 1999, $10,400,000 in 1998, and $10,300,000 in 1997.

Note 7. Common Stock, Class B Common Stock, and Preferred Share Purchase Rights

Class B Common Stock has ten votes per share on all matters and generally votes as a class with Common Stock (which has one vote per share). The transfer of Class B Common Stock is restricted; however, Class B Common Stock is at all times convertible into shares of Common Stock on a share-for-share basis. Common Stock and Class B Common Stock have identical rights with respect to cash dividends and upon liquidation. All outstanding Class B Common Stock converts to Common Stock when the shares of Class B Common Stock total less than 5,600,000 shares.

On May 7, 1998, the Board of Directors adopted a Shareholder Rights Plan (Plan). Under the Plan, the Board declared a dividend of one Preferred Share Purchase Right (Right) for each outstanding Common and Class B Common share (Common Shares) of the Company. The Rights are attached to and automatically trade with the outstanding shares of the Company's Common Shares.

The Rights will become exercisable only in the event that any person or group of affiliated persons becomes a holder of 20% or more of the Company's outstanding Common Shares, or commences a tender or exchange offer which, if consummated, would result in that person or group of affiliated persons owning at least 20% of the Company's outstanding Common Shares. Once the Rights become exercisable, they entitle all other shareholders to purchase, by payment of a $150 exercise price, one one-thousandth of a share of Series A Participating Preferred Stock, subject to adjustment, with a value of twice the exercise price. In addition, at any time after a 20% position is acquired and prior to the acquisition of a 50% position, the Board of Directors may require, in whole or in part, each outstanding Right (other than Rights held by the acquiring person or group of affiliated persons) to be exchanged for one share of Common Stock or one one-thousandth of a share of Series A Preferred Stock. The Rights may be redeemed at a price of $0.001 per Right at any time prior to their expiration on May 31, 2008.

Note 8. Stock Option, Restricted Stock, and Stock Purchase Plans

At September 30, 1999, the Company has three stock-based compensation plans which are described below. As permitted under generally accepted accounting principles, grants under those plans are accounted for following APB Opinion No. 25 and related interpretations. Accordingly, no compensation cost has been recognized for grants under the stock option or the stock purchase plans. Had compensation costs for all of the stock-based compensation plans been determined based on the grant date fair values of awards (the method described in FASB Statement No. 123), reported net income and earnings per common share would have been reduced to the pro forma amounts shown below:

	1999	1998	1997
	(Thousands, Except Per Share Data)		
Net income:			
As reported	$ 67,973	$ 62,233	$ 64,230
Pro forma	66,600	60,945	63,180
Earnings per share:			
Basic:			
As reported	1.54	1.39	1.38
Pro forma	1.50	1.36	1.36
Diluted:			
As reported	1.52	1.37	1.36
Pro forma	1.49	1.34	1.34

The pro forma effects of applying Statement No. 123 are not indicative of future amounts since, among other reasons, the pro forma requirements of the Statement have been applied only to options granted after October 1, 1995.

Stock option and restricted stock plans:

The Company has reserved 5,292,000 shares of Common Stock for issuance to key employees under an incentive and nonstatutory stock option and restricted stock plan approved by stockholders. Options have been granted at a price equal to the fair market value on the date of grant, and are exercisable in cumulative installments over a ten year period. The fair value of each grant is estimated at the grant date using the Black-Scholes option-pricing model with the following weighted-average assumptions for grants in 1999, 1998, and 1997, respectively: dividend rates of 2.06%, 1.95%, and 2.22%; price volatility of 18.5%, 14.5%, and 16.5%; risk-free interest rates based upon the life of the option ranging from 4.84% to 6.03%, 5.29% to 5.77%, and 5.89% to 6.67%; and expected lives based upon the life of the option ranging from 1.5 to 8 years.

A summary of the stock option plan is as follows:

	1999	1998	1997
	Number of Shares (In Thousands)		
Under option, beginning of year	1,491	1,509	2,279
Granted	185	190	155
Terminated and canceled	(21)	(5)	(8)
Exercised	(397)	(203)	(917)
Under option, end of year	1,258	1,491	1,509
Options exercisable, end of year	945	1,110	1,192
	Average Price		
Granted during the year	$27.62	$27.18	$22.20
Exercised during the year	15.45	15.88	13.64
Under option, end of year	19.09	17.15	15.82
Weighted-average fair value per option of options granted	6.55	6.95	5.71

A further summary of options outstanding as of September 30, 1999 is as follows:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding (In Thousands)	Weighted-Average Remaining Contractual Life (In Years)	Weighted-Average Exercise Price	Number Exercisable (In Thousands)	Weighted-Average Exercise Price
$11 to $14	287	1.7	$ 11.02	287	$11.02
$15 to $20	498	4.6	17.16	498	17.16
$20 to $22	111	6.6	21.45	70	21.42
$25 to $30	345	8.3	27.17	73	27.34
$31 to $34	17	3.1	32.46	17	32.46
	1,258	5.1	19.02	945	16.88

Restricted stock is subject to an agreement requiring forfeiture by the employee in the event of termination of employment within three years of the grant date for reasons other than normal retirement, death or disability. In 1999, 1998, and 1997, the Company granted 39,000, 26,000, and 18,000 shares, respectively, of restricted stock to employees. As of September 30, 1999, 72,000 shares of restricted stock were outstanding.

At September 30, 1999, 4,034,000 shares were available for granting of stock options or issuance of restricted stock.

Stock purchase plan:

The Company has 1,196,000 additional shares of common stock available for issuance pursuant to an employee stock purchase plan. April 30, 2000 is the exercise date for the current offering. The purchase price is the lower of 85% of the fair market value at the date of the grant or the exercise date which is one year from the date of the grant. The weighted-average fair value per share of purchase rights granted in 1999, 1998, and 1997 computed using the Black-Scholes option-pricing model was $6.34, $6.65, and $5.28, respectively.

In 1999, 1998, and 1997 employees purchased 97,000, 95,000, and 106,000 shares, respectively, at a per share price of $24.78 in 1999, $20.98 in 1998, and $19.02 in 1997.

Note 9. Income Tax Matters

Components of income tax expense consist of the following:

	Year Ended September 30,		
	1999	1998	1997
	(In Thousands)		
Paid or payable on currently taxable income:			
Federal	$30,633	$29,943	$32,188
State	5,652	5,525	6,595
Net increase due to deferred income taxes	2,277	2,431	194
	$38,562	$37,899	$38,977

The total tax provision has been allocated to the following financial statement items:

	Year Ended September 30,		
	1999	1998	1997
	(In Thousands)		
Income from continuing operations	$38,562	$37,899	$38,477
Discontinued operations	- -	- -	500
	$38,562	$37,899	$38,977

Income tax expense for the years ended September 30, 1999, 1998, and 1997 is different than the amount computed by applying the U.S. federal income tax rate to income before income taxes. The reasons for these differences are as follows:

	% of Pretax Income		
	1999	1998	1997
Computed "expected" income tax expense	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	3.9	3.9	4.4
Net income of associated companies taxed at dividend rates	(2.7)	(2.6)	(2.4)
Goodwill amortization	1.6	1.7	1.7
Other	(1.6)	(0.2)	(0.7)
	36.2%	37.8%	38.0%

Foreign taxes are not material.

Net deferred tax liabilities consist of the following components as of September 30, 1999, 1998, and 1997:

	1999	1998	1997
	(In Thousands)		
Deferred tax liabilities:			
Property and equipment	$ 8,863	$ 8,334	$ 9,409
Equity in undistributed earnings of affiliates	1,267	1,096	903
Deferred gain on sale of broadcast properties	3,308	3,308	3,308
Identifiable intangible assets	34,163	32,653	32,319
Other	2,831	2,981	3,334
	50,432	48,372	49,273
Deferred tax assets:			
Accrued compensation	8,309	7,747	7,950
Receivable allowance	1,060	728	1,976
Loss carryforwards acquired	5,588	6,774	7,961
Capital loss carryforward	7,591	8,121	8,425
Other	1,708	1,745	2,135
	24,256	25,115	28,447
Less, valuation allowance	13,179	15,325	15,325
	11,077	9,790	13,122
	$39,355	$38,582	$36,151

The components giving rise to the net deferred tax liabilities described above have been included in the accompanying balance sheets as of September 30, 1999, 1998, and 1997 as follows:

	1999	1998	1997
	(In Thousands)		
Current assets	$ 5,595	$ 5,038	$ 6,392
Noncurrent liabilities	(44,950)	(43,620)	(42,543)
	$(39,355)	$(38,582)	$(36,151)

The Company provided a valuation allowance due to limitations imposed by the tax laws on the Company's ability to realize the benefit of capital loss and net operating loss carryforwards. During the year ended September 30, 1999, $2,146,000 of the valuation allowance was transferred to the tax contingency which is included in income taxes payable with no effect on tax expense. As of September 30, 1999 the Company had a net operating loss carryforward of approximately $14,146,000 which will expire in varying amounts from 2003 to 2010.

Note 11. Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

The carrying amounts of cash and cash equivalents, temporary investments, receivables, and accounts payable approximate fair value because of the short maturity of those instruments. The carrying value of other investments consisting of debt and equity securities in a deferred compensation trust are carried at fair value based upon quoted market prices, a $2,500,000 investment in debt and equity securities in Ad One (a 7.14% interest) is carried at cost which approximates fair market value and $3,818,000 of equity securities, consisting primarily of the Company's 17% ownership of the nonvoting common stock of The Capital Times Company, are carried at cost, as the fair value is not readily determinable.

The fair value of the Company's debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities. The estimated fair values of the Company's debt instruments are as follows:

	Carrying Amount	Fair Value
	(In Thousands)	
September 30:		
1999	$204,625	$202,047
1998	219,481	245,784
1997	203,735	204,603

Note 11. Earnings Per Share

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

	Year Ended September 30,		
	1999	1998	1997
Numerator:			
Income applicable to common shares:			
Income from continuing operations	$67,973	$62,233	$62,745
Income from discontinued operations	- -	- -	1,485
	$67,973	$62,233	$64,230
Denominator:			
Basic-weighted average common shares outstanding	44,273	44,829	46,393
Dilutive effect of employee stock options	588	728	850
Diluted outstanding shares	44,861	45,557	47,243
Basic earnings per share:			
Income from continuing operations	$ 1.54	$ 1.39	$ 1.35
Income from discontinued operations	- -	- -	.03
Net income	$ 1.54	$ 1.39	$ 1.38
Diluted earnings per share:			
Income from continuing operations	$ 1.52	$ 1.37	$ 1.33
Income from discontinued operations	- -	- -	.03
Net income	$ 1.52	$ 1.37	$ 1.36

Note 12. Line of Business Information

	Year Ended September 30, 1999	1998	1997
	(In Thousands)		
Revenue:			
Publishing:			
Wholly-owned properties	$404,608	$382,894	$318,441
Equity in net income of associated companies	9,238	8,367	7,756
Broadcasting	122,487	126,032	120,489
Total revenue	$536,333	$517,293	$446,686
Operating income:			
Publishing	$113,090	$102,526	$ 96,621
Broadcasting	19,371	24,948	22,262
Corporate	(15,721)	(14,627)	(14,732)
Total operating income	$116,740	$112,847	$104,151
Identifiable assets:			
Publishing	$449,010	$425,825	$413,834
Broadcasting	192,746	190,621	195,567
Corporate	37,757	44,139	41,562
Total identifiable assets	$679,513	$660,585	$650,963
Depreciation:			
Publishing	$ 12,412	$ 11,280	$ 9,054
Broadcasting	8,143	7,259	7,432
Corporate	1,354	1,123	689
Total depreciation	$ 21,909	$ 19,662	$ 17,175
Amortization of intangibles:			
Publishing	$ 13,820	$ 13,688	$ 6,902
Broadcasting	4,019	4,226	4,227
Total amortization of intangibles	$ 17,839	$ 17,914	$ 11,129
Capital expenditures:			
Publishing	$ 24,197	$ 16,987	$ 8,834
Broadcasting	7,493	6,825	6,516
Corporate	741	2,913	992
Total capital expenditures	$ 32,431	$ 26,725	$ 16,342

Note 13. Other Information

Balance sheet information:

Program rights and other consist of the following:

	September 30, 1999	1998	1997
	(In Thousands)		
Program rights	$ 9,650	$ 8,140	$ 7,020
Deferred income taxes	5,595	5,038	6,392
Other	4,577	3,714	4,279
	$19,822	$16,892	$17,691

Intangibles consist of the following:

	September 30, 1999	1998	1997
	(In Thousands)		
Goodwill	$345,937	$332,821	$325,758
Less accumulated amortization	71,503	63,584	55,303
	274,434	269,237	270,455
Noncompete covenants and consulting agreements	28,023	28,213	26,314
Less accumulated amortization	25,497	23,522	21,201
	2,526	4,691	5,113
Customer lists, broadcasting licenses and agreements, and newspaper subscriber lists	159,805	157,011	154,444
Less accumulated amortization	40,373	32,828	25,531
	119,432	124,183	128,913
	$396,392	$398,111	$404,481

Compensation and other accruals consist of the following:

	September 30, 1999	September 30, 1998	September 30, 1997
	(In Thousands)		
Compensation	$11,214	$12,092	$12,029
Vacation pay	5,402	4,384	4,080
Retirement and stock purchase plans	5,324	5,005	4,708
Interest	9	519	1,639
Other	4,602	4,966	4,868
	$26,551	$26,966	$27,324

Cash flows information:

	Year Ended September 30, 1999	1998	1997
	(In Thousands)		
Cash payments for:			
Interest, net of capitalized interest 1999 $703; 1998 $169	$13,373	$ 15,731	$ 8,111
Income taxes	$39,528	$ 33,747	$40,767
Program rights were acquired by issuing long-term contracts as follows	$12,417	$ 9,017	$ 7,300
Issuance of restricted common stock, net	$ 1,006	$ 682	$ 244
Accounts payable for stock acquired	$ 317	$(10,926)	$10,926
Proceeds from sale of businesses, net of selling costs	$ 492	$ - -	$55,914
Less cash retained	- -	- -	(1,119)
Proceeds from sale of businesses	$ 492	$ - -	$54,795
Note received in connection with sale of businesses	$ 525	$ - -	$ - -

Note 14. Subsequent Event

On October 1, 1999 the Company sold substantially 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 exchange for $9,300,000 of cash and a daily newspaper and specialty publications in Beatrice, Nebraska. In addition in November 1999 the Company received $1,700,000 in cancellation of its local marketing agreement for KASY-TV in Albuquerque, New Mexico. The gain, net of closing costs, will be approximately $19,500,000.

SUPPLEMENTARY DATA
QUARTERLY RESULTS (UNAUDITED)

	4th	3rd	2nd	1st
	(In Thousands Except Per Share Data)			
1999 Quarter:				
Operating revenue	$134,823	$135,787	$123,596	$142,127
Net income	$ 16,922	$ 19,444	$ 11,968	$ 19,639
Earnings per share:				
Basic	$ .38	$ .44	$ .27	$ .44
Diluted	$ .38	$ .43	$ .27	$ .44
1998 Quarter:				
Operating revenue	$129,596	$135,093	$121,345	$131,259
Net income	$ 14,947	$ 18,091	$ 12,611	$ 16,584
Earnings per share:				
Basic	$ .34	$ .41	$ .28	$ .37
Diluted	$ .33	$ .40	$ .28	$ .36
1997 Quarter:				
Operating revenue	$112,538	$112,693	$101,787	$119,668
Income from continuing operations	$ 14,638	$ 17,759	$ 11,240	$ 19,108
Income from discontinued operations	- -	485	1,000	- -
Net income	$ 14,638	$ 18,244	$ 12,240	$ 19,108
Earnings per share:				
Basic:				
Income from continuing operations	$ .32	$ .38	$ .24	$ .41
Income from discontinued operations	- -	.01	.02	- -
Net income	$ .32	$ .39	$ .26	$ .41
Diluted:				
Income from continuing operations	$ .31	$ .38	$ .24	$ .40
Income from discontinued operations	- -	.01	.02	- -
Net income	$ .31	$ .39	$ .26	$ .40

Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

PART III

The information called for by Part III of this Form 10-K is omitted in accordance with General Instruction G because the Company will file with the Commission a definitive proxy statement pursuant to Regulation 14A not later than 120 days after the close of the Company's fiscal year ended September 30, 1999.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

	Page Number
(a) 1. Financial Statements	
Independent Auditor's Report	
Financial Statements	
Consolidated balance sheets as of September 30, 1999, 1998, and 1997	
Consolidated statements of income years ended September 30, 1999, 1998, and 1997	
Consolidated statements of stockholders' equity years ended September 30, 1999, 1998, and 1997	
Consolidated statements of cash flows years ended September 30, 1999, 1998, and 1997	
Notes to consolidated financial statements	
(a) 2. Financial statements schedule	
Schedule	
II - Valuation and qualifying accounts years ended September 30, 1999, 1998, and 1997	

All other schedules have been omitted as not required, not applicable, not deemed material or because the information is included in the Notes to Financial Statements.

(a) Exhibits (listed by numbers corresponding to the 3. Exhibit Table of Item 601 in Regulation S-K).

21 Subsidiaries
23 Consent of McGladrey & Pullen, LLP
24 Power of Attorney
27 Financial Data Schedule

(b) The following reports on Form 8-K were filed for the three months ended September 30, 1999.
None

* * * * *

For the purposes of complying with the amendments to the rules governing Form S-8 (effective July 13, 1991) under the Securities Act of 1933, the undersigned registrant hereby undertakes as follows, which undertaking shall be incorporated by reference into registrant's Registration Statements on Form S-8 Nos. 2-56652 (filed June 17, 1976), 2-58393 (filed March 11, 1977), 2-77121 (filed April 22, 1982), 33-19725 (filed January 20, 1988), 33-46708 (filed March 31, 1992), and 333-6435 and 333-6433 (filed June 20, 1996).

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

INDEPENDENT AUDITOR'S REPORT

To the Stockholders
Lee Enterprises, Incorporated
and Subsidiaries
Davenport, Iowa

We have audited the accompanying consolidated balance sheets of Lee Enterprises, Incorporated and subsidiaries as of September 30, 1999, 1998, and 1997 and the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lee Enterprises, Incorporated and subsidiaries as of September 30, 1999, 1998, and 1997 and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

In our opinion, Schedule II included in this Annual Report on Form 10-K for the year ended September 30, 1999, present fairly the information set forth therein, in conformity with generally accepted accounting principles.

/s/ McGladrey & Pullen, LLP

Davenport, Iowa
November 5, 1999

LEE ENTERPRISES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(In Thousands)

Description	Column A Balance at Beginning of Period	Column B Additions Charged to Income	Column C Charged to Other Accounts	Column D (1) Deduction from Reserves	Column E Balance at Close of Period
Allowance for doubtful accounts:					
For the year ended September 30, 1999	$4,110	$3,776	$ - -	$3,426	$4,460
For the year ended September 30, 1998	4,600	3,486	- -	3,976	4,110
For the year ended September 30, 1997	4,000	2,934	428 (2)	2,762	4,600

(1) Represents accounts written off as uncollectible, net of recoveries which are immaterial.

(2) Balance upon acquisition of 100% of The Pacific Northwest Group.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: December 29, 1999

LEE ENTERPRISES, INCORPORATED

/s/ Richard D. Gottlieb	/s/ Larry L. Bloom
Richard D. Gottlieb, President, Chief Executive Officer, and Director	Larry L. Bloom, Senior Vice-President of Finance, Treasurer and Chief Financial Officer
	/s/ G.C. Wahlig
	G. C. Wahlig, Vice President of Finance and Chief Accounting Officer

We, the undersigned directors of Lee Enterprises, Incorporated, hereby severally constitute Richard D. Gottlieb and Larry L. Bloom, and each of them, our true and lawful attorneys with full power to them, and each of them, to sign for us and in our names, in the capacities indicated below, the Annual Report on Form 10-K of Lee Enterprises, Incorporated for the fiscal year ended September 30, 1999 to be filed herewith and any amendments to said Annual Report, and generally do all such things in our name and behalf in our capacities as directors to enable Lee Enterprises, Incorporated to comply with the provisions of the Securities Exchange Act of 1934 as amended, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or either of them, to said Annual Report on Form 10-K and any and all amendments thereto.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated:

Signature	Date
/s/ Rance E. Crain Rance E. Crain, Director	November 16, 1999
/s/ J. P. Guerin J. P. Guerin, Director	November 16, 1999
/s/ Mary E. Junck Mary E. Junck, Director	November 16, 1999
/s/ William E. Mayer William E. Mayer, Director	November 16, 1999
/s/ Andrew E. Newman Andrew E. Newman, Director	November 16, 1999
/s/ Gordon Prichett Gordon Prichett , Director	November 16, 1999
/s/ Charles E. Rickershauser, Jr. Charles E. Rickershauser, Jr., Director	November 16, 1999
/s/ Ronald L. Rickman Ronald L. Rickman, Director	November 16, 1999

/s/ Lloyd G. Schermer
- ---------------------------------------
Lloyd G. Schermer, Chairman of the Board
  and Director   November 16, 1999

/s/ Phyllis Sewell
- ---------------------------------------
Phyllis Sewell, Director   November 16, 1999

/s/ Mark Vittert
- ---------------------------------------
Mark Vittert, Director   November 16, 1999

LEE ENTERPRISES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES

EXHIBIT 21 - WHOLLY-OWNED SUBSIDIARIES
AND ASSOCIATED COMPANIES

	State of Organization	Percentage of Voting Securities Owned
Lee Enterprises, Incorporated	Delaware	Parent
Lee Technical Systems, Inc.	Iowa	100%
Lee Consolidated Holdings Co.	South Dakota	100%
KOIN-TV, Inc.	Delaware	100%
New Mexico Broadcasting Company, Inc.	New Mexico	100%
Accudata, Inc.	Iowa	100%
Target Marketing Systems, Inc.	Iowa	100%
Journal-Star Printing Co.	Nebraska	100%
Madison Newspapers, Inc.	Wisconsin	50%
SJL of Kansas Corp.	Kansas	100%
Oregon News Media, Inc.	Delaware	100%
Pacific Northwest Publishing Group, Inc.	Delaware	100%
Nevada Media, Inc.	Delaware	100%
IBS/Lee Partners LLC	Delaware	50%
Nickel of Medford, Inc.	Oregon	100%
Klamath Falls Basin Publishing, Inc.	Oregon	100%
Davill, Inc.	Washington	100%

Exhibit 23

INDEPENDENT AUDITOR'S CONSENT

To the Stockholders
Lee Enterprises, Incorporated
Davenport, Iowa

We consent to the incorporation by reference in the Registration Statements on Form S-8 No. 2-56652, No. 2-77121, No. 2-58393, No. 33-19725, No. 33-46708, No. 333-6435 and No. 333-6433 and in the related Prospectuses of our report dated November 5, 1999 with respect to the financial statements of Lee Enterprises, Incorporated, incorporated by reference and the schedule included in this Annual Report on Form 10-K for the year ended September 30, 1999 and to the reference to us under the heading "Experts" in such Prospectuses.

/s/ McGladrey & Pullen, LLP

Davenport, Iowa
December 24, 1999

EXHIBIT 24

POWER OF ATTORNEY

We, the undersigned directors of Lee Enterprises, Incorporated, hereby severally constitute Richard D. Gottlieb and Larry L. Bloom, and each of them, our true and lawful attorneys with full power to them, and each of them, to sign for us and in our names, the capacities indicated below, the Annual Report on Form 10-K of Lee Enterprises, Incorporated for the fiscal year ended September 30, 1999 to be filed herewith and any amendments to said Annual Report, and generally do all such things in our name and behalf in our capacities as directors to enable Lee Enterprises, Incorporated to comply with the provisions of the Securities Exchange Act of 1934 as amended, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or either of them, to said Annual Report on Form 10-K and any and all amendments thereto.

	Date
/s/ Rance E. Crain - --------------------------------------- Rance E. Crain, Director	November 16, 1999
/s/ J. P. Guerin - --------------------------------------- J. P. Guerin, Director	November 16, 1999
/s/ Mary E. Junck - --------------------------------------- Mary E. Junck, Director	November 16, 1999
/s/ William E. Mayer - --------------------------------------- William E. Mayer, Director	November 16, 1999
/s/ Andrew E. Newman - --------------------------------------- Andrew E. Newman, Director	November 16, 1999
/s/ Gordon Prichett - --------------------------------------- Gordon Prichett , Director	November 16, 1999
/s/ Charles E. Rickershauser, Jr. - --------------------------------------- Charles E. Rickershauser, Jr., Director	November 16, 1999
/s/ Ronald L. Rickman - --------------------------------------- Ronald L. Rickman, Director	November 16, 1999
/s/ Lloyd G. Schermer - -- Lloyd G. Schermer, Chairman of the Board and Director	November 16, 1999
/s/ Phyllis Sewell - --- Phyllis Sewell, Director	November 16, 1999
/s/ Mark Vittert - --- Mark Vittert, Director	November 16, 1999

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
SEPTEMBER 30, 1999 FORM 10-K OF LEE ENTERPRISES INCORPORATED AND IS QUALIFIED
IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

1,000

YEAR
SEP-30-1999
SEP-30-1999
10,536
15,819
71,582
4,460
3,625
102,543
327,929
188,726
679,513
79,448
187,005
0
0
88,518
265,811
679,513
527,095
536,333
0
0
419,593
3,776
12,863
106,535
38,562
67,973
0
0
0
67,973
1.54
1.52