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

FORM 10-Q

[X] Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934
For Quarter Ended June 30, 1998

OR

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 1-6227

Lee Enterprises, Incorporated

A Delaware Corporation
I.D. #42-0823980
215 N. Main Street
Davenport, Iowa 52801
Phone: (319) 383-2100

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

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

Class	Outstanding at June 30, 1998
Common Stock, $2.00 par value	32,730,378
Class "B" Common Stock, $2.00 par value	11,819,962

PART I. FINANCIAL INFORMATION

Item 1.

LEE ENTERPRISES, INCORPORATED

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

	Three Months Ended June 30,		Nine Months Ended June 30,	
	1998	1997	1998	1997
Operating revenue:				
Publishing:				
Daily newspaper:				
Advertising	$ 50,770	$ 45,991	$145,999	$134,319
Circulation	20,439	20,199	61,457	60,219
Other	27,245	13,890	77,641	42,084
Broadcasting	34,549	30,675	96,751	92,095
Equity in net income of associated companies	2,090	1,938	5,849	5,431
	135,093	112,693	387,697	334,148
Operating expenses:				
Compensation costs	48,898	40,807	143,740	122,596
Newsprint and ink	10,637	7,938	30,773	22,838
Depreciation	4,963	4,366	14,283	12,321
Amortization of intangibles	4,533	2,703	13,462	8,108
Other	33,605	27,943	99,136	87,937
	102,636	83,757	301,394	253,800
Operating income	32,457	28,936	86,303	80,348
Financial (income) expense, net:				
Financial (income)	(673)	(1,145)	(2,391)	(3,143)
Financial expense	3,742	1,346	11,792	5,115
	3,069	201	9,401	1,972
Income from continuing operations before taxes on income	29,388	28,735	76,902	78,376
Income taxes	11,297	10,976	29,616	30,269
Income from continuing operations	18,091	17,759	47,286	48,107
Income from discontinued operations net of income tax effect	- -	485	- -	1,485
Net income	$ 18,091	$ 18,244	$ 47,286	$ 49,592
Average outstanding shares:				
Basic	44,642	46,301	44,982	46,546

Diluted	45,398	47,156	45,735	47,422
Earnings per share:				
Basic:				
Income from continuing operations	$ 0.41	$ 0.38	$ 1.05	$ 1.03
Income from discontinuing operations	- -	0.01	- -	0.03
Net income	$ 0.41	$ 0.39	$ 1.05	$ 1.06
Diluted:				
Income from continuing operations	$ 0.40	$ 0.38	$ 1.03	$ 1.01
Income from discontinuing operations	- -	0.01	- -	0.03
Net income	$ 0.40	$ 0.39	$ 1.03	$ 1.04
Dividends per share	$ 0.14	$ 0.13	$ 0.42	$ 0.39

LEE ENTERPRISES, INCORPORATED

CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands)

ASSETS	June 30, 1998	September 30, 1997
	(Unaudited)	
Cash and cash equivalents	$ 33,245	$ 14,163
Accounts receivable, net	63,909	58,397
Newsprint inventory	1,346	3,716
Program rights and other	12,715	17,691
Total current assets	111,215	93,967
Investments	26,063	24,691
Property and equipment, net	124,704	120,026
Intangibles and other assets	402,152	412,279
	$664,134	$650,963

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities	$105,290	$248,908
Long-term debt, less current maturities	185,620	26,174
Deferred items	56,689	56,491
Stockholders' equity	316,535	319,390
	$664,134	$650,963

LEE ENTERPRISES, INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

Nine Months Ended June 30:	1998	1997
	(Unaudited)	
Cash Provided by Operations:		
Net income	$ 47,286	$ 49,592
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	27,745	21,706
Distributions in excess of earnings of associated companies	640	1,140
Adjustment of estimated loss on disposition of discontinued operations	- -	(1,985)
Other balance sheet changes	5,994	6,835
Net cash provided by operations	81,665	77,288
Cash Provided by (Required for) Investing Activities:		
Acquisitions	(3,037)	(1,200)
Purchase of property and equipment	(18,723)	(11,229)
Net proceeds from sale of subsidiary	- -	54,795
Other	(575)	(884)
Net cash provided by (required for) investing activities	(22,335)	41,482
Cash (Required for) Financing Activities:		
Purchase of common stock	(45,228)	(25,902)
Cash dividends paid	(12,702)	(12,149)
Principal payments on long-term debt	(25,000)	(35,000)
Principal payments on short-term notes payable, net	(145,000)	- -
Proceeds from long-term borrowings	185,000	- -
Other	2,682	5,120
Net cash (required for) financing activities	(40,248)	(67,931)
Net increase in cash and cash equivalents	19,082	50,839
Cash and cash equivalents:		
Beginning	14,163	19,267
Ending	$ 33,245	$ 70,106

LEE ENTERPRISES, INCORPORATED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Note 1. Basis of Presentation

The information furnished reflects all adjustments, consisting of normal recurring accruals, which are, in the opinion of management, necessary to a fair presentation of the financial position as of June 30, 1998 and the results of operations for the three- and nine-month periods ended June 30, 1998 and 1997 and cash flows for the nine-month periods ended June 30, 1998 and 1997.

Note 2. Investment in Associated Companies

Condensed operating results of unconsolidated associated companies are as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	1998	1997	1998	1997
Revenues	$21,430	$19,963	$63,457	$58,769
Operating expenses, except depreciation and amortization	14,018	13,235	42,690	39,893
Income before depreciation and amortization, interest, and taxes	7,412	6,728	20,767	18,876
Depreciation and amortization	720	502	2,150	1,506
Operating income	6,692	6,226	18,617	17,370
Financial income	338	293	961	847
Income before income taxes	7,030	6,519	19,578	18,217
Income taxes	2,832	2,642	7,875	7,352
Net income	4,198	3,877	11,703	10,865

a. Madison Newspaper, Inc. (50% owned)
b. Quality Information Systems (50% owned)
c. Inn Partnership, LC (an effective 50% owned)

Note 3. Cash Flows Information

The components of other balance sheet changes are:

	Nine Months Ended June 30,	
	1998	1997
	(In Thousands) (Unaudited)	
(Increase) in receivables	$(6,943)	$(5,658)
Decrease in inventories, film rights and other	2,024	3,063
Increase in accounts payable, accrued expenses and unearned income	7,771	5,222
Increase in income taxes payable	3,431	1,599
Other, primarily deferred items	(289)	2,609
	$ 5,994	$ 6,835

Note 4. Change in Accounting Principles

In 1997, the Financial Accounting Standards Board (FASB) issued Statement No. 128, "Earnings Per Share". Statement No. 128 replaced the previously reported primary and fully diluted earnings per share with basic and diluted earnings per share. Unlike primary earnings per share, basic earnings per share excludes any dilutive effects of options, warrants, and convertible securities. Diluted earnings per share is very similar to the previously reported fully diluted earnings per share. All earnings per share amounts for all periods have been presented, and where necessary, restated to conform to Statement No. 128 requirements.

The American Institute of Certified Public Accountants issued Statement of Position (SOP) 98-1 "Accounting for the Costs of Computer Software Developed for Internal Use". In accordance with SOP 98-1, the Company has capitalized the costs of certain software developed for internal use.

Note 5. Earnings Per Share

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

	Three Months Ended June 30,		Nine Months Ended June 30,	
	1998	1997	1998	1997
Numerator income applicable to common shares:				
Income from continuing operations	$18,091	$17,759	$47,286	$48,107
Income from discontinuing operations	- -	485	- -	1,485
Net income	$18,091	$18,244	$47,286	$49,592
Denominator:				
Basic-weighted average common shares outstanding	44,642	46,301	44,982	46,546
Dilutive effect of employee stock options	756	855	753	876
Dulited outstanding shares	45,398	47,156	45,735	47,422
Basic earnings per share:				
Income from continuing operations	$ 0.41	$ 0.38	$ 1.05	$ 1.03
Income from discontinuing operations	- -	0.01	- -	0.03
Net income	$ 0.41	$ 0.39	$ 1.05	$ 1.06
Diluted earnings per share:				
Income from continuing operations	$ 0.40	$ 0.38	$ 1.03	$ 1.01
Income from discontinuing operations	- -	0.01	- -	0.03
Net income	$ 0.40	$ 0.39	$ 1.03	$ 1.04

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

Operating results (dollars in thousands, except per share data):

	Three Months Ended June 30,			Nine Months Ended June 30,		
	1998	1997	1997	1998	1997	1997
			(Pro Forma)			(Pro Forma)
Revenue	$135,093	$112,693	$126,788	$387,697	$334,148	$373,875
Percent change	19.9%			16.0%		
Percent change, pro forma	6.6			3.7		
Income before depreciation and amortization, interest and taxes (EBITDA)	41,953	36,005	40,216	114,048	100,777	112,195
Percent change	16.5%			13.2%		
Percent change, pro forma	4.3			1.7		
Operating income	32,457	28,936	30,950	86,303	80,348	85,211
Percent change	12.2%			7.4%		
Percent change, pro forma	4.9			1.3		
Income from continuing operations	18,091	17,759	17,067	47,286	48,107	45,432
Percent change	1.9%			(1.7)%		
Percent change, pro forma	6.0			4.1		
Net income	18,091	18,244	17,552	47,286	49,592	46,917
Percent change	(0.8)%			(4.6)%		
Percent change, pro forma	3.1			0.8		
Earnings per share:						
Basic:						
Income from continuing operations	$ 0.41	$ 0.38	$ 0.37	$ 1.05	$ 1.03	$ 0.98
Percent change	7.9%			1.9%		
Percent change, pro forma	10.8			7.1		
Net income	0.41	0.39	0.38	1.05	1.06	1.01
Percent change	5.1%			(0.9)%		
Percent change, pro forma	7.9			4.0		
Diluted:						
Income from continuing operations	$ 0.40	0.38	0.36	1.03	1.01	0.96
Percent change	5.3%			2.0%		
Percent change, pro forma	11.1			7.3		
Net income	0.40	0.39	0.37	1.03	1.04	0.99
Percent change	2.6%			(1.0)%		
Percent change, pro forma	8.1			4.0		

Operations by line of business are as follows (dollars in thousands, except per share date):

	Three Months Ended June 30, 1998	Three Months Ended June 30, 1997	Three Months Ended June 30, 1997 (Pro Forma)	Nine Months Ended June 30, 1998	Nine Months Ended June 30, 1997	Nine Months Ended June 30, 1997
Revenue:						
Publishing	$100,544	$ 82,018	$ 96,113	$290,946	$242,053	$281,780
Broadcasting	34,549	30,675	30,675	96,751	92,095	92,095
	$135,093	$112,693	$126,788	$387,697	$334,148	$373,875
Income before depreciation and amortization, interest and taxes (EBITDA):						
Publishing	$ 33,533	$ 30,321	$ 34,532	$ 95,371	$ 84,456	$ 95,874
Broadcasting	11,845	9,113	9,113	28,662	26,901	26,901
Corporate	(3,425)	(3,429)	(3,429)	(9,985)	(10,580)	(10,580)
	$ 41,953	$ 36,005	$ 40,216	$114,048	$100,777	$112,195
Operating income:						
Publishing	$ 27,195	$ 26,423	$ 28,437	$ 76,915	$ 73,147	$ 78,010
Broadcasting	8,931	6,097	6,097	20,190	18,231	18,231
Corporate	(3,669)	(3,584)	(3,584)	(10,802)	(11,030)	(11,030)
	$ 32,457	$ 28,936	$ 30,950	$ 86,303	$ 80,348	$ 85,211
Capital expenditures:						
Publishing	$ 4,376	$ 1,424		$ 12,703	$ 5,132	
Broadcasting	1,276	1,426		4,481	5,259	
Corporate	553	652		1,539	838	
	$ 6,205	$ 3,502		$ 18,723	$ 11,229	

QUARTER ENDED JUNE 30, 1998

PUBLISHING

The following daily newspaper revenue information is presented on a pro forma basis to include The Pacific Northwest Group as if the acquisition had occurred October 1, 1996.

Pro forma wholly-owned daily newspaper advertising revenue increased $2,883,000, 6.0%. Advertising revenue from local merchants increased $1,227,000, 4.7%. Local "run-of-press" advertising increased $799,000, 4.4%, as a result of a 2.5% increase in advertising inches. Local preprint revenue increased $428,000, 5.2%. Classified advertising revenue increased $1,358,000, 8.0%, as a result of higher averages rates and a 2.4% increase in advertising inches. The employment category was the biggest contributor to the increase. Circulation revenue decreased $(268,000), (1.3%), as a result of a (.4%) decrease in volume.

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

Other revenue by category and by property is as follows:

	1998	1997
	(In Thousands)	
Weekly newspapers, classified and specialty publications:		
Properties owned for entire period	$ 6,149	$ 5,703
Acquired since March 31, 1997	12,064	95
Commercial printing:		
Properties owned for entire period	3,645	3,502
Acquired since March 31, 1997	256	- -
Products delivered outside the newspaper:		
Properties owned for entire period	3,042	2,603
Acquired since March 31, 1997	4	- -
Editorial service contracts	2,085	1,987
	$27,245	$13,890

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

	1998	1997
Revenue	100.0%	100.0%
Compensation costs	34.0	32.2
Newsprint and ink	10.6	9.8
Other operating expenses	22.0	21.0
	66.6	63.0
Income before depreciation, amortization, interest and taxes	33.4	37.0
Depreciation and amortization	6.3	4.8
Operating margin wholly-owned properties	27.1%	32.2%

Exclusive of the effects of acquisitions, costs other than depreciation and amortization increased $5,006,000, 9.7%. Compensation expense increased $2,390,000, 9.1%, due to increases in average compensation rate and incentive compensation including payments related to circulation sales programs. Newsprint and ink costs increased $802,000, 10.0%. Approximately 1/2 of the increase was due to higher prices for newsprint and 1/2 to higher consumption related to advertising volume increases and circulation promotion programs. Other operating costs exclusive of depreciation and amortization increased $1,814,000, 10.5%, due to circulation incentive programs and marketing costs.

BROADCASTING

Revenue for the quarter increased $3,874,000, 12.6%. Local, regional, and national advertising increased $1,931,000, 7.4%, primarily due to improvement in rates. Political advertising increased $2,044,000, due to spring primary elections, and production revenue and revenues from other services were flat.

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

	1998	1997
Revenue	100.0%	100.0%
Compensation costs	37.2	41.9
Programming costs	6.1	6.0
Other operating expenses	22.4	22.4
	65.7	70.3
Income before depreciation, amortization, interest and taxes	34.3	29.7
Depreciation and amortization	8.4	9.8
Operating margin	25.9%	19.9%

Compensation costs were flat. Programming costs for the quarter increased $264,000, 14.3%, primarily due to accelerated amortization on new programming. Other operating expenses, exclusive of depreciation and amortization, increased $851,000, 12.4%, due to increased costs for promotion and bad debt expense associated with two customer bankruptcies.

CORPORATE COSTS

Corporate costs increased by $85,000, 2.4%. Reductions in new systems training and installation costs of $409,000 from 1997 levels offset other cost increases.

FINANCIAL EXPENSE AND INCOME TAXES

Interest expense increased due to borrowings to finance The Pacific Northwest Group acquisition.

Income taxes were 38.4% and 38.2% of pretax income for the quarters ended June 30, 1998 and 1997, respectively.

NINE MONTHS ENDED JUNE 30, 1998

PUBLISHING

The following daily newspaper revenue information is presented on a pro forma basis to include The Pacific Northwest Group as if the acquisition had occurred October 1, 1996.

Pro forma wholly-owned daily newspaper advertising revenue increased $6,274,000, 4.5%. Advertising revenue from local merchants increased $989,000, 1.2%. Local "run-of-press" advertising decreased $(382,000), (.7%), as a result of a (2.1%) decrease in advertising inches. Local preprint revenue increased $1,371,000, 5.5%. Classified advertising revenue increased $4,862,000, 10.8%, as a result of higher averages rates and a 3.9% increase in advertising inches. The employment category was the biggest contributor to the increase. Circulation revenue decreased $(269,000), (.4%) as a result of higher rates which offset a (1.1%) decrease in volume.

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

Other revenue by category and by property is as follows:

	1998	1997
	(In Thousands)	
Weekly newspapers, classified and specialty publications:		
Properties owned for entire period	$ 18,334	$ 17,325
Acquired since September 30, 1996	33,184	95
Commercial printing:		
Properties owned for entire period	10,381	10,884
Acquired since September 30, 1996	700	- -
Products delivered outside the newspaper:		
Properties owned for entire period	8,442	7,496
Acquired since September 30, 1996	13	- -
Editorial service contracts	6,587	6,284
	$ 77,641	$ 42,084

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

	1998	1997
Revenue	100.0%	100.0%
Compensation costs	34.3	33.0
Newsprint and ink	10.6	9.5
Other operating expenses	22.3	22.6
	67.2	65.1
Income before depreciation, amortization, interest and taxes	32.8	34.9
Depreciation and amortization	6.3	4.7
Operating margin wholly-owned properties	26.5%	30.2%

Exclusive of the effects of acquisitions, costs other than depreciation and amortization increased $8,791,000, 5.6%. Compensation expense increased $4,794,000, 6.0%, due primarily to increase in the average compensation rate and incentive compensation. Newsprint and ink costs increased $2,792,000, 12.2%, due primarily to higher prices for newsprint. Other operating costs exclusive of depreciation and amortization increased $1,205,000, 2.2%.

BROADCASTING

Revenue increased $4,656,000, 5.1% as local, regional, and national advertising increased $7,219,000, 9.8%, primarily due to Winter Olympics advertising in the second quarter and improved rates realized in the third quarter. Production revenue and revenues from other services increased $434,000, 5.9%. Political advertising decreased $(2,767,000), (48.4%), principally in the first fiscal quarter.

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

	1998	1997
Revenue	100.0%	100.0%
Compensation costs	40.0	41.0
Programming costs	6.6	6.2
Other operating expenses	23.8	23.6
	70.4	70.8
Income before depreciation, amortization, interest and taxes	29.6	29.2
Depreciation and amortization	8.8	9.4
Operating margin	20.8%	19.8%

Compensation costs increased $897,000, 2.4%, due to increases in average compensation. Programming costs for the period increased $706,000, 12.4%, primarily due to accelerated amortization on new programming. Other operating expenses, exclusive of depreciation and amortization, increased $1,292,000, 6.0%, as previously discussed.

CORPORATE COSTS

Corporate costs decreased by $(228.000), (2.1%). The decrease occurred in the second quarter primarily as a result of the capitalization of company software developed for internal use which was previously expensed as incurred.

FINANCIAL EXPENSE AND INCOME TAXES

Interest expense increased due to borrowings to finance The Pacific Northwest Group acquisition.

Income taxes were 38.5% and 38.6% of pretax income for the nine months ended June 30, 1998 and 1997, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operations, which is the Company's primary source of liquidity, generated $81,665,000 for the nine month period ended June 30, 1998. On March 31, 1998 the Company received $185,000,000 of proceeds from new long-term borrowings. At that date, the Company had $140,000,000 borrowed under a $200,000,000 unsecured revolving loan agreement. The borrowings under the revolving loan agreement were repaid in full and the revolving loan credit facility was reduced to $50,000,000. Available cash balances and cash flow from operations provide adequate liquidity. Covenants related to the Company's credit agreements are not considered restrictive to operations and anticipated stockholder dividends.

SAFE HARBOR STATEMENT

This report contains forward-looking statements and includes assumptions concerning the Company's operations, future results and prospects. These forward-looking statements are based on current expectations and are subject to risks and uncertainties. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company provides the following cautionary statements identifying important economic, political, and technological factors which, among others, could cause the actual results or events to differ materially from those set forth or implied by the forward-looking statements or assumptions.

Such factors include the following: (i) changes in the current and future business environment, including interest rates and capital and consumer spending; (ii) prices for newsprint products; (iii) the availability of quality broadcast programming at competitive prices; (iv) the quality and ratings of network over-the-air broadcast programs; and (v) legislative or regulatory initiatives affecting the cost of delivery of over-the-air broadcast programs to the Company's customers. Further information concerning the Company and its businesses, including additional factors that potentially could materially affect the Company's financial results, is included in the Company's annual report on Form 10-K.

LEE ENTERPRISES, INCORPORATED

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits: None

(b) The following report on Form 8-K was filed during the three months ended June 30, 1998.

Dated of report: May 7, 1998

Item 5. The Board of Directors declared a dividend of one preferred share purchase right for each outstanding share of common stock.

SIGNATURES

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

LEE ENTERPRISES, INCORPORATED

G.C. Wahlig

DATE August 12, 1998

G. C. Wahlig, Chief Accounting Officer

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE JUNE 30, 1998 10-Q FOR LEE ENTERPRISES, INCORPORATED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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9-MOS
SEP-30-1998
JUN-30-1998
33,245
13,081
63,909
4,400
1,346
111,215
290,975
166,271
664,134
105,290
185,620
0
0
89,100
227,435
664,134
381,848
387,697
0
0
301,394
0
11,792
76,902
29,616
47,286
0
0
0
47,286
1.05
1.03