

FORM 10-Q

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

For The Quarterly Period Ended March 31, 2003

OR

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

Commission File Number 1-6227

Lee Enterprises, Incorporated  
(Exact name of Registrant as specified in its Charter)

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

215 N. Main Street, Davenport, Iowa 52801  
(Address of principal executive offices)

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

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

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of March 31, 2003, 34,968,895 shares of Common Stock and 9,456,438 shares of Class B Common Stock of the Registrant were outstanding.

LEE ENTERPRISES, INCORPORATED

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## PART I FINANCIAL INFORMATION

## Item 1. Financial Statements

LEE ENTERPRISES, INCORPORATED  
CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

| (Thousands, except per common share data)                             | Three Months Ended<br>March 31 |           | Six Months Ended<br>March 31 |            |
|---|--------------------------------|-----------|------------------------------|------------|
|   | 2003                           | 2002      | 2003                         | 2002       |
| <b>Operating revenue:</b>   |                                |           |                              |            |
| Advertising   | \$ 103,082                     | \$ 61,332 | \$ 221,884                   | \$ 133,009 |
| Circulation   | 33,113                         | 20,030    | 66,725                       | 40,452     |
| Other   | 19,138                         | 15,146    | 37,271                       | 30,407     |
|   | 155,333                        | 96,508    | 325,880                      | 203,868    |
| <b>Operating expenses:</b>  |                                |           |                              |            |
| Compensation  | 67,414                         | 40,598    | 135,906                      | 81,082     |
| Newsprint and ink   | 13,316                         | 8,153     | 27,766                       | 17,930     |
| Depreciation  | 4,811                          | 3,517     | 9,220                        | 7,500      |
| Amortization of intangible assets                                     | 6,902                          | 1,818     | 13,864                       | 3,676      |
| Other   | 37,249                         | 23,975    | 75,606                       | 49,606     |
|   | 129,692                        | 78,061    | 262,362                      | 159,794    |
| Operating income, before equity in net income of associated companies | 25,641                         | 18,447    | 63,518                       | 44,074     |
| Equity in net income of associated companies                          | 1,553                          | 1,752     | 3,771                        | 3,929      |
| Operating income  | 27,194                         | 20,199    | 67,289                       | 48,003     |
| <b>Nonoperating income (expense), net:</b>                            |                                |           |                              |            |
| Financial income  | 203                            | 2,468     | 543                          | 5,235      |
| Financial expense   | (4,270)                        | (2,844)   | (8,960)                      | (5,882)    |
| Other, net  | (43)                           | (1)       | (387)                        | (308)      |
|   | (4,110)                        | (377)     | (8,804)                      | (955)      |
| Income from continuing operations before income taxes                 | 23,084                         | 19,822    | 58,485                       | 47,048     |
| Income tax expense  | 8,460                          | 7,155     | 21,383                       | 16,767     |
| Income from continuing operations                                     | 14,624                         | 12,667    | 37,102                       | 30,281     |
| <b>Discontinued operations:</b>                                       |                                |           |                              |            |
| Loss from discontinued operations, net of income tax effect           | -                              | (103)     | (1)                          | (140)      |
| Loss on disposition, net of income tax effect                         | -                              | -         | (19)                         | -          |
|   | -                              | (103)     | (20)                         | (140)      |
| Net income  | \$ 14,624                      | \$ 12,564 | \$ 37,082                    | \$ 30,141  |
| <b>Earnings per common share:</b>                                     |                                |           |                              |            |
| <b>Basic:</b>   |                                |           |                              |            |
| Continuing operations   | \$ 0.33                        | \$ 0.29   | \$ 0.84                      | \$ 0.68    |
| Discontinued operations   | -                              | -         | -                            | -          |
| Net income  | \$ 0.33                        | \$ 0.29   | \$ 0.84                      | \$ 0.68    |
| <b>Diluted:</b>   |                                |           |                              |            |
| Continuing operations   | \$ 0.33                        | \$ 0.29   | \$ 0.84                      | \$ 0.68    |
| Discontinued operations   | -                              | -         | -                            | -          |
| Net income  | \$ 0.33                        | \$ 0.29   | \$ 0.84                      | \$ 0.68    |
| Dividends per common share  | \$ 0.17                        | \$ 0.17   | \$ 0.34                      | \$ 0.34    |

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

## LEE ENTERPRISES, INCORPORATED

CONSOLIDATED BALANCE SHEETS  
(Unaudited)

| (Thousands, except per share data)   | March 31<br>2003    | September 30<br>2002 |
|--|---------------------|----------------------|
| <b>ASSETS</b>  |                     |                      |
| Current assets:  |                     |                      |
| Cash and cash equivalents  | \$ 17,380           | \$ 14,381            |
| Accounts receivable, net   | 55,403              | 57,313               |
| Receivable from associated companies   | -                   | 1,500                |
| Inventories  | 9,322               | 10,166               |
| Other  | 11,464              | 10,798               |
| Assets of discontinued operations  | -                   | 7,723                |
| <b>Total current assets</b>  | <b>93,569</b>       | <b>101,881</b>       |
| Investments  | 28,243              | 28,776               |
| Property and equipment, net  | 199,773             | 204,297              |
| Goodwill   | 611,625             | 611,938              |
| Other intangible assets  | 499,778             | 513,109              |
| Other  | 3,620               | 3,829                |
|  | <b>\$ 1,436,608</b> | <b>\$ 1,463,830</b>  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                     |                      |
| Current liabilities:   |                     |                      |
| Notes payable and current maturities of long-term debt   | \$ 36,600           | \$ 14,600            |
| Accounts payable   | 17,158              | 21,015               |
| Compensation and other accrued liabilities   | 30,361              | 32,591               |
| Income taxes payable   | 9,586               | 5,103                |
| Dividends payable  | 7,552               | 7,533                |
| Liabilities of discontinued operations   | -                   | 157                  |
| Unearned revenue   | 29,268              | 27,750               |
| <b>Total current liabilities</b>   | <b>130,525</b>      | <b>108,749</b>       |
| Long-term debt, net of current maturities  | 320,600             | 394,700              |
| Deferred items   | 216,336             | 216,612              |
| Other  | 968                 | 995                  |
| Stockholders' equity:  |                     |                      |
| Serial convertible preferred stock, no par value;<br>authorized 500 shares: none issued  | -                   | -                    |
| Common Stock, \$2 par value; authorized 60,000<br>shares; issued and outstanding:<br>March 31, 2003 34,969 shares;<br>September 30, 2002 34,621 shares       | 69,938              | 69,242               |
| Class B Common Stock, \$2 par value; authorized<br>30,000 shares; issued and outstanding:<br>March 31, 2003 9,456 shares;<br>September 30, 2002 9,690 shares | 18,912              | 19,380               |
| Additional paid-in capital   | 71,798              | 67,084               |
| Unearned compensation  | (3,339)             | (1,845)              |
| Retained earnings  | 610,870             | 588,913              |
|  | <b>768,179</b>      | <b>742,774</b>       |
|  | <b>\$ 1,436,608</b> | <b>\$ 1,463,830</b>  |

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

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

| (Thousands)   | Six Months Ended<br>March 31 |            |
|---|------------------------------|------------|
|   | 2003                         | 2002       |
| Cash provided by operating activities:  |                              |            |
| Net income  | \$ 37,082                    | \$ 30,141  |
| Loss from discontinued operations   | 20                           | 140        |
| Income from continuing operations   | 37,102                       | 30,281     |
| Adjustments to reconcile income from continuing operations to net cash provided by operating activities of continuing operations: |                              |            |
| Depreciation and amortization   | 23,084                       | 11,463     |
| Stock compensation expense  | 2,268                        | 1,882      |
| Distributions in excess of current earnings of associated companies   | 356                          | 198        |
| Other, net  | 3,893                        | (3,586)    |
| Net cash provided by operating activities   | 66,703                       | 40,238     |
| Cash provided by (required for) investing activities:   |                              |            |
| Proceeds from sales of temporary cash investments, net  | -                            | 102,841    |
| Purchases of property and equipment   | (5,569)                      | (4,235)    |
| Proceeds from sales of assets   | 3,970                        | 7,130      |
| Other   | (532)                        | (148)      |
| Net cash provided by (required for) investing activities  | (2,131)                      | 105,588    |
| Cash provided by (required for) financing activities:   |                              |            |
| Payments on notes payable   | (3,000)                      | -          |
| Proceeds from long-term debt  | 17,000                       | -          |
| Payments on long-term debt  | (66,100)                     | -          |
| Common stock transactions   | (272)                        | (207)      |
| Dividends paid  | (15,083)                     | (7,503)    |
| Other   | 1,274                        | 3,560      |
| Net cash required for financing activities  | (66,181)                     | (4,150)    |
| Net cash provided by (required for) discontinued operations   | 4,608                        | (43,195)   |
| Net increase in cash and cash equivalents   | 2,999                        | 98,481     |
| Cash and cash equivalents:  |                              |            |
| Beginning of period   | 14,381                       | 272,169    |
| End of period   | \$ 17,380                    | \$ 370,650 |

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

LEE ENTERPRISES, INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

1 Basis of Presentation

The Consolidated Financial Statements included herein are unaudited. In the opinion of management, these financial statements contain all adjustments (consisting of only normal recurring items) necessary to present fairly the financial position of Lee Enterprises, Incorporated and subsidiaries (the Company) as of March 31, 2003 and its results of operations and cash flows for the periods presented. These Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company's 2002 Annual Report on Form 10-K.

Because of seasonal and other factors, the results of operations for the three months and six months ended March 31, 2003 are not necessarily indicative of the results to be expected for the full year.

Effective October 1, 2002, the Company adopted the fair value provisions of FASB Statement 123, Accounting for Stock-Based Compensation, as amended by FASB Statement 148, Accounting for Stock-Based Compensation - Transition and Disclosure, and all prior periods have been restated. See Note 5.

Certain amounts as previously reported have been reclassified to conform with the current period presentation.

2 Acquisitions

In April 2002, the Company acquired the stock of Howard Publications, Inc. (Howard), a privately owned company comprised of 15 daily newspapers, 50% of the stock of Sioux City Newspapers, Inc. (SCN), and related specialty publications. The transaction was valued at approximately \$696,800,000 after taking into account \$50,000,000 of cash on the Howard balance sheet to be retained by the Company and other adjustments. Certain non-publishing businesses of Howard were not included in the transaction.

The Company paid the purchase price and expenses related to the transaction from \$433,000,000 of available funds, including proceeds from the sale of its broadcast properties, and revolving loans under the terms of a five year, \$350,000,000 credit agreement.

In July 2002, the Company acquired the remaining 50% interest in SCN from a privately owned company. The transaction was valued at \$57,000,000 and was funded in part with approximately \$42,000,000 in cash and temporary cash investments. The remainder of the purchase price was funded by the Company's credit agreement. \$3,000,000 of the purchase price was paid in November 2002. The Company's Flathead group of weekly newspapers in Montana was transferred as partial consideration for the purchase.

The pro forma consolidated statement of income information for the three months and six months ended March 31, 2002, set forth below, presents the results of operations as if the acquisitions of Howard and SCN had occurred at the beginning of the periods and is not necessarily indicative of future results or actual results that would have been achieved had the acquisitions occurred as of the beginning of the period.

|   | Three Months<br>Ended<br>March 31<br>2002 | Six Months<br>Ended<br>March 31<br>2002 |
|---|---|---|
| -----                                     |   |   |
| (Thousands, except per common share data) |   |   |
| Operating revenue                         | \$ 148,862                                | \$ 315,563                              |
| Income from continuing operations         | 14,283                                    | 34,140                                  |
| Earnings per common share:                |   |   |
| Basic                                     | \$ 0.32                                   | \$ 0.77                                 |
| Diluted                                   | 0.32                                      | 0.77                                    |
| -----                                     |   |   |

3 Investment in Associated Companies

The Company has a 50% ownership interest in Madison Newspapers, Inc. (MNI), a company that publishes daily and Sunday newspapers and other publications in Madison, Wisconsin, and other Wisconsin locations and also holds interests in internet service ventures.

Summarized financial information of MNI is as follows:

| (Thousands)  | Three Months Ended<br>March 31 |           | Six Months Ended<br>March 31 |           |
|--|--------------------------------|-----------|------------------------------|-----------|
|  | 2003                           | 2002      | 2003                         | 2002      |
| Operating revenue  | \$ 26,591                      | \$ 24,400 | \$ 55,798                    | \$ 50,870 |
| Operating expenses, excluding depreciation<br>and amortization | 20,058                         | 17,718    | 40,523                       | 36,043    |
| Depreciation and amortization                                  | 1,407                          | 971       | 2,770                        | 1,975     |
| Operating income   | 5,126                          | 5,711     | 12,505                       | 12,852    |
| Net income   | 3,106                          | 3,503     | 7,542                        | 7,859     |

Debt of MNI totaled \$32,344,000 at March 31, 2003 and September 30, 2002.

4 Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill are as follows:

| (Thousands)                                  | Six Months Ended<br>March 31 2003 |
|--|-----------------------------------|
| Goodwill, beginning of period                | \$ 611,938                        |
| Goodwill adjustments related to acquisitions | (313)                             |
| Goodwill, end of period                      | \$ 611,625                        |

Identified intangible assets related to continuing operations consist of the following:

| (Thousands)                                    | March 31<br>2003 | September 30<br>2002 |
|--|------------------|----------------------|
| Unamortizable intangible assets:               |                  |                      |
| Mastheads                                      | \$ 26,022        | \$ 26,022            |
| Amortizable intangible assets:                 |                  |                      |
| Noncompete covenants and consulting agreements | 28,406           | 28,406               |
| Less accumulated amortization                  | (23,063)         | (21,967)             |
|  | 5,343            | 6,439                |
| Customer and newspaper subscriber lists        | 525,757          | 525,224              |
| Less accumulated amortization                  | (57,344)         | (44,576)             |
|  | 468,413          | 480,648              |
|  | \$ 499,778       | \$ 513,109           |

Annual amortization of intangible assets related to continuing operations for the five years ending March 2008 is estimated to be \$27,710,000, \$26,425,000, \$23,727,000, \$23,216,000 and \$23,037,000, respectively.

## 5 Stock Ownership Plans

A summary of activity related to the Company's stock option plan is as follows:

| (Thousands, except per common share data) | Shares | Weighted Average<br>Exercise Price |
|---|--------|------------------------------------|
| Outstanding at September 30, 2002         | 1,049  | \$ 29.04                           |
| Granted                                   | 300    | 32.52                              |
| Exercised                                 | (52)   | 25.56                              |
| Cancelled                                 | (8)    | 30.79                              |
| Outstanding at March 31, 2003             | 1,289  | \$ 29.98                           |

At March 31, 2003, the Company has three stock-based employee compensation plans. Prior to October 1, 2002, the Company accounted for those plans under the recognition and measurement provisions of APB Opinion 25, Accounting for Stock Issued to Employees, and related interpretations. Accordingly, no compensation cost had been recognized for grants under the stock option or stock purchase plans. Effective October 1, 2002, the Company adopted the fair value recognition provisions of FASB Statement 123, Accounting for Stock-Based Compensation, for stock-based employee compensation, as amended by FASB Statement 148, Accounting for Stock-Based Compensation - Transition and Disclosure. All prior periods presented have been restated to reflect the compensation cost that would have been recognized had the recognition provisions of Statements 123 and 148 been applied to all awards granted to employees after October 1, 1995. The cumulative effect of the adoption of Statements 123 and 148 decreased non-current deferred income tax liabilities and increased stockholders' equity by \$1,518,000 at September 30, 2002.

The impact of the adoption of Statements 123 and 148 on both income from continuing operations and diluted earnings per common share is as follows:

| (Thousands, except per<br>common share data)                      | Three Months Ended  |                  |                 | Year Ended           |                      |
|---|---------------------|------------------|-----------------|----------------------|----------------------|
|   | December 31<br>2001 | March 31<br>2002 | June 30<br>2002 | September 30<br>2002 | September 30<br>2002 |
| Income from continuing operations:                                |                     |                  |                 |                      |                      |
| As reported   | \$ 18,037           | \$ 13,226        | \$ 30,756       | \$ 19,010            | \$ 81,029            |
| Additional stock compensation expense (net of income tax expense) | (423)               | (559)            | (569)           | (594)                | (2,145)              |
| As adjusted   | \$ 17,614           | \$ 12,667        | \$ 30,187       | \$ 18,416            | \$ 78,884            |
| Diluted earnings per common share:                                |                     |                  |                 |                      |                      |
| As reported   | \$ 0.41             | \$ 0.30          | \$ 0.69         | \$ 0.43              | \$ 1.83              |
| Additional stock compensation expense                             | (0.01)              | (0.01)           | (0.01)          | (0.01)               | (0.05)               |
| As adjusted   | \$ 0.40             | \$ 0.29          | \$ 0.68         | \$ 0.42              | \$ 1.78              |

Options to purchase 1,092,801 shares of common stock with a weighted average exercise price of \$28.69 per share were outstanding at March 31, 2002.

## 6 Income Taxes

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



7 Earnings Per Common Share

The following table sets forth the computation of basic and diluted earnings per common share:

| (Thousands, except per common share data)   | Three Months Ended<br>March 31 |           | Six Months Ended<br>March 31 |           |
|---|--------------------------------|-----------|------------------------------|-----------|
|   | 2003                           | 2002      | 2003                         | 2002      |
| Income applicable to common stock:          |                                |           |                              |           |
| Continuing operations                       | \$ 14,624                      | \$ 12,667 | \$ 37,102                    | \$ 30,281 |
| Discontinued operations                     | -                              | (103)     | (20)                         | (140)     |
| Net income                                  | \$ 14,624                      | \$ 12,564 | \$ 37,082                    | \$ 30,141 |
| Weighted average common shares outstanding  | 44,423                         | 44,164    | 44,397                       | 44,125    |
| Less non-vested restricted stock            | 166                            | 123       | 158                          | 116       |
| Basic average common shares                 | 44,257                         | 44,041    | 44,239                       | 44,009    |
| Dilutive stock options and restricted stock | 148                            | 290       | 140                          | 277       |
|   | 44,405                         | 44,331    | 44,379                       | 44,286    |
| Earnings per common share:                  |                                |           |                              |           |
| Basic:                                      |                                |           |                              |           |
| Continuing operations                       | \$ 0.33                        | \$ 0.29   | \$ 0.84                      | \$ 0.68   |
| Discontinued operations                     | -                              | -         | -                            | -         |
| Net income                                  | \$ 0.33                        | \$ 0.29   | \$ 0.84                      | \$ 0.68   |
| Diluted:                                    |                                |           |                              |           |
| Continuing operations                       | \$ 0.33                        | \$ 0.29   | \$ 0.84                      | \$ 0.68   |
| Discontinued operations                     | -                              | -         | -                            | -         |
| Net income                                  | \$ 0.33                        | \$ 0.29   | \$ 0.84                      | \$ 0.68   |

8 Impact of Recently Issued Accounting Standards

In July 2002, the FASB issued Statement 146, Accounting for Costs Associated with Exit or Disposal Activities. Statement 146 requires companies to recognize liabilities and costs associated with exit or disposal activities initiated after December 2002 when they are incurred, rather than when management commits to a plan to exit an activity. Statement 146 will affect only the timing of the recognition of future restructuring costs and is not expected to have a material effect on the Company's Consolidated Financial Statements.

On January 17, 2003, the FASB issued Interpretation 46, Consolidation of Variable Interest Entities - an interpretation of ARB No. 51 (Interpretation 46). This interpretation provides new consolidation accounting guidance for entities involved with special purpose entities (SPE). This guidance will require a primary beneficiary, defined as an entity which participates in either a majority of the risks or rewards of such SPE, to consolidate the SPE. An SPE would not be subject to this interpretation if such entity has sufficient voting equity capital (presumed to require a minimum of 10%), such that the entity is able to finance its activities without additional subordinated financial support from other parties. Interpretation 46 is not expected to have a material effect on the Company's Consolidated Financial Statements.

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

The following discussion includes comments and analysis relating to the Company's results of operations and financial condition as of and for the three months and six months ended March 31, 2003. This discussion should be read in conjunction with the Consolidated Financial Statements and related Notes thereto and the 2002 Annual Report on Form 10-K.

FORWARD-LOOKING STATEMENTS

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

NON-GAAP FINANCIAL MEASURES

Operating Cash Flow

Operating cash flow, which is defined as operating income before depreciation, amortization, and equity in net income of associated companies, and operating cash flow margin (operating cash flow divided by operating income) represent non-GAAP financial measures that are used in the analyses below. A reconciliation of operating cash flow to operating income, the most directly comparable measure under accounting principles generally accepted in the United States of America (GAAP), is included in tables under the captions Operating Expenses and Results of Operations. The Company believes that operating cash flow and the related margin percentage are useful measures of evaluating its financial performance because of their focus on the Company's results from operations before depreciation and amortization. The Company also believes that these measures are several of the alternative financial measures of performance used by investors, rating agencies and financial analysts to estimate the value of a company and evaluate its ability to meet debt service requirements.

Same Property Comparisons

Certain information below, as noted, is presented on a same property basis, which is exclusive of acquisitions and divestitures. The Company believes such comparisons provide meaningful information for an understanding of changes in its revenue and operating expenses. Same property also excludes Madison Newspapers, Inc. (MNI), in order to comply with newly issued SEC regulations related to disclosure of non-GAAP financial measures. Lee owns 50% of the capital stock of MNI which for financial reporting purposes is reported using the equity method of accounting.

CONTINUING OPERATIONS - THREE MONTHS ENDED MARCH 31, 2003

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

| (Thousands, except per common share data) | Three Months Ended<br>March 31 |           |                |
|---|--------------------------------|-----------|----------------|
|   | 2003                           | 2002      | Percent Change |
| Operating revenue                         | \$ 155,333                     | \$ 96,508 | 61.0%          |
| Operating cash flow                       | 37,354                         | 23,782    | 57.1           |
| Operating income                          | 27,194                         | 20,199    | 34.6           |
| Nonoperating expense, net                 | (4,110)                        | (377)     | NM             |
| Income from continuing operations         | 14,624                         | 12,667    | 15.4           |
| Earnings per common share:                |                                |           |                |
| Basic                                     | \$ 0.33                        | \$ 0.29   | 13.8%          |
| Diluted                                   | 0.33                           | 0.29      | 13.8           |

Operating Revenue

Revenue, as reported in the Consolidated Financial Statements, consists of the following:

| (Thousands)                  | Three Months Ended<br>March 31 |           | Percent Change |               |
|------------------------------|--------------------------------|-----------|----------------|---------------|
|                              | 2003                           | 2002      | Total          | Same Property |
| Advertising revenue:         |                                |           |                |               |
| Retail                       | \$ 60,771                      | \$ 36,682 | 65.7%          | 3.0%          |
| National                     | 3,760                          | 2,484     | 51.4           | (3.4)         |
| Classified:                  |                                |           |                |               |
| Employment                   | 9,247                          | 5,097     | 81.4           | (0.8)         |
| Automotive                   | 9,538                          | 4,857     | 96.4           | 1.8           |
| Real estate                  | 7,482                          | 3,655     | 104.7          | 12.3          |
| All other                    | 12,284                         | 8,557     | 43.6           | 0.3           |
| Total classified             | 38,551                         | 22,166    | 73.9           | 2.4           |
| Total advertising            | 103,082                        | 61,332    | 68.1           | 2.5           |
| Circulation                  | 33,113                         | 20,030    | 65.3           | (0.3)         |
| Other:                       |                                |           |                |               |
| Commercial printing          | 5,198                          | 5,129     | 1.3            | (4.8)         |
| Online                       | 2,698                          | 1,572     | 71.6           | 35.6          |
| Niche publications and other | 11,242                         | 8,445     | 33.1           | 16.9          |
| Total operating revenue      | \$ 155,333                     | \$ 96,508 | 61.0%          | 3.3%          |

All categories of revenue were substantially impacted by the acquisition of Howard, which the Company purchased in April 2002. In total, acquisitions accounted for \$56,643,000 of revenue growth in the current year quarter. Businesses sold in the year ended September 2002, but still included in continuing operations, did not impact the current year quarter but accounted for \$1,013,000 of revenue in the prior year quarter. See Note 2 to the Consolidated Financial Statements included herein.

Sundays generate substantially more advertising and circulation revenue than any other day of the week. The quarter ended March 31, 2003 had the same number of Sundays as the same period last year.

For the quarter ended March 31, 2003, total same property revenue increased \$3,195,000, or 3.3%, and total same property advertising revenue increased \$1,515,000, or 2.5%. Same property retail revenue increased \$1,081,000, or 3.0%. Average same property retail rate, excluding preprint insertions, increased 2.7%.

Same property classified advertising revenue increased approximately 2.4% for the quarter ended March 31, 2003, the second consecutive quarterly increase. Higher margin employment advertising at the daily newspapers decreased 0.8% on a same property basis for the quarter, but was more than offset by a significant same property revenue increase in real estate of 12.3%. Real estate interest rates remain favorable. Same property automotive classified advertising increased 1.8%. Same property average classified rate declined 0.1%.

Advertising lineage, as reported on a same property basis for the Company's daily newspapers, consists of the following:

| (Thousands of Inches) | Three Months Ended<br>March 31 |       | Percent Change |
|-----------------------|--------------------------------|-------|----------------|
|                       | 2003                           | 2002  |                |
| Retail                | 1,345                          | 1,319 | 2.0%           |
| National              | 69                             | 83    | (16.9)         |
| Classified            | 1,319                          | 1,290 | 2.2            |
|                       | 2,733                          | 2,692 | 1.5%           |

Same property circulation revenue decreased \$54,000, or 0.3%, in the current year quarter. The Company's unaudited same property average daily newspaper circulation units increased 0.2% and Sunday circulation declined 0.1% for the three months ended March 2003, compared to the same period in the prior year. The Company remains focused on growing circulation units and revenue through a number of initiatives.

Same property commercial printing revenue declined \$245,000, or 4.8%. Same property online revenue increased \$559,000, or 35.6%, due to growth in advertising revenue and cross-selling with the Company's newspapers.

#### Operating Expenses and Results of Operations

The following table sets forth the Company's operating expenses and results of operations, as reported in the Consolidated Financial Statements:

| (Thousands)  | Three Months Ended<br>March 31 |           |                |
|--|--------------------------------|-----------|----------------|
|  | 2003                           | 2002      | Percent Change |
| Compensation   | \$ 67,414                      | \$ 40,598 | 66.1%          |
| Newsprint and ink  | 13,316                         | 8,153     | 63.3           |
| Other operating expenses   | 37,249                         | 23,975    | 55.4           |
|  | 117,979                        | 72,726    | 62.2           |
| Operating cash flow  | 37,354                         | 23,782    | 57.1           |
| Depreciation and amortization  | 11,713                         | 5,335     | 119.6          |
| Operating income, before equity in net income<br>of associated companies | 25,641                         | 18,447    | 39.0           |
| Equity in net income of associated companies                             | 1,553                          | 1,752     | (11.4)         |
| Operating income   | \$ 27,194                      | \$ 20,199 | 34.6%          |

Costs other than depreciation and amortization increased \$45,253,000, or 62.2%. All categories of expenses were substantially impacted by the acquisition of Howard, which the Company purchased in April 2002. In total, acquisitions accounted for \$42,693,000 of operating costs, excluding depreciation and amortization, in the current year quarter. Businesses sold did not impact operating expenses in the current year quarter, but accounted for \$1,062,000 of operating expenses other than depreciation and amortization in the prior year quarter. On a same property basis, such costs increased 3.6%. Compensation expense increased \$26,816,000, or 66.1%, in the current year quarter due to costs of acquired businesses and a 7.0% increase in same property compensation expense. Higher medical expenses, normal salary adjustments, higher incentive compensation from increasing revenue, and one-time and permanent cost reductions in benefit programs in the prior year quarter contributed to the increase in same property costs. Same property full time equivalent employees decreased 1.4% year over year. Exclusive of the prior year changes in benefit programs, same property compensation expense increased 4.1% in the current year quarter. Newsprint and ink costs increased \$5,163,000, or 63.3%, in the current year quarter as volume increases related to acquired businesses more than offset same property declines. Same property newsprint and ink expense decreased by 5.1% in the quarter and volume declined 2.4%. Other operating costs, exclusive of depreciation and amortization, increased \$13,274,000, or 55.4%, in the current year quarter. On a same property basis, other operating costs increased 1.3%. The increase in depreciation and amortization expense is primarily due to the acquisitions of Howard and SCN.

Operating cash flow improved 57.1% to \$37,354,000 in the current year quarter from \$23,782,000 in the prior year. Operating cash flow margin declined to 24.0% from 24.6% in the prior year. Lower newsprint prices were offset by lower margins of acquired businesses and other cost increases as noted above. Operating income increased 34.6% to \$27,194,000. Operating income margin decreased to 17.5% from 20.9% for the same reasons, but was further impacted by a higher level of amortization expense from acquisitions.

#### Nonoperating Income and Expense

Financial income decreased \$2,265,000 to \$203,000. The Company's invested balances were substantially reduced in April 2002 by the acquisition of Howard. Financial expense increased due to debt from the acquisitions of Howard and SCN, offset by lower interest rates and debt reduction from operating cash flow.

## Overall Results

The effective income tax rates were 36.6% and 36.1% for the quarters ended March 31, 2003 and 2002, respectively. The prior year tax rate was lower primarily due to tax-exempt interest income.

As a result of all of the above, earnings per diluted common share from continuing operations increased 13.8% to \$0.33 per share from \$0.29 per share in the prior year quarter. The adoption of FASB Statements 123 and 148 reduced the prior year's quarterly results by \$0.01 per share.

### CONTINUING OPERATIONS - SIX MONTHS ENDED MARCH 31, 2003

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

| (Thousands, except per common share data) | Six Months Ended<br>March 31 |            | Percent Change |
|---|------------------------------|------------|----------------|
|   | 2003                         | 2002       |                |
| Operating revenue                         | \$ 325,880                   | \$ 203,868 | 59.8%          |
| Operating cash flow                       | 86,602                       | 55,250     | 56.7           |
| Operating income                          | 67,289                       | 48,003     | 40.2           |
| Nonoperating expense, net                 | (8,804)                      | (955)      | NM             |
| Income from continuing operations         | 37,102                       | 30,281     | 22.5           |
| Earnings per common share:                |                              |            |                |
| Basic                                     | \$ 0.84                      | \$ 0.68    | 23.5%          |
| Diluted                                   | 0.84                         | 0.68       | 23.5           |

### Operating Revenue

Revenue, as reported in the Consolidated Financial Statements, consists of the following:

| (Thousands)                  | Six Months Ended<br>March 31 |            | Percent Change |               |
|------------------------------|------------------------------|------------|----------------|---------------|
|                              | 2003                         | 2002       | Total          | Same Property |
| Advertising revenue:         |                              |            |                |               |
| Retail                       | \$ 136,612                   | \$ 82,626  | 65.3%          | 3.1%          |
| National                     | 7,832                        | 5,154      | 52.0           | (4.2)         |
| Classified:                  |                              |            |                |               |
| Employment                   | 17,997                       | 10,187     | 76.7           | (2.6)         |
| Automotive                   | 19,648                       | 10,169     | 93.2           | 1.3           |
| Real estate                  | 14,655                       | 7,505      | 95.3           | 9.1           |
| All other                    | 25,140                       | 17,368     | 44.7           | 1.9           |
| Total classified             | 77,440                       | 45,229     | 71.2           | 1.9           |
| Total advertising            | 221,884                      | 133,009    | 66.8           | 2.4           |
| Circulation                  | 66,725                       | 40,452     | 64.9           | (0.2)         |
| Other:                       |                              |            |                |               |
| Commercial printing          | 10,857                       | 11,003     | (1.3)          | (7.3)         |
| Online                       | 5,179                        | 3,046      | 70.0           | 37.3          |
| Niche publications and other | 21,235                       | 16,358     | 29.8           | 12.9          |
| Total operating revenue      | \$ 325,880                   | \$ 203,868 | 59.8%          | 2.7%          |

All categories of revenue were substantially impacted by the acquisition of Howard, which the Company purchased in April 2002. In total, acquisitions accounted for \$119,685,000 of revenue growth in the six months ended March 31, 2003. Businesses sold in the year ended September 2002, but still included in continuing operations, did not impact the six months ended March 31, 2003 but accounted for \$3,148,000 of revenue in the prior year six month period.

Sundays generate substantially more advertising and circulation revenue than any other day of the week. The six months ended March 31, 2003 had the same number of Sundays as the same period last year.

For the six months ended March 31, 2003, total same property revenue increased \$5,475,000, or 2.7%, and total same property advertising revenue increased \$3,107,000, or 2.4%. Same property retail revenue increased \$2,469,000, or 3.1%. Same property average retail rate, excluding preprint insertions, increased 3.0%.

Same property classified advertising revenue increased approximately 1.9% for the six months ended March 31, 2003. Higher margin employment advertising at the daily newspapers decreased 2.6% for the six month period, but was more than offset by a significant revenue increase in same property real estate of 9.1%. Real estate interest rates remain favorable. Same property automotive advertising increased 1.3%. Same property classified average rates increased 0.3%.

Advertising lineage, as reported on a same property basis for the Company's daily newspapers, consists of the following:

| (Thousands of Inches) | Six Months Ended<br>March 31 |       | Percent Change |
|-----------------------|------------------------------|-------|----------------|
|                       | 2003                         | 2002  |                |
| Retail                | 3,057                        | 3,045 | 0.4%           |
| National              | 145                          | 172   | (15.7)         |
| Classified            | 2,712                        | 2,685 | 1.0            |
|                       | 5,914                        | 5,902 | 0.2%           |

Same property circulation revenue decreased \$61,000, or 0.2%, in the current year six month period. The Company's same property ABC Publisher's Statement FAS/FAX showed that average daily newspaper circulation units increased 1.1% and Sunday circulation declined 0.1% for the six months ended March 2003, compared to the same period in the prior year. Overall daily circulation increased 0.7% and Sunday increased 0.3% due to improving circulation of newspapers acquired in 2002. The Company remains focused on growing circulation units and revenue through a number of initiatives.

Same property commercial printing revenue declined \$806,000, or 7.3%. Same property online revenue increased \$1,134,000, or 37.3%, due to growth in advertising revenue and cross-selling with the Company's newspapers.

#### Operating Expenses and Results of Operations

The following table sets forth the Company's operating expenses and results of operations, as reported in the Consolidated Financial Statements:

| (Thousands)  | Six Months Ended<br>March 31 |           | Percent Change |
|--|------------------------------|-----------|----------------|
|  | 2003                         | 2002      |                |
| Compensation   | \$ 135,906                   | \$ 81,082 | 67.6%          |
| Newsprint and ink  | 27,766                       | 17,930    | 54.9           |
| Other operating expenses   | 75,606                       | 49,606    | 52.4           |
|  | 239,278                      | 148,618   | 61.0           |
| Operating cash flow  | 86,602                       | 55,250    | 56.7           |
| Depreciation and amortization  | 23,084                       | 11,176    | 106.5          |
| Operating income, before equity in net income<br>of associated companies | 63,518                       | 44,074    | 44.1           |
| Equity in net income of associated companies                             | 3,771                        | 3,929     | (4.0)          |
| Operating income   | \$ 67,289                    | \$ 48,003 | 40.2%          |

Costs other than depreciation and amortization increased \$90,660,000, or 61.0%. All categories of expenses were substantially impacted by the acquisition of Howard, which the Company purchased in April 2002. In total, acquisitions accounted for \$86,179,000 of operating costs, excluding depreciation and amortization, in the current year six month period. Businesses sold did not impact operating expenses in the current year six month period, but accounted for \$2,780,000 of operating expenses other than depreciation and amortization in the prior year six month period. On a same property basis, such costs increased 2.9%. Compensation expense increased \$54,824,000, or 67.6%, in the current year six month period due to costs of acquired businesses and a 7.1% increase in same property compensation expense. Higher medical expenses, normal salary adjustments, higher incentive compensation from increasing revenue, and one-time and permanent cost reductions in benefit programs in the prior year six month period contributed to the increase in same property costs. Same property full time equivalent employees decreased 1.1% year over year. Exclusive of the prior year changes in benefit programs, same property compensation expense increased 4.3% in the current year six month period. Newsprint and ink costs increased \$9,836,000, or 54.9%, in the current year six month period as volume increases related to acquired businesses and price increases more than offset same property declines. Same property newsprint and ink expense decreased by 10.1% in the six month period and volume declined 1.8%. Other operating costs, exclusive of depreciation and amortization, increased \$26,000,000, or 52.4%, in the current year six month period. On a same property basis, other operating costs increased 1.4%. The increase in depreciation and amortization expense is primarily due to the acquisitions of Howard and SCN.

Operating cash flow improved 56.7% to \$86,602,000 in the current year six month period from \$55,250,000 in the prior year. Operating cash flow margin declined to 26.6% from 27.1% in the prior year. Lower newsprint prices were offset by lower margins of acquired businesses and other cost increases as noted above. Operating income increased 40.2% to \$67,289,000. Operating income margin decreased to 20.6% from 23.5% for the same reasons, but was further impacted by a higher level of amortization expense from acquisitions.

#### Nonoperating Income and Expense

Financial income decreased \$4,692,000 to \$543,000. The Company's invested balances were substantially reduced in April 2002 by the acquisition of Howard. Financial expense increased due to debt from the acquisitions of Howard and SCN, offset by lower interest rates and debt reduction from operating cash flow.

#### Overall Results

The effective income tax rates were 36.6% and 35.6% for the six month period ended March 31, 2003 and 2002, respectively. The prior year tax rate was lower primarily due to tax-exempt interest income.

As a result of all of the above, earnings per diluted common share from continuing operations increased 23.5% to \$0.84 per share from \$0.68 per share in the prior year six month period. The adoption of FASB Statements 123 and 148 reduced the prior year's results by \$0.02 per share.

#### LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operating activities of continuing operations was \$66,703,000 for the six months ended March 31, 2003 and \$40,238,000 for the same period in 2002. Increased income from continuing operations and changes in working capital account for the change between years.

Cash required for investing activities totaled \$2,131,000 for the six months ended March 31, 2003, and provided \$105,588,000 in the same period in 2002. Proceeds from the sale of temporary cash investments were responsible for the primary source of funds in the prior year.

The Company anticipates that funds necessary for capital expenditures, which are expected to total approximately \$19,000,000 in 2003, and other requirements, will be available from internally generated funds, availability under its existing credit agreement or, if necessary, by accessing the capital markets.

Cash required for financing activities totaled \$66,181,000 during the six months ended March 31, 2003, and \$4,150,000 in the prior year. Debt repayments totaling \$69,100,000 and dividends were the primary uses of funds in the current year period.

Cash provided by discontinued operations totaling \$4,608,000 in the current year primarily reflects net proceeds from the sale of businesses. Cash required for discontinued operations totaled \$43,195,000 during the six months ended March 31, 2002, primarily for income tax payments related to the gain on sale of discontinued operations.

Cash and cash equivalents increased \$2,999,000 for the six months ended March 31, 2003 and \$98,481,000 for the same period in 2002.

#### INFLATION

The Company has not been significantly impacted by inflationary pressures over the last several years. The Company anticipates that changing costs of newsprint, its basic raw material, may impact future operating costs. Price increases (or decreases) for the Company's products are implemented when deemed appropriate by management. The Company continuously evaluates price increases, productivity improvements and cost reductions to mitigate the impact of inflation.

In February 2003, several newsprint manufacturers announced price increases of \$50 per metric ton, effective for deliveries in March 2003. The final extent of changes in current prices, if any, is subject to negotiation between such manufacturers and the Company.

#### CRITICAL ACCOUNTING POLICIES

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including those related to bad debts, investments, intangible assets, remaining useful lives of long-lived assets and income taxes. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

See Note 1 to the Consolidated Financial Statements, included in the 2002 Annual Report on Form 10-K, for a description of the Company's accounting policies used in the preparation of its Consolidated Financial Statements.

#### Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

##### Interest Rates

Interest rate risk in the Company's investment portfolio is managed by investing only in securities with maturity at date of acquisition of 180 days or less. Only high-quality investments are considered. In April 2002, the Company liquidated substantially all of its investment portfolio in conjunction with the acquisition of Howard.

The Company's debt structure and interest rate risk are managed through the use of fixed and floating rate debt. The Company's primary exposure is to the London Interbank Offered Rate (LIBOR). A one percent increase to LIBOR would decrease income from continuing operations before income taxes on an annualized basis by approximately \$2,070,000, based on floating rate debt outstanding at March 31, 2003, excluding MNI.



## Commodities

Certain materials used by the Company are exposed to commodity price changes. The Company manages this risk through instruments such as purchase orders and non-cancelable supply contracts. The Company is also involved in continuing programs to mitigate the impact of cost increases through identification of sourcing and operating efficiencies. Primary commodity price exposures are newsprint and, to a lesser extent, ink.

A \$10 per metric ton newsprint price increase would result in, excluding MNI, an annualized reduction in income from continuing operations before income taxes of approximately \$1,115,000, based on anticipated consumption in 2003.

### Sensitivity to Changes in Value

The estimate that follows is intended to measure the maximum potential impact on fair value of fixed-rate debt of the Company in one year from adverse changes in market interest rates under normal market conditions. The calculations are not intended to represent actual losses in fair value that the Company expects to incur. The estimates do not consider favorable changes in market rates. The position included in the calculations is the Company's fixed-rate debt, which totals \$150,200,000 at March 31, 2003.

The estimated maximum potential one-year loss in fair value from a 100 basis point movement in interest rates on market risk sensitive instruments outstanding at March 31, 2003 is approximately \$6,682,000. There is no impact on operating results from such changes in interest rates.

### Item 4. Controls and Procedures

In order to ensure that the information that must be disclosed in filings with the Securities and Exchange Commission is recorded, processed, summarized and reported in a timely manner, the Company has disclosure controls and procedures in place. The Chief Executive Officer, Mary E. Junck, and Chief Financial Officer, Carl G. Schmidt, have reviewed and evaluated disclosure controls and procedures as of March 31, 2003, and have concluded that such controls and procedures are appropriate and that no changes are required.

There have been no significant changes in internal controls, or in other factors that could affect internal controls, since March 31, 2003.

## PART II OTHER INFORMATION

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

The Annual Meeting of Shareholders of the Company was held on January 22, 2003.

William E. Mayer, Gregory P. Schermer, and Mark Vittert were elected as directors for a three-year terms expiring at the 2005 annual meeting.

Votes were cast, all by proxy, for nominees for director as follows:

|                     | For         | Withheld  |
|---------------------|-------------|-----------|
| William E. Mayer    | 107,803,581 | 620,570   |
| Gregory P. Schermer | 103,726,652 | 4,697,499 |
| Mark Vittert        | 107,434,994 | 988,157   |

The Stock Plan for Non-Employee Directors (Stock Plan) was amended to increase the number of shares annually awarded to non-employee directors to 1,500 shares from 500 shares and to increase the number of shares reserved for the Stock Plan from 50,000 shares to 150,000 shares. Votes were 98,256,614 for the amendment and 9,545,819 against the amendment, with 621,718 that abstained from voting.

Item 6. Exhibits and Reports on Form 8-K

Exhibits

Exhibit 99.6 Sarbanes-Oxley Act Section 906 Certification

Reports on Form 8-K

No reports on Form 8-K were filed during the three months ended March 31, 2003.

SIGNATURES

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

LEE ENTERPRISES, INCORPORATED

/s/ Carl G. Schmidt

DATE: May 14, 2003

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

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Mary E. Junck, certify that:

1. I have reviewed this quarterly report on Form 10-Q (Quarterly Report) of Lee Enterprises, Incorporated (Registrant);
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;
3. Based on my knowledge, the Consolidated Financial Statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;
  - b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this Quarterly Report (the Evaluation Date); and
  - c) presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the Audit Committee of Registrant's Board of Directors (or persons performing the equivalent function):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and
6. The Registrant's other certifying officer and I have indicated in this Quarterly Report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

/s/ Mary E. Junck

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Mary E. Junck  
Chairman, President and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Carl G. Schmidt, certify that:

1. I have reviewed this quarterly report on Form 10-Q (Quarterly Report) of Lee Enterprises, Incorporated (Registrant);
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;
3. Based on my knowledge, the Consolidated Financial Statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;
  - b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this Quarterly Report (the Evaluation Date); and
  - c) presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the Audit Committee of Registrant's Board of Directors (or persons performing the equivalent function):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and
6. The Registrant's other certifying officer and I have indicated in this Quarterly Report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

/s/ Carl G. Schmidt

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

EXHIBIT 99.6

The following statement is being furnished to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1349), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

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

Re: Lee Enterprises, Incorporated

Ladies and Gentlemen:

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1349), each of the undersigned hereby certifies that to our knowledge:

- (i) this quarterly report on Form 10-Q for the period ended March 31, 2003 (Quarterly Report), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (ii) the information contained in this Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Lee Enterprises, Incorporated for the periods presented in the Quarterly Report.

Dated as of this 14th day of May, 2003

/s/ Mary E. Junck

/s/ Carl G. Schmidt

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Mary E. Junck  
Chairman, President and  
Chief Executive Officer

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

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