FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

For the fiscal year ended September 30, 1996

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

Commission File Number 1-6227

LEE ENTERPRISES, INCORPORATED

(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

Title of Class	
Class B Common Stock	$2.00 par value

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

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

State the aggregate market value of voting stock held by nonaffiliates of the registrant as of December , 1996. Common Stock and Class B Common Stock, $2.00 par value: $.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of December 2, 1996. Common Stock, $2.00 par value, 34,555,576 shares; and Class B Common Stock, $2.00 par value, 12,455,186 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Lee Enterprises, Incorporated Definitive Proxy Statement dated December 27, 1996 are incorporated by reference in Part III of this Form 10-K.

PART I

Item 1. Business

Item 1(a) Recent business developments. On November 4, 1996 the Company signed a letter of intent to sell its graphic arts products subsidiary, NAPP Systems Inc., for approximately $55,000,000. For additional information related to the disposition, see Note 2 of the Notes to Financial Statements under Item 8, herein.

Item 1(b) Financial information about industry segments. See Note 11 to the Notes to Financial Statements under Item 8, herein.

Item 1(c) Narrative description of business.

NEWSPAPERS

The Company and its subsidiaries publish the following daily newspapers:

- - The Wisconsin State Journal - Madison, Wisconsin
- - The Lincoln Journal-Star - Lincoln, Nebraska
- - Quad-City Times - Davenport, Iowa
- - Billings Gazette - Billings, Montana
- - Herald and Review - Decatur, Illinois
- - The Journal Times - Racine, Wisconsin
- - LaCrosse Tribune - LaCrosse, Wisconsin
- - Rapid City Journal - Rapid City, South Dakota
- - Missoulian - Missoula, Montana
- - Bismarck Tribune - Bismarck, North Dakota
- - Southern Illinoisan - Carbondale, Illinois
- - Globe-Gazette - Mason City, Iowa
- - Ottumwa Courier - Ottumwa, Iowa
- - The Montana Standard - Butte, Montana
- - Independent Record - Helena, Montana
- - Gazette Times - Corvallis, Oregon
- - Winona Daily News - Winona, Minnesota
- - Muscatine Journal - Muscatine, Iowa
- - Star Courier - Kewanee, Illinois

One daily and Sunday newspaper, The Wisconsin State Journal, and one daily newspaper, The Capital Times, are published in Madison, Wisconsin, both of which are owned by Madison Newspapers, Inc. The Company owns 50% of the outstanding capital stock of Madison Newspapers, Inc. The Company has a contract to furnish the editorial and news content for The Wisconsin State Journal, which is a morning newspaper published seven days each week. The Capital Times Company, of which the Company owns 17% of the nonvoting common stock, owns the other 50% of the outstanding capital stock of Madison Newspapers, Inc., and has a similar contract to furnish the editorial and news content for The Capital Times, which is an afternoon newspaper published daily, except Sunday. Both newspapers are produced in the printing plant of Madison Newspapers, Inc., which maintains common advertising, circulation, delivery and business departments for the two newspapers. The Company is compensated for supplying the editorial and news content. In the newspaper field and rating services The Wisconsin State Journal is classified as one of the Lee Group of newspapers.

The Company also publishes 39 weekly newspapers and special industry publications.

The basic raw material of newspapers is newsprint. The Company and its subsidiaries purchase newsprint from U.S. and Canadian producers. The Company believes it will continue to receive a supply of newsprint adequate to its needs. Price increases for newsprint are probable in the future.

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

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

BROADCASTING

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

Station	Nielsen DMA Market Ranking
ABC Affiliate, KGUN-TV - Tucson, Arizona	78
CBS Affiliates:	
KOIN-TV - Portland, Oregon	24
KRQE-TV - Albuquerque, New Mexico	48 (1)
KGMB-TV - Honolulu, Hawaii	69 (2)
KMTV - Omaha, Nebraska	75
NBC Affiliates:	
WSAZ-TV - Huntington-Charleston, West Virginia	56
KSNW-TV - Wichita, Kansas	65 (3)
KSNT-TV - Topeka, Kansas	141
UPN Affiliate, KZIA-TV - El Paso, Texas	99
UPN/WB Affiliate, KASY-TV - Albuquerque, New Mexico (operating under local marketing agreement)	48

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

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

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

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

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

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

OTHER MATTERS

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

In September 1996, the Company, its subsidiaries and associated companies had approximately 5,300 employees, including approximately 1,700 part-time employees.

Item 2. Properties

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

All of the newspaper printing plants (except Madison) are owned by the Company. All newspaper printing plants (including Madison) are well maintained, are in good condition, and are suitable for the present office and publishing operations of the newspapers. All newspaper plants are adequately equipped with typesetting, printing and other equipment required in the publication of newspapers.

All offices, studios, and transmitter buildings of the broadcasting divisions are owned or subject to long-term lease by the Company. All of the television properties are adequately equipped for present operations, and are in good condition and repair. Network television programs are received via satellite.

Item 3. Legal Proceedings

Not applicable.

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

Not applicable.

Executive Officers of the Company

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

Name	Age	Period of Service With Company	Period In Present Office	Present Office
Richard D. Gottlieb	54	33 years	5 years	President and Chief Executive Officer
Larry L. Bloom	47	3-1/2 years	3-1/2 years	Vice-President and Treasurer
Ronald L. Rickman	58	37 years	13 years	Vice-President
Gary N. Schmedding	58	24 years	8 years	Vice-President
Greg R. Veon	44	20 years	1 year	Vice-President
Charles D. Waterman, III	50	7 years	7 years	Secretary
George C. Wahlig	49	7 years	4 years	Principal Accounting Officer
John VanStrydonck	43	15 years	5 years	Chairman and CEO, NAPP Systems Inc.

Larry L. Bloom was elected Vice-President of Finance, Treasurer and Chief Financial Officer in June 1993 and for more than five years prior thereto he was in financial management positions with the New York Daily News, most recently serving as senior vice-president and chief financial officer.

Greg R. Veon was elected a Vice-President of the Company in November 1995; from 1992 through November 1995 he was Vice-President and General Manager of KOIN-TV, Portland, Oregon; for more than 2 years prior thereto he was publisher of the Herald & Review, Decatur, Illinois.

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

George C. Wahlig was elected Principal Accounting Officer of the Company in November 1992; from May 1990 to November 1992 he was Director of Finance.

John VanStrydonck was elected President and Chief Executive Officer of NAPP Systems Inc. in July of 1991 and Chairman and CEO in September 1994. For more than two years prior thereto he was publisher of the Globe-Gazette in Mason City, Iowa.

PART II

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

COMMON STOCK PRICES AND DIVIDENDS

Lee Common Stock is listed on the New York Stock Exchange. The table below shows the high and low prices of Lee Common Stock for each quarter during the past three years, the closing price at the end of each quarter and the dividends paid per share.

	Quarter			
	4th	3rd	2nd	1st
STOCK PRICES				
1996:				
High	$ 23-5/8	$ 24-3/8	$ 22-3/4	$ 23
Low	19-3/4	20-1/2	20	19-11/16
Closing ...	22-7/8	23-5/8	21-1/8	23
1995:				
High	21-11/16	19-5/16	18-3/8	17-3/8
Low	18-1/8	17-7/16	16-13/16	15-7/8
Closing ...	21-11/16	19-1/16	17-3/4	17-1/4
1994:				
High	17-3/4	17-3/4	19-1/16	17-1/2
Low	16	15-7/8	16-7/8	15-1/2
Closing ...	17-1/4	16	17-9/16	17-1/2
DIVIDENDS PAID				
1996	$ 0.12	$ 0.12	$ 0.12	$ 0.12
1995	0.11	0.11	0.11	0.11
1994	0.105	0.105	0.105	0.105

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

At September 30, 1996, the Company had 4,313 holders of Common Stock and 2,590 holders of Class B Common Stock.

Item 6. Selected Financial Data

FIVE YEAR FINANCIAL PERFORMANCE

Year Ended September 30:	1996	1995	1994	1993	1992
	(In Thousands Except Per Share Data)				
OPERATIONS					
Operating revenue	$427,369	$383,740	$341,241	$314,600	$ 301,374
Income from continuing operations	$ 53,670	$ 52,232	$ 45,137	$ 36,923	$ 31,747
Discontinued operations	7,725	6,227	5,717	4,313	6,745
Loss on disposition of discontinued operations	(15,948)	- -	- -	- -	- -
Net income	$ 45,447	$ 58,459	$ 50,854	$ 41,236	$ 38,492
PER SHARE AMOUNTS					
Weighted average shares	47,991	46,962	46,850	46,920	46,682
Income from continuing operations	$ 1.12	$ 1.11	$ 0.97	$ 0.79	$ 0.68
Discontinued operations	0.16	0.13	0.12	0.09	0.14
Loss on disposition of discontinued operations	(0.33)	- -	- -	- -	- -
Net income	$ 0.95	$ 1.24	$ 1.09	$ 0.88	$ 0.82
Dividends	$ 0.48	$ 0.44	$ 0.42	$ 0.40	$.38-1/2
OTHER DATA					
Total assets	$527,416	$559,929	$474,701	$482,317	$ 504,985
Debt, including current maturities	95,503	123,489	130,532	160,214	173,537
Stockholders' equity	324,954	311,042	241,930	223,482	203,812

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

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Actual results could differ materially from those projected in the forward-looking statements. The Company has attempted to identify forward-looking statements by placing an asterisk immediately following the sentence or phrase that contains the forward-looking statement.

Operating results are summarized below:

	1996	1995	1994
	(In Thousands)		
Operating revenue	$427,369	$383,740	$341,241
Percent change	11.4%	12.5%	8.5%
Operating income	94,741	91,405	84,287
Percent change	3.6%	8.4%	16.5%
Income from continuing operations	53,670	52,232	45,137
Percent change	2.8%	15.7%	22.2%
Earnings per share, continuing operations	1.12	1.11	0.97
Percent change	0.9%	14.4%	22.8%

A weak advertising environment early in the fiscal year, the cyclical effects of political advertising on our broadcast segment, and high newsprint prices which did not moderate until the second half of the fiscal year, impacted the level of growth in operating income in 1996.

On November 4, 1996 the Company entered into atentative agreement to sell NAPP Systems Inc. for approximately $55,000,000. The operations of NAPP and the related $15,948,000 loss from disposition are included in the Company's consolidated financial statements as discontinued operations.

The fiscal 1995 comparisons are affected by two significant acquisitions. On March 31, 1995 Lee acquired the 50.25% interest in Journal-Star Printing Co. (JSPC) not previously owned, making JSPC a wholly-owned subsidiary. On August 28, 1995, Lee acquired the stock of SJL of Kansas Corp. (SJL) which operates NBC network-affiliated television stations KSNW-TV and KSNT-TV in Wichita and Topeka, Kansas and three satellite stations that comprise a network covering all of western Kansas and parts of southwest Nebraska. The following unaudited proforma operating results are as if the 1995 acquisitions had occurred on October 1, 1993.

	1996	1995	1994
	(Proforma in Thousands)		
Operating revenue	$427,369	$412,600	$383,608
Percent change	3.6%	7.6%	
Operating income	94,741	96,302	91,028
Percent change	(1.6)%	5.8%	
Income from continuing operations	53,670	52,004	46,931
Percent change	3.2%	10.8%	
Earnings per share, continuing operations	1.12	1.07	0.93
Percent change	4.7%	15.1%	

NEWSPAPERS

	1996	1995	1994
	(In Thousands)		
Operating revenue	$302,564	$274,877	$241,079
Percent change	10.1%	14.0%	7.9%
Operating income:			
Wholly-owned properties	75,687	68,366	65,881
Percent change	10.7%	3.8%	12.7%
Equity in net income	7,008	8,277	10,162
Percent change	(15.3)	(18.5)%	6.4%
Operating margin, wholly-owned properties	25.0%	24.9%	27.3%

The newspaper segment includes daily and weekly newspapers and specialty publications. Operating revenue consists of the following:

	1996	1995	1994
	(In Thousands)		
Daily newspapers:			
Advertising	$169,151	$153,325	$134,322
Percent change	10.3%	14.1%	5.9%
Circulation	79,814	72,863	66,302
Percent change	9.5%	9.9%	4.8%
Other	53,599	48,689	40,455
Percent change	10.1%	20.4%	21.8%

Exclusive of the JSPC acquisition, advertising revenue increased 1.8% and 5.1%, circulation revenue increased 4.9% and 3.8%, and other revenue increased by 9.3% and 15.1%, in 1996 and 1995, respectively.

The following newspaper advertising lineage, circulation volume statistics, and related revenue results are presented on a proforma basis for newspapers wholly-owned at the end of fiscal 1996.

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

ADVERTISING LINEAGE, IN THOUSANDS OF INCHES (PROFORMA):

	1996	1995	1994
Classified	3,650	3,674	3,586
Percent change	(0.7)%	2.5%	8.2%
Local	5,312	5,422	5,481
Percent change	(2.0)%	(1.1)%	(0.9)%

Classified advertising revenue increased approximately 6.6% in 1996, 9.1% in 1995 and 13.3% in 1994. The average rate realized increased 7.3% in 1996, 6.5% in 1995 and 4.7% in 1994. In 1996 automobile advertising decreased until late in the fiscal year. In 1995 growth was led by increases in employment, private party and, in the first part of the year, automotive advertising.

Local "run-of-press" advertising represents advertising by merchants in the local community which is printed in the newspaper, rather than "preprints", which are printed separately by the Company or others and inserted into the newspaper. Revenue increased 3.2%, 2.2%, and 3.3% in 1996, 1995, and 1994, respectively, on higher average rates despite decreases in advertising inches.

Total revenue realized from local and national merchants is increasing despite the shift from run-of-press advertising to preprints which have lower-priced, higher-volume distribution rates. Preprint revenue was flat in 1996 due to cutbacks by advertisers during the 1995 holiday season, increased $1,839,000 (5.4%) in 1995, and $1,774,000 (5.5%) in 1994 primarily as a result of increases in volume.

In 1996, 1995, and 1994 circulation revenue increased 3.7%, 3.8%, and 4.8%, respectively, as a result of higher rates which offset 2.3%, .9%, and .6% decreases in volume. Approximately one half of the volume decrease in 1996 results from a decrease in circulation following the merger of two newspapers in Lincoln, Nebraska.

Other revenue consists of revenue from products delivered outside the newspaper (which include activities such as target marketing and special event production), specialty publications, commercial printing and editorial service contracts with Madison Newspapers, Inc. and, through March 31, 1995, with Journal-Star Printing Co.

Other revenue by category and by property is as follows:

	1996	1995	1994
	(In Thousands)		
Products delivered outside the newspaper:			
Properties owned for entire period	$ 6,896	$ 6,389	$ 4,514
Acquired since September 30, 1993	1,022	229	- -
Specialty publications:			
Properties owned for entire period	15,873	15,732	15,233
Acquired since September 30, 1993	6,362	5,333	2,151
Commercial printing:			
Properties owned for entire period	14,199	11,799	10,178
Acquired since September 30, 1993	1,680	781	- -
Editorial service contracts	7,567	8,426	8,379
	$53,599	$48,689	$40,455

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

	1996	1995	1994
Revenue	100.0%	100.0%	100.0%
Compensation costs	33.8	34.4	34.9
Newsprint and ink	12.7	11.6	9.0
Other operating expenses	23.6	24.5	24.4
	70.1	70.5	68.3
Income before depreciation, amortization, interest and taxes	29.9	29.5	31.7
Depreciation and amortization	4.9	4.6	4.4
Operating margin wholly-owned properties	25.0%	24.9%	27.3%

Exclusive of the effects of the 1995 acquisitions, in 1996 costs other than depreciation and amortization increased 3%. Newsprint and ink costs increased 9.4% due to price increases for newsprint. High prices during the first two quarters of the fiscal year stabilized during the third quarter and were lower in the fourth quarter of 1996 than the fourth quarter of 1995. Newsprint consumption was flat in 1996 as compared to 1995, as higher consumption for commercial printing was offset by conservation efforts by the newspapers. Compensation costs increased 4% due primarily to salary increases. Other operating costs did not increase significantly.

Exclusive of the effects of acquisitions, in 1995 costs other than depreciation and amortization increased 8.2%. Newsprint and ink costs increased 32.1% as price increases offset the 1.4% reduction in newsprint usage. Compensation costs increased 5.2% primarily as a result of salary increases. Other operating expenses increased by 4.9% due to normal inflationary increases.

Exclusive of the effects of the specialty publication acquisitions, in 1994 costs other than depreciation and amortization increased 5.7%. Compensation costs increased 6.9% primarily due to a 1.8% increase in hours worked and salary increases. Total hours worked increased primarily due to the non-traditional revenue activities. Newsprint and ink costs decreased 1.1%. Increased newsprint rebates offset a 4% increase in newsprint usage by newspapers and a 11% increase in commercial printing volume. Other operating expenses increased 7.1% primarily due to non-traditional services and normal inflationary increases.

BROADCASTING

	1996	1995	1994
	(Dollars in Thousands)		
Operating revenue	$117,797	$100,586	$ 90,000
Percent change	17.1%	11.8%	10.7%
Operating income	22,953	26,934	21,494
Percent change	(14.8)%	25.3%	28.6%
Operating margin	19.5%	26.8%	23.9%

In 1996, exclusive of the SJL acquisition, operating revenue decreased .6%. Local/regional/national revenue decreased $2,600,000, due to softness in automotive and retail spot buying. Political advertising increased $1,000,000. Production revenue increased $760,000, primarily due to a new mobile production facility at MIRA Productions in Portland, Oregon.

Exclusive of the effects of the SJL acquisition, operating revenue and operating income increased 10.1% and 26.7%, respectively in 1995. Local/regional/national revenue increased $4,600,000, political advertising increased $1,700,000, and network compensation increased $1,900,000.

The full year of operations from the acquisition of KZIA-TV, then operating in Las Cruces, New Mexico, increased operating revenue in 1994 by $400,000. Exclusive of the effects of this acquisition, local/regional/national revenue increased $9,000,000. Included in these increases are the effects of the Winter Olympics on our four CBS affiliates and their satellite stations.

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

	1996	1995	1994
Revenue	100.0%	100.0%	100.0%
Compensation costs	39.5	37.1	38.9
Programming costs	7.9	6.2	7.4
Other operating expenses	22.6	21.8	21.4
	70.0	65.1	67.7
Income before depreciation, amortization, interest and taxes	30.0	34.9	32.3
Depreciation and amortization	10.5	8.1	8.4
Operating margin wholly-owned properties	19.5%	26.8%	23.9%

Exclusive of the effects of the SJL acquisition, operating income decreased by $6,500,000 or 23.8% in 1996. Compensation costs increased by 5.1% primarily due to a 6.9% increase in hours worked, mainly due to expanded operations at our New Mexico locations. Programming costs increased by $2,000,000 (31.8%) as a result of the addition of highly rated syndicated programming and the write-down of certain programming to net realizable value. Other operating costs increased 4.2% due to higher expenditures for repairs and maintenance and sales and audience promotion.

Exclusive of the effects of the SJL acquisition, operating income increased by $5,700,000 in 1995. Compensation costs increased 4.6% primarily due to increased hours worked. Programming costs decreased by $530,000 (8.0%) as a result of a shift from more expensive syndicated programming to locally originated news programming. Other operating expense increased 10.3% due to costs related to the higher business activity levels and sales and audience promotion.

Operating income increased in 1994 by $4,800,000. Compensation costs increased $3,200,000 or 10.1%, due to an increase in incentive compensation related to increases in advertising revenue and an increase of 5.1% in the number of hours worked (including the effects of the acquisition of KZIA-TV). Portland, Omaha and Huntington all expanded news programming which required additional staffing and other related costs. Program costs declined $1,000,000 primarily due to the trend discussed above. Other operating expenses increased $1,800,000 or 10.4%, due to costs related to the higher business activity levels.

CORPORATE COSTS

Corporate costs in 1996 decreased by $1,300,000, (10.4%) primarily due to decreased levels of incentive compensation and lower medical plan costs resulting from a 1995 plan redesign. Corporate costs decreased in 1995 by $1,100,000, (8.1%) primarily due to the discontinuance of performance unit awards under the Company's 1990 Long-Term Incentive Plan. In 1994 costs related to the performance unit awards, unfavorable medical plan experience and increased incentive compensation increased corporate costs by $1,600,000, (13.3%).

Corporate costs in 1997 are expected to increase by approximately $3,000,000 as a result of increased marketing costs and the enhancement of computer software. Incentive compensation varies based upon operating results.

INTEREST EXPENSE

Interest expense decreased by approximately $2,300,000 in 1996 and $1,700,000 in 1995 and 1994. The most significant element of the decrease was a lower debt level which reduced interest expense by approximately $2,400,000, $2,000,000 and $1,700,000, respectively. In 1995 a $500,000 increase in interest on deferred compensation was offset by an increase in financial income earned on the invested funds.

INCOME TAXES

Income taxes were 38.8% of pretax income in 1996, 37.2% in 1995, and 39.0% in 1994. In 1995 the effective tax rate was decreased by .9% as a result of the elimination of the deferred income taxes related to the undistributed income of the 49.75% interest in JSPC. The effective tax rate for 1997 is expected to be approximately 39%.

DISCONTINUED OPERATIONS

On November 4, 1996 the Company signed a letter of intent to sell its graphic arts products subsidiary, NAPP Systems Inc., for approximately $55,000,000. For additional information related to the disposition, see Note 2 of the Notes to Financial Statements under Item 8, herein.

LIQUIDITY, CAPITAL RESOURCES AND COMMITMENTS

Cash provided by operations is the Company's primary source of liquidity, generating $87,543,000 in 1996. The major sources and uses of cash in 1996 were as follows:

	(In Thousands)
Sources of cash:	
Operations	$87,543
All other	566
	88,109
Uses of cash:	
Purchase of property and equipment	18,796
Cash dividends paid	22,603
Purchase of Lee Enterprises, Incorporated stock	11,917
Payment of debt	26,209
	79,525
Increase in cash	$ 8,584

The Company has financed significant acquisitions by long-term borrowings. The long-term borrowings may not be prepaid without a substantial prepayment penalty.

Capital expenditures for new and improved facilities and equipment are expected to be about $18,500,000 in 1997. The Company anticipates that funds necessary for capital expenditures and other requirements will be available from internally generated funds.

DIVIDENDS AND COMMON STOCK PRICES

The current quarterly cash dividend is 13 cents per share, an annual rate of 52 cents.

During the fiscal year ended September 30, 1996, the Company paid dividends of $22,603,000 or 42.1% of year's earnings from continuing operations. The Company will continue to review its dividend policy to assure that it remains consistent with its capital demands. Covenants under long-term obligations are not considered restrictive to payment of dividends. Lee common stock is listed on the New York Stock Exchange. The table under Item 5 herein shows the high and low prices of Lee common stock for each quarter during the past three years. It also shows the closing price at the end of each quarter and the dividends paid in the quarter.

INFLATION

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

EMERGING ACCOUNTING STANDARDS

In October 1995, the Financial Accounting Standards Board issued Statement No. 123 "Accounting for Stock-Based Compensation" (Statement No. 123). Statement No. 123 establishes a fair value based method of accounting for stock options and other equity instruments. Statement No. 123 permits the continued use of the current intrinsic value method prescribed in Accounting Principle Board Opinion 25, "Accounting for Stock Issued to Employees" (APB 25), but requires employers to disclose proforma fair value information in the notes to the financial statements. The Company plans to continue to measure compensation cost using APB 25; therefore, the adoption of Statement No. 123 will not have any impact on the Company's financial condition or results of operations. This statement is effective for the Company's year ending September 30, 1997.

QUARTERLY RESULTS

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

Quarterly results of operations are summarized under Item 8 herein.

Item 8. Financial Statements and Supplementary Data

FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS

	September 30, 1996	September 30, 1995	September 30, 1994
	(Dollars in Thousands)		
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 19,267	$ 10,683	$ 18,784
Temporary investments	- -	200	38,859
Trade receivables, less allowance for doubtful accounts 1996 $4,000; 1995 $4,100; 1994 $4,100	48,773	57,146	46,170
Receivables from associated companies	1,438	1,438	2,169
Inventories	3,668	18,355	13,147
Program rights and other	17,183	16,687	16,578
Net assets of discontinued operations	56,379	- -	- -
Total current assets	146,708	104,509	135,707
Investments:			
Associated companies	11,488	10,754	21,969
Other	10,668	8,946	7,437
	22,156	19,700	29,406
Property and Equipment:			
Land and improvements	10,140	12,053	11,392
Buildings and improvements	57,995	64,768	56,675
Equipment	173,752	176,642	152,547
	241,887	253,463	220,614
Less accumulated depreciation	137,182	145,267	138,450
	104,705	108,196	82,164
Intangibles and Other Assets:			
Intangibles	246,061	321,014	225,633
Other	7,786	6,510	1,791
	253,847	327,524	227,424
	$527,416	$559,929	$474,701

See Notes to Consolidated Financial Statements.

	September 30,		
	1996	1995	1994
	(Dollars In Thousands)		
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Notes payable and current maturities of long-term debt	$ 43,213	$ 47,978	$ 31,891
Accounts payable	15,369	24,155	17,336
Compensation and other accruals	20,419	28,431	26,523
Income taxes payable	4,738	2,656	12,971
Unearned income	14,038	13,307	11,009
Total current liabilities	97,777	116,527	99,730
Long-Term Debt, net of current maturities	52,290	75,511	98,641
Deferred Items:			
Retirement and compensation	11,611	11,632	13,021
Income taxes	40,784	45,217	21,379
	52,395	56,849	34,400
Stockholders' Equity:			
Capital stock:			
Serial convertible preferred, no par value; authorized 500,000 shares; issued none			
Common, $2 par value; authorized 60,000,000 shares; issued and outstanding 1996 34,289,000 shares	68,578	68,396	32,130
Class B, common, $2 par value; authorized 30,000,000 shares; issued and outstanding 1996 12,733,000 shares	25,466	26,336	13,390
Additional paid-in capital	20,189	17,404	6,497
Unearned compensation	(637)	(533)	(665)
Retained earnings	211,358	199,439	190,578
	324,954	311,042	241,930
	$527,416	$559,929	$474,701

CONSOLIDATED STATEMENTS OF INCOME

	Year Ended September 30, 1996	1995	1994
	(In Thousands Except Per Share Data)		
Operating revenue:			
Newspaper:			
Advertising	$169,151	$153,325	$134,322
Circulation	79,814	72,863	66,302
Other	53,599	48,689	40,455
Broadcasting	117,797	100,586	90,000
Equity in net income of associated companies	7,008	8,277	10,162
	427,369	383,740	341,241
Operating expenses:			
Compensation costs	153,076	137,368	126,023
Newsprint and ink	38,535	31,936	21,744
Depreciation	16,236	11,965	10,066
Amortization of intangibles	11,563	9,501	8,838
Other	113,218	101,565	90,283
	332,628	292,335	256,954
Operating income	94,741	91,405	84,287
Financial (income) expense:			
Interest expense	9,648	11,902	13,576
Financial (income)	(2,609)	(3,704)	(2,984)
	7,039	8,198	10,592
Income from continuing operations before taxes on income	87,702	83,207	73,695
Income taxes	34,032	30,975	28,558
Income from continuing operations	53,670	52,232	45,137
Discontinued operations:			
Income from discontinued operations net of income tax effect	7,725	6,227	5,717
(Loss) on disposition of discontinued operations, net of income tax effect	(15,948)	- -	- -
	(8,223)	6,227	5,717
Net income	$ 45,447	$ 58,459	$ 50,854
Weighted average number of shares	47,991	46,962	46,850
Earnings per share:			
Income from continuing operations	$ 1.12	$ 1.11	$ 0.97
Income (loss) from discontinued operations	(0.17)	0.13	0.12
Net income	$ 0.95	$ 1.24	$ 1.09

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Year Ended September 30,					
	Amount			Shares		
	1996	1995	1994	1996	1995	1994
	(In Thousands Except Per Share Data)					
Common Stock:						
Balance, beginning	$ 68,396	$ 32,130	$ 31,826	34,198	32,130	31,826
Conversion from Class B Common stock	862	252	988	431	252	988
Stock split	- -	34,198	- -	- -	- -	- -
Shares issued	404	3,508	462	202	3,508	462
Shares reacquired	(1,084)	(1,692)	(1,146)	(542)	(1,692)	(1,146)
Balance, ending	$ 68,578	$ 68,396	$ 32,130	34,289	34,198	32,130
Class B Common Stock:						
Balance, beginning	$ 26,336	$ 13,390	$ 14,374	13,168	13,390	14,374
Conversion to common stock	(862)	(252)	(988)	(431)	(252)	(988)
Stock split	- -	13,168	- -	- -	- -	- -
Shares issued	- -	38	14	- -	38	14
Shares reacquired	(8)	(8)	(10)	(4)	(8)	(10)
Balance, ending	$ 25,466	$ 26,336	$ 13,390	12,733	13,168	13,390
Additional Paid-In Capital:						
Balance, beginning	$ 17,404	$ 6,497	$ 3,469			
Shares issued	2,785	58,273	3,028			
Common stock split	- -	(47,366)	- -			
Balance, ending	$ 20,189	$ 17,404	$ 6,497			
Unearned Compensation:						
Balance, beginning	$ (533)	$ (665)	$ (901)			
Restricted shares issued	(637)	(496)	(474)			
Restricted shares canceled	4	24	22			
Amortization	529	604	688			
Balance, ending	$ (637)	$ (533)	$ (665)			
Retained Earnings:						
Balance, beginning	$199,439	$190,578	$174,714			
Net income	45,447	58,459	50,854			
Cash dividends per share 1996 $.48; 1995 $.44; 1994 $.42	(22,603)	(20,295)	(19,367)			
Shares reacquired	(10,925)	(29,303)	(15,623)			
Balance, ending	$211,358	$199,439	$190,578			
Stockholders' Equity	$324,954	$311,042	$241,930	47,022	47,366	45,520

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended September 30, 1996	1995	1994
	(In Thousands)		
Cash Provided by Operating Activities:			
Net income	$45,447	$ 58,459	$ 50,854
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	32,159	25,974	23,496
Loss on disposition of discontinued operations	14,563		
Distributions in excess of (less than) earnings of associated companies	(734)	206	(1,696)
Change in assets and liabilities, net of effects from business acquisitions:			
(Increase) in receivables	(1,347)	(4,849)	(2,631)
(Increase) decrease in inventories, program rights and other	768	(4,717)	(4,013)
Increase (decrease) in accounts payable, accrued expenses and unearned income	(9,446)	6,619	5,038
Increase (decrease) in income taxes payable	2,067	(10,469)	2,163
Other, primarily deferred items	4,066	1,348	4,564
Net cash provided by operating activities	87,543	72,571	77,775
Cash (Required For) Investing Activities:			
Acquisitions	- -	(41,609)	(4,132)
Purchase of property and equipment	(18,796)	(17,435)	(17,611)
Purchase of temporary investments	(200)	(200)	(117,732)
Proceeds from maturities of temporary investments	400	38,859	124,373
Other	(2,089)	(1,509)	(787)
Net cash (required for) investing activities	(20,685)	(21,894)	(15,889)
Cash (Required For) Financing Activities:			
Purchase of common stock	(11,917)	(30,925)	(16,498)
Cash dividends paid	(22,603)	(20,295)	(19,367)
Proceeds from long-term borrowings	- -	20,000	- -
Proceeds from short-term notes payable, net	- -	15,000	- -
Principal payments on long-term borrowings	(26,209)	(45,069)	(26,667)
Other	2,455	2,511	2,358
Net cash (required for) financing activities	(58,274)	(58,778)	(60,174)
Net increase (decrease) in cash and cash equivalents	8,584	(8,101)	1,712
Cash and cash equivalents:			
Beginning	10,683	18,784	17,072
Ending	$ 19,267	$ 10,683	$ 18,784

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS:

The Company has two principal businesses: newspaper publishing and broadcasting. As of September 30, 1996, operating divisions and associated companies publish 19 daily newspapers and operate nine full service network affiliated television stations and seven satellite television stations.

Significant Accounting Policies:

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

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

TEMPORARY INVESTMENTS: Temporary investments are carried at cost which approximates fair value.

INVENTORIES: Newsprint inventories are priced at the lower of cost or market with cost being determined primarily by the last-in, first-out method. Newsprint inventories as of September 30, 1996, 1995 and 1994 were less than replacement cost by $5,087,000, $4,896,000 and $2,985,000, respectively.

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

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

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

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

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

	Years
Buildings and improvements	5-25
Newspaper:	
Presses	15-20
Other major equipment	3-11
Broadcasting:	
Towers	15-20
Other major equipment	3-10

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

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

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

The Company reviews its intangibles and other long-lived assets annually to determine potential impairment. In performing the review, the Company estimates the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment is recognized.

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

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

EARNINGS PER SHARE: Earnings per share are calculated using the weighted average number of common stock, Class B common stock and common stock equivalent shares outstanding resulting from employee stock option and purchase plans.

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

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

NOTE 2. Discontinued Operations

On November 4, 1996 the Company signed a letter of intent to sell its graphic arts products subsidiary, NAPP Systems Inc. for approximately $55,000,000. It is anticipated that the closing will occur by January 17, 1997. The results for NAPP Systems Inc.'s operations have been classified as discontinued operations for all periods presented in the consolidated statements of income. The assets and liabilities of discontinued operations have been classified in the consolidated balance sheet as "net assets of discontinued operations" as of September 30, 1996.

Upon the signing of the letter of intent, the Company recorded an after tax charge of $15,948,000 which includes estimated earnings and dividends through the anticipated closing date.

Summary operating results of discontinued operations are as follows:

	1996	1995	1994
	(In Thousands)		
Sales	$65,552	$59,448	$61,310
Costs and expenses	51,040	47,421	50,120
Income before income taxes	14,512	12,027	11,190
Provision for income taxes	6,787	5,800	5,473
Income, net of tax	7,725	6,227	5,717
(Loss) on disposition before income taxes	(14,563)	- -	- -
Provision for income taxes	1,385	- -	- -
(Loss) on disposition	(15,948)	- -	- -
Income (loss) from discontinued operations	$(8,223)	$ 6,227	$ 5,717

Net assets of discontinued operations as of September 30, 1996 are as follows:

Accounts receivable, net	$9720
Inventories	12,606
Other	206
Property and equipment, net	4,996
Intangibles, net	52,777
Total	80,305
Accrued loss on disposal	14,563
Deferred income taxes	1,104
Other liabilities	6,683
Long-term debt	1,427
Deferred compensation	149
	23,926
Net assets of discontinued operations	$56,379

Note 3. ACQUISITIONS

On March 31, 1995, the Company issued 3,293,000 shares of common stock, in exchange for 50.25% of the outstanding shares of Journal-Star Printing Co., a subsidiary which prior to the acquisition was 49.75% owned by the Company. The total acquisition cost over the fair value of the net assets acquired was $41,586,000.

The acquisition has been accounted for as a purchase. The results of operations of 100% of the Journal-Star Printing Co. since the date of acquisition are included in the consolidated financial statements. Equity in net income was recorded for the Company's 49.75% interest in income through March 31, 1995.

On August 28, 1995, the Company acquired, for cash, 100% of the outstanding stock of SJL of Kansas Corp., the owner of two television stations in Wichita and Topeka, Kansas. The total acquisition cost was $51,100,000. The excess of the total acquisition cost, over the fair value of the net assets acquired, was $19,790,000.

The acquisition has been accounted for as a purchase, and results of operations of SJL of Kansas Corp. since the date of acquisition are included in the consolidated financial statements.

Unaudited pro forma consolidated results of operations for the years ended September 30, 1995 and 1994, as though 100% of the Journal-Star Printing Co. and SJL of Kansas Corp. had been acquired as of October 1, 1993, follows:

	Year Ended September 30	
	1995	1994
	(In Thousands Except Per Share Data)	
Operating revenue	$412,600	$383,608
Income from continuing operations	52,004	46,931
Earnings per share, continuing operations	1.07	0.93

The above amounts reflect adjustments for amortization of intangibles, additional depreciation on revalued purchased assets and imputed interest on borrowed funds.

The Company also acquired four specialty publications and a satellite television station in 1995 and two specialty publications in 1994.

The purchase price of business acquisitions was allocated as follows:

	Year Ended September 30, 1995	1994
	(In Thousands)	
Noncash working capital acquired	$ 1,723	$ 161
Property and equipment	21,484	436
Intangibles	108,890	3,535
Other long-term assets	6,370	- -
Debt assumed	(1,871)	- -
Issuance of note payable	(2,315)	- -
Deferred items	(22,682)	- -
Common stock issued	(58,250)	- -
Total cash purchase price	53,349	4,132
Less equity interest in cash balance at date of acquisition	(11,740)	- -
	$ 41,609	$ 4,132

Note 4. INVESTMENTS IN ASSOCIATED COMPANIES

The Company has a 50% ownership interest in Madison Newspapers, Inc., a newspaper publishing company operating in Madison, Wisconsin, Quality Information Systems, a direct marketing venture, and INN Partnership, LC, a venture providing internet assistance to newspapers. The Company had, until March 31, 1995 (see Note 3), an effective 50% ownership interest in Journal-Star Printing Co., a newspaper publishing company in Lincoln, Nebraska.

Summarized financial information of the associated companies is as follows:

Combined Associates	1996	1995	1994
		(In Thousands)	
ASSETS			
Current assets	$ 23,470	$ 22,873	$ 35,895
Investments and other assets	3,912	3,865	13,757
Property and equipment, net	6,741	6,359	13,835
	$ 34,123	$ 33,097	$ 63,487
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities	$ 11,778	$ 12,180	$ 17,839
Long-term debt	515	590	615
Deferred items	- -	- -	2,414
Stockholders' equity	21,830	20,327	42,619
	$ 34,123	$ 33,097	$ 63,487
Revenue	$ 73,016	$ 85,421	$ 98,011
Income before depreciation, amortization, interest, and income taxes	23,663	27,159	33,454
Operating income	21,962	25,104	31,629
Net income	14,016	16,076	20,353

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

	1996	1995	1994
	(In Thousands)		
Share of:			
Stockholders' equity	$ 10,915	$ 10,164	$ 21,265
Undistributed earnings	10,574	9,946	19,508

Note 5. DEBT

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

	September 30,		
	1996	1995	1994
Insurance companies notes payable:			
Senior notes	$ - -	$ - -	$20,000
Senior notes, effective rate of 9.92%, $25,000,000 due January 1998 and 1999	50,000	50,000	75,000
Bank term loan	- -	20,000	- -
Program contracts, noninterest bearing, due through 2000	2,290	2,763	2,040
Other	- -	2,748	1,601
	$52,290	$ 75,511	$98,641

At September 30, 1996 the Company had $15,000,000 of borrowings under an unsecured line-of-credit agreement with a bank which terminates in July 1998. Interest rates float at rates specified in the agreement.

Aggregate maturities during the next four years are $43,213,000, $26,939,000, $25,337,000, and $14,000. Covenants under these agreements are not considered restrictive to normal operations or anticipated stockholder dividends.

Note 6. RETIREMENT AND COMPENSATION PLANS

Substantially all the Company's employees are covered by a qualified defined contribution retirement plan. The Company has other retirement and compensation plans for executives and others. Retirement and compensation plan costs, including interest on deferred compensation costs, charged to operations were $11,200,000 in 1996, $9,200,000 in 1995, and $10,200,000 in 1994.

Note 7. COMMON STOCK AND CLASS B COMMON STOCK

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

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

Stock option and restricted stock plans:

The Company has reserved 6,893,000 shares of common stock for issuance to key employees under incentive and nonstatutory stock option plans and a restricted stock plan approved by stockholders. Options have been granted at a price equal to the fair market value on the date of grant, and are exercisable in cumulative installments over a ten-year period. Other pertinent information related to the stock option plans is as follows:

	Number of Shares		
	1996	1995	1994
	(In Thousands)		
Under option, beginning of year	2,220	2,406	2,556
Granted	241	192	198
Terminated and canceled	(3)	(10)	(34)
Exercised	(179)	(368)	(314)
Under option, end of year	2,279	2,220	2,406
Options exercisable, end of year	1,861	1,778	1,856

	Average Price		
	1996	1995	1994
Granted during the year	$19.96	$16.66	$16.03
Exercised during the year	12.64	11.45	12.37
Under option, end of year	14.52	13.79	13.20

Restricted stock is subject to an agreement requiring forfeiture by the employee in the event of termination of employment within three years of the grant date for reasons other than normal retirement, death or disability. As of September 30, 1996, 130,000 shares of restricted stock were outstanding.

At September 30, 1996, 4,614,000 shares were available for granting of stock options or issuance of restricted stock.

Stock purchase plan:

The Company has 1,494,000 additional shares of common stock available for issuance pursuant to a non-officer employee stock purchase plan. April 30, 1997 is the exercise date for the current offering. The purchase price is the lower of 85% of the fair market value at the date of the grant or the exercise date which is one year from the date of the grant.

In 1996, 1995 and 1994 employees purchased 124,000, 109,000, and 120,000 shares, respectively, at a per share price of $15.26 in 1996, $14.90 in 1995 and $12.49 in 1994.

Note 9. INCOME TAX MATTERS

Components of income tax expense consist of the following:

	Year Ended September 30,		
	1996	1995	1994
	(In Thousands)		
Paid or payable on currently taxable income:			
Federal	$32,965	$29,031	$27,846
State	6,541	5,948	5,535
Net increase due to deferred income taxes	2,698	1,796	650
	$42,204	$ 36,775	$ 34,031

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

	Year Ended September 30,		
	1996	1995	1994
	(In Thousands)		
Income from continuing operations	$34,032	$30,975	$28,558
Discontinued operations:			
Income from discontinued operations	6,787	5,800	5,473
Disposition of discontinued operations	1,385	- -	- -
	$42,204	$36,775	$34,031

Income tax expense for the years ended September 30, 1996, 1995, and 1994 is different than the amount computed by applying the U.S. federal income tax rate to income before income taxes. The reasons for these differences are as follows:

	% of Pre-Tax Income		
	1996	1995	1994
Computed "expected" income tax expense	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	4.4	4.4	4.2
Net income of associated companies taxed at dividend rates	(2.5)	(3.1)	(4.3)
Goodwill amortization	2.0	1.7	1.8
Other	(0.1)	(0.8)	2.1
	38.8%	37.2%	38.8%

Foreign taxes are not material.

Net deferred tax liabilities consist of the following components as of September 30, 1996, 1995 and 1994:

	1996	1995	1994
	(In Thousands)		
Deferred tax liabilities:			
Property and equipment	$ 9,054	$ 8,607	$ 3,429
Equity in undistributed earnings of affiliates	897	883	1,676
Deferred gain on sale of broadcast properties	3,308	3,308	3,308
Identifiable intangible assets	32,409	36,179	19,686
Other	2,657	2,303	- -
	48,325	51,280	28,099
Deferred tax assets:			
Accrued compensation	7,290	7,501	7,525
Receivable allowance	1,774	1,550	1,746
Loss carryforwards acquired	9,147	10,544	784
Capital loss carryforward	5,752		
Other	2,155	2,654	3,084
	26,118	22,249	13,139
Less, valuation allowance	12,652	10,263	- -
	13,466	11,986	13,139
	$34,859	$39,294	$14,960

The components giving rise to the net deferred tax liabilities described above have been included in the accompanying balance sheets as of September 30, 1996, 1995, and 1994 as follows:

	1996	1995	1994
	(In Thousands)		
Current assets	$ 5,925	$ 5,923	$ 6,419
Noncurrent liabilities	(40,784)	(45,217)	(21,379)
	$(34,859)	$(39,294)	$(14,960)

The Company provided a valuation allowance of $5,752,000 during 1996, due to limitations imposed by the tax laws on the Company's ability to realize the benefit of the capital loss carryforward related to the disposal of NAPP Systems Inc. In addition, as a result of the operations of SJL of Kansas Corp. (SJL) management has determined that the valuation allowance related to the acquired operating loss carryforward should be reduced to $6,900,000 from the original reserve of $10,263,000 with a corresponding $3,363,000 reduction to goodwill. As of September 30, 1996 the SJL net operating loss carryforward was approximately $23,000,000 and will expire in varying amounts from 1999 to 2010. During 1994, as a result of changes in the operations of New Mexico Broadcasting Company, Inc. management has determined that it is more likely than not that the Company's remaining net operating losses will be utilized and, accordingly, reduced the valuation allowance that it had previously established by $1,703,000 with a corresponding reduction in goodwill. The Company changed its estimate of the tax basis of acquired intangibles and reduced goodwill by $5,877,000 during the year ended September 30, 1994.

Note 10. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The carrying amounts of cash and cash equivalents, temporary investments, receivables, and accounts payable approximate fair value because of the short maturity of those instruments. The carrying value of other investments is as follows: $6,386,000 of debt and equity securities in a deferred compensation trust are carried at fair value based upon quoted market prices and $4,282,000 of equity securities, consisting primarily of the Company's 17% ownership of the nonvoting common stock of The Capital Times Company, are carried at cost, as the fair value is not readily determinable.

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

	Carrying Amount	Fair Value
	(In Thousands)	
September 30:		
1996	$ 95,503	$ 97,672
1995	123,489	127,723
1994	130,532	134,130

Note 11. LINE OF BUSINESS INFORMATION

	Year Ended September 30,		
	1996	1995	1994
	(In Thousands)		
Revenue:			
Newspapers:			
Wholly-owned properties	$302,564	$274,877	$241,079
Equity in net income of associated companies	7,008	8,277	10,162
Broadcasting	117,797	100,586	90,000
Total revenue	$ 427,369	$383,740	$341,241
Operating income:			
Newspapers	$ 82,695	$ 76,643	$ 76,043
Broadcasting	22,953	26,934	21,494
Corporate and other	(10,907)	(12,172)	(13,250)
Total operating income	$ 94,741	$ 91,405	$ 84,287
Identifiable assets:			
Newspapers	$226,097	$229,765	$174,695
Broadcasting	198,441	211,652	139,401
Graphic arts	- -	87,880	88,225
Corporate	46,499	30,632	72,380
Discontinued operations	56,379	- -	- -
Total identifiable assets	$527,416	$559,929	$474,701

	Year Ended September 30,		
	1996	1995	1994
	(In Thousands)		
Depreciation:			
Newspapers	$ 8,063	$ 7,041	$ 5,645
Broadcasting	7,309	4,388	3,917
Corporate	864	536	504
Total depreciation	$ 16,236	$ 11,965	$ 10,066
Amortization of intangibles:			
Newspapers	$ 6,505	$ 5,746	$ 5,177
Broadcasting	5,058	3,755	3,661
Total amortization of intangibles	$ 11,563	$ 9,501	$ 8,838
Capital expenditures:			
Newspapers	$ 11,018	$ 9,875	$ 12,993
Broadcasting	6,948	7,141	4,298
Graphic arts (discontinued operations)	290	63	170
Corporate	540	356	150
Total capital expenditures	$ 18,796	$ 17,435	$ 17,611

Note 12. OTHER INFORMATION

Balance sheet information:

Inventories consist of the following:

	September 30,		
	1996	1995	1994
	(In Thousands)		
Newsprint	$ 3,668	$ 3,634	$ 2,343
Graphic arts products:			
Raw material	- -	7,554	5,684
Finished goods	- -	7,167	5,120
	$ 3,668	$18,355	$13,147

Program rights and other consist of the following:

	September 30,		
	1996	1995	1994
	(In Thousands)		
Program rights	$ 6,577	$ 6,793	$ 6,278
Deferred income taxes	5,925	5,923	6,419
Other	4,681	3,971	3,881
	$17,183	$16,687	$16,578

Intangibles consist of the following:

	September 30, 1996	September 30, 1995	September 30, 1994
	(In Thousands)		
Goodwill	$194,746	$268,945	$206,525
Less, accumulated amortization	50,240	64,185	56,631
	144,506	204,760	149,894
Covenants and consulting agreements	25,739	25,739	25,315
Less, accumulated amortization	18,859	15,811	13,543
	6,880	9,928	11,772
Customer lists, broadcasting licenses and agreements and newspaper subscriber lists	116,472	124,472	79,432
Less, accumulated amortization	21,797	18,146	15,465
	94,675	106,326	63,967
	$246,061	$321,014	$225,633

Compensation and other accruals consist of the following:

	September 30, 1996	September 30, 1995	September 30, 1994
	(In Thousands)		
Compensation	$ 8,156	$10,355	$ 9,684
Deferred compensation, current portion	96	1,394	1,567
Vacation pay	3,946	4,824	3,892
Retirement and stock purchase plans	2,930	2,941	2,769
Interest	1,429	1,834	2,365
Other	3,862	7,083	6,246
	$20,419	$28,431	$26,523

Cash flows information:

	Year Ended September 30, 1996	1995	1994
	(In Thousands)		
Cash payments for:			
Interest	$10,052	$12,433	$14,042
Income taxes	$41,021	$45,294	$31,218
Program rights were acquired by issuing long-term contracts as follows	$ 7,700	$ 6,000	$ 3,600
Issuance of restricted common stock, net	$ 590	$ 334	$ 452
Change in tax contingency estimates:			
Reduction in goodwill	$ 3,363	$ - -	$ 7,580
Reduction in:			
Deferred income taxes	$ 3,363	$ - -	$ 5,801
Income taxes payable	- -	- -	1,779
	$ 3,363	$ - -	$ 7,580
Change in purchase accounting estimates:			
Reduction in identified intangibles	$ 8,000	$ - -	$ - -
Additional long-term debt	16	- -	- -
	$ 8,016	$ - -	$ - -
Reduction in deferred income taxes	$ 2,666	$ - -	$ - -
Increase in goodwill	4,085	- -	- -
Increase in other long-term assets	1,265	- -	- -
	$ 8,016	$ - -	$ - -

SUPPLEMENTARY DATA

QUARTERLY RESULTS (UNAUDITED)

	4th	3rd	2nd	1st
	(In Thousands Except Per Share Data)			
1996 Quarter:				
Operating revenue	$107,129	$109,499	$ 99,960	$110,781
Income from continuing operations	$ 14,513	$ 15,381	$ 9,084	$ 14,692
Income (loss) from discontinued operations	(12,856)	1,664	1,721	1,248
Net income	$ 1,657	$ 17,045	$ 10,805	$ 15,940
Earnings per common and common equivalent share:				
Income from continuing operations	$ 0.30	$ 0.32	$ 0.19	$ 0.30
Income (loss) from discontinued operations	0.27)	0.03	0.04	0.03
Net income	$ 0.03	$ 0.35	$ 0.23	$ 0.33
1995 Quarter:				
Operating revenue	$ 99,150	$101,313	$ 84,849	$ 98,428
Income from continuing operations	$ 11,925	$ 14,315	$ 9,941	$ 16,051
Income from discontinued operations	2,157	2,120	1,175	775
Net income	$ 14,082	$ 16,435	$ 11,116	$ 16,826
Earnings per common and common equivalent share:				
Income from continuing operations	$ 0.25	$ 0.30	$ 0.22	$ 0.35
Income from discontinued operations	0.04	0.04	0.03	0.02
Net income	$ 0.29	$ 0.34	$ 0.25	$ 0.37
1994 Quarter:				
Operating revenue	$ 87,558	$ 87,624	$ 79,531	$ 86,528
Income from continuing operations	$ 12,800	$ 12,394	$ 8,044	$ 11,899
Income from discontinued operations	806	1,973	1,520	1,418
Net income	$ 13,606	$ 14,367	$ 9,564	$ 13,317
Earnings per common and common equivalent share:				
Income from continuing operations	$ 0.27	$ 0.27	$ 0.17	$ 0.25
Income from discontinued operations	0.02	0.04	0.03	0.03
Net income	$ 0.29	$ 0.31	$ 0.20	$ 0.28

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

Not applicable.

PART III

The information called for by Part III of this Form 10-K is omitted in accordance with General Instruction G because the Company will file with the Commission a definitive proxy statement pursuant to Regulation 14A not later than 120 days after the close of the Company's fiscal year ended September 30, 1996.

PART IV

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

Page Number

(a) 1. Financial Statements

Independent Auditor's Report and Consent

Financial Statements

Consolidated balance sheets as of September 30, 1996, 1995 and 1994
Consolidated statements of income years ended September 30, 1996, 1995 and 1994
Consolidated statements of stockholders' equity years ended September 30, 1996, 1995 and 1994
Consolidated statements of cash flows years ended September 30, 1996, 1995 and 1994
Notes to consolidated financial statements

(a) 2. Financial statements schedule

Schedule

XII - Valuation and qualifying accounts years ended September 30, 1996, 1995 and 1994

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

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

11 Computation of earnings per share years ended September 30, 1996, 1995 and 1994
21 Subsidiaries
24 Power of Attorney
27 Financial Data Schedule

(b) No reports on Form 8-K were filed for the three months ended September 30, 1996:

* * * * *

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

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

INDEPENDENT AUDITOR'S REPORT AND CONSENT

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

We have audited the accompanying consolidated balance sheets of Lee Enterprises, Incorporated and subsidiaries as of September 30, 1996, 1995 and 1994 and the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lee Enterprises, Incorporated and subsidiaries as of September 30, 1996, 1995 and 1994 and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

In our opinion, schedules included in this Annual Report on Form 10-K for the year ended September 30, 1996, present fairly the information set forth therein, in conformity with generally accepted accounting principles.

We consent to the incorporation by reference in the Registration Statements on Form S-8 No. 2-56652, No. 2-77121, No. 2-58393, No. 33-19725, No. 33-46708 No. 333-6435 and No. 333-6433 and in the related Prospectuses of our report dated November 4, 1996 with respect to the financial statements of Lee Enterprises, Incorporated, incorporated by reference and the schedule included in this Annual Report on Form 10-K for the year ended September 30, 1996 and to the reference to us under the heading "Experts" in such Prospectuses.

/s/ McGladrey & Pullen, LLP

Davenport, Iowa
November 4, 1996

LEE ENTERPRISES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES

SCHEDULE XII - VALUATION AND QUALIFYING ACCOUNTS
(In Thousands)

	Column A	Column B	Column C	Column D (1)	Column E
Description	Balance At Beginning Of Period	Additions Charged To Income	Charged To Other Accounts	Deduction From Reserves	Balance At Close Of Period
Allowance for doubtful accounts:					
For the year ended September 30, 1996	$4,100	$2,560	$ (375)(3)	$2,285	$4,000
For the year ended September 30, 1995	4,100	1,525	408	1,933	4,100
For the year ended September 30, 1994	3,400	2,200	- -	1,500	4,100

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

(2) Balance upon consolidation of Journal-Star Printing Company's 49.75% previously owned and acquisition of 50.25% interest and acquisition of SJL of Kansas, Corp.

(3) Balance upon disposal of NAPP Systems Inc.

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

Date December 27, 1996	LEE ENTERPRISES, INCORPORATED
/s/ Richard D. Gottlieb	/s/ Larry L. Bloom
Richard D. Gottlieb, President Chief Executive Officer, and Director	Larry L. Bloom, Vice-President of Finance, Treasurer and Chief Financial Officer
	/s/ G. C. Wahlig
	G. C. Wahlig, Principal Accounting Officer

We, the undersigned directors of Lee Enterprises, Incorporated, hereby severally constitute Richard D. Gottlieb and Larry L. Bloom, and each of them, our true and lawful attorneys with full power to them, and each of them, to sign for us and in our names, in the capacities indicated below, the Annual Report on Form 10-K of Lee Enterprises, Incorporated for the fiscal year ended September 30, 1996 to be filed herewith and any amendments to said Annual Report, and generally do all such things in our name and behalf in our capacities as directors to enable Lee Enterprises, Incorporated to comply with the provisions of the Securities Exchange Act of 1934 as amended, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or either of them, to said Annual Report on Form 10-K and any and all amendments thereto.

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

Signature	Title	Date
/s/ Lloyd G. Schermer Lloyd G. Schermer	Chairman of the Board of Directors	November 13, 1996
/s/ J. P. Guerin J. P. Guerin	Director	November 13, 1996
/s/ Phyllis Sewell Phyllis Sewell	Director	November 13, 1996
/s/ Mark Vittert Mark Vittert	Director	November 13, 1996
/s/ Ronald L. Rickman Ronald L. Rickman	Director	November 13, 1996
/s/ Richard W. Sonnenfeldt Richard W. Sonnenfeldt	Director	November 13, 1996
/s/ Rance E. Crain Rance E. Crain	Director	November 13, 1996
/s/ Charles E. Rickershauser, Jr. Charles E. Rickershauser, Jr.	Director	November 13, 1996
/s/ Andrew E. Newman Andrew E. Newman	Director	November 13, 1996

LEE ENTERPRISES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES

EXHIBIT 11 - COMPUTATION OF EARNINGS PER SHARE

	Year Ended September 30,		
	1996	1995	1994
	Amounts in Thousands, Except Per Share Data		
Number of shares of common stock outstanding at beginning of the period	47,367	45,520	46,254
Weighted average number of shares of common stock issued (reacquired) during the period	(267)	700	(56)
Weighted average number of common stock equivalents	891	742	652
Weighted average number of shares of common stock outstanding during each period	47,991	46,962	46,850
Income from continuing operations	$53,670	$52,232	$45,137
Income (loss) from discontinued operations ...	(8,223)	6,227	5,717
Net income	$45,447	$58,459	$50,854
Earnings per share of common stock:			
Income from continuing operations	$ 1.12	$ 1.11	$ 0.97
income (loss) from discontinued operations	(0.17)	0.13	0.12
Net income	$ 0.95	$ 1.24	$ 1.09

LEE ENTERPRISES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES

EXHIBIT 21 - WHOLLY-OWNED SUBSIDIARIES
AND ASSOCIATED COMPANIES

	State of Incorporation	Percentage of Voting Securities Owned
Lee Enterprises, Incorporated	Delaware	Parent
Lee Technical Systems, Inc.	Iowa	100%
Lee Consolidated Holdings Co.	South Dakota	100%
KOIN-TV, Inc.	Delaware	100%
NAPP Systems Inc.	Iowa	100%
New Mexico Broadcasting Company, Inc.	New Mexico	100%
Accudata, Inc.	Iowa	100%
Target Marketing Systems, Inc.	Iowa	100%
Journal-Star Printing Co.	Nebraska	100%
Madison Newspapers, Inc.	Wisconsin	50%
SJL of Kansas Corp.	Kansas	100%
INN Partnership LC	Iowa	50%

EXHIBIT 24

POWER OF ATTORNEY

We, the undersigned directors of Lee Enterprises, Incorporated, hereby severally constitute Richard D. Gottlieb and Larry L. Bloom, and each of them, our true and lawful attorneys with full power to them, and each of them, to sign for us and in our names, the capacities indicated below, the Annual Report on Form 10-K of Lee Enterprises, Incorporated for the fiscal year ended September 30, 1996 to be filed herewith and any amendments to said Annual Report, and generally do all such things in our name and behalf in our capacities as directors to enable Lee Enterprises, Incorporated to comply with the provisions of the Securities Exchange Act of 1934 as amended, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or either of them, to said Annual Report on Form 10-K and any and all amendments thereto.

	Date
/s/ Rance E. Crain Rance E. Crain, Director	November 13, 1996
/s/ J. P. Guerin J. P. Guerin, Director	November 13, 1996
/s/ Andrew E. Newman Andrew E. Newman, Director	November 13, 1996
/s/ Charles E. Rickershauser, Jr. Charles E. Rickershauser, Jr., Director	November 13, 1996
/s/ Ronald L. Rickman Ronald L. Rickman	November 13, 1996
/s/ Lloyd G. Schermer Lloyd G. Schermer, Chairman of the Board and Director	November 13, 1996
/s/ Phyllis Sewell Phyllis Sewell, Director	November 13, 1996
/s/ Richard W. Sonnenfeldt Richard W. Sonnenfeldt	November 13, 1996
/s/ Mark Vittert Mark Vittert, Director	November 13, 1996

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
SEPTEMBER 30, 1996 FORM 10-K FOR LEE ENTERPRISES, INCORPORATED AND IS QUALIFIED
IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

1,000

YEAR
SEP-30-1996
SEP-30-1996
19,267
0
52,773
4,000
3,668
146,708
241,887
137,182
527,416
97,777
52,290
0
0
94,044
230,910
527,416
420,361
427,369
0
0
332,628
2,560
9,648
87,702
34,032
53,670
(8,223)
0
0
45,447
.95
.95