

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

FORM 8-K

CURRENT REPORT

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

Date of Report: January 29, 2005

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.)

201 N. Harrison Street, Davenport, Iowa 52801
(Address of Principal Executive Offices)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events

On January 29, 2005, Lee Enterprises, Incorporated, a Delaware corporation (“Lee”), and LP Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Lee (the “Purchaser”), entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Pulitzer Inc. (“Pulitzer”).

Following the announcement of the Merger Agreement, on January 31, 2005, Lee has provided the following communications materials:

- presentation for Lee’s January 31, 2005 conference call and webcast to discuss the Merger, which is attached as Exhibit 99.1 and is incorporated herein by reference;
- transcript of Lee’s January 31, 2005 conference call and webcast, which is attached as Exhibit 99.2 and is incorporated herein by reference; and
- a series of questions with answers about the Merger for Pulitzer employees, which is attached as Exhibit 99.3 and is incorporated herein by reference.

These communications may be deemed soliciting material pursuant to Rule 14a-12 of the Securities Exchange Act of 1934, as amended, and are filed herewith as exhibits and incorporated herein by reference.

Additional Information and Where to Find It

The proposed transaction will be submitted to Pulitzer’s stockholders for their consideration, and Pulitzer will file with the SEC a proxy statement to be used to solicit the stockholders’ approval of the proposed transaction, as well as other relevant documents concerning the proposed transaction. STOCKHOLDERS OF PULITZER ARE URGED TO READ THE PROXY STATEMENT REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. A free copy of the proxy statement, as well as other filings containing information about Pulitzer, may be obtained at the SEC’s Internet site (<http://www.sec.gov>). Copies of the proxy statement and the SEC filings that will be incorporated by reference in the proxy statement can also be obtained, without charge, by directing a request to James V. Maloney, Secretary, Pulitzer Inc., 900 North Tucker Boulevard, St. Louis, Missouri 63101.

Participants in the Solicitation

Pulitzer and its directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from the stockholders of Pulitzer in connection with the proposed transaction. Information regarding Pulitzer’s directors and executive officers is available in Pulitzer’s proxy statement for its 2004 annual meeting of stockholders, which was filed with the SEC on April 2, 2004. Additional information regarding the interests of such potential participants will be included in the proxy statement and the other relevant documents filed with the SEC when they become available.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

- 99.1 Presentation for Lee's January 31, 2005 conference call and webcast.
- 99.2 Transcript of Lee's January 31, 2005 conference call and webcast.
- 99.3 A series of questions with answers about the Merger for Pulitzer employees.

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

Date: February 1, 2005

/s/Carl G. Schmidt

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

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
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99.2	Transcript of Lee's January 31, 2005 conference call and webcast.
99.3	A series of questions with answers about the Merger for Pulitzer employees.



Q&A / Stockholders

Q: Lee has historically focused on smaller market properties and bills itself as the premier publisher of daily newspapers in midsize markets. How does this acquisition, particularly St. Louis, fit your strategy?

The deal enhances Lee's core position, gets us into markets in the rapidly growing Southwest and extends our company into another metro market that plays into our core competencies.

Pulitzer properties like *The Pantagraph* in Bloomington, Ill., *The Daily Herald* in Provo, Utah, and the *Napa Valley Register* in Napa, Calif., are obvious natural fits with the bulk of our operations.

In Tucson, the *Arizona Daily Star* is in a JOA operation similar in size and scope to our partnership in Madison, Wis. Coincidentally, the president of the joint company and the top advertising executive are former Lee executives, so our comfort level there is high.

That brings us to St. Louis, which we have concluded is an attractive market similar in many respects to existing Lee markets:

- Pulitzer has built a strong platform in St. Louis, including the *Post-Dispatch*, the *Suburban Journals*, STLtoday.com and a direct-mail operation. The *Suburban Journals* alone have distribution of more than a million copies a week.
- Pulitzer's platform with multiple titles in the market is similar to the Lee SBU approach you'd find in Madison, Lincoln and other Lee markets.
- Market penetration, especially in the growing St. Louis suburbs, is well within the range of what we see in larger Lee markets. The *Post-Dispatch* has no daily newspaper competition on the Missouri side of the river and enjoys readership reach that is among the best of U.S. metro papers.
- Operationally, the *Post-Dispatch* resembles Lee's larger newspapers, especially those that compete in metro areas.
- St. Louis is a Midwestern community with values like those in other Lee markets, including Mississippi River cities where Lee owns papers, like Davenport, Iowa, or La Crosse, Wis.
- It is a regional hub for shopping, health care and culture.
- Residents enjoy high purchasing power, a low cost of living and relatively easy commuting.

Q: Does Lee have the expertise to compete in a metro market?

Yes.

In the first place, Pulitzer already has strong management in place, and we have been impressed with both strategies we've seen and people we've met.

As for Lee's experience:

Two of our largest newspapers operate in metro markets. The *North County Times* in Oceanside and Escondido, Calif., is in the northern suburbs of San Diego. *The Times* in Munster, Ind., circulates in the southeast suburbs of Chicago. Both papers were part of the Howard Publications acquisition in 2002. Both have grown since the purchase, particularly the *North County Times*, where cash flow has almost doubled in three years.

Several of Lee's executives have metro market experience. Chief among them is Mary Junck, our chairman, president and CEO, who joined Lee in 1999. She previously held several senior executive

positions at Times Mirror Company. From 1997 to 1999, she was executive vice president of Times Mirror and president of Times Mirror Eastern Newspapers. She was responsible for all newspaper operations in the region, including *Newsday*, *The Baltimore Sun*, the *Hartford Courant*, *The Morning Call* and Southern Connecticut Newspapers. From 1993 to 1997, she was publisher and chief executive officer of *The Baltimore Sun*. From 1990 to 1992, she was publisher and president of the *St. Paul Pioneer Press*, where she had served as president, general manager and senior vice president since 1985.

Q: How will Lee pay for Pulitzer?

Lee has received a fully committed \$1.55 billion credit facility led by Deutsche Bank and SunTrust Bank. The facility consists of a seven year, \$450 million revolving credit and \$1.1 billion of seven or eight year term loans at floating rates tied to the company's leverage levels. The agreements have traditional covenants that allow the company very good operating flexibility. Debt repayments in the early years of the agreements are modest.

An agreement of this nature would not have been possible without the strong cash flow generation our company has historically demonstrated.

Q: Discuss the impact on earnings per share and Lee's balance sheet.

The transaction will immediately and positively influence Lee's ability to generate substantial free cash flow to maintain a strong balance sheet, as we demonstrated after the Howard acquisition. Although this transaction takes Lee's initial level of debt higher than we've had historically, we are confident in our ability to return quickly to an investment grade profile.

The transaction will be immediately accretive to free cash flow. For the fiscal year ending Sept. 30, 2006, free cash flow per diluted share is expected to increase approximately 50 cents.

Because of significant non-cash charges for amortization of intangible assets, the transaction is expected to be dilutive to reported earnings by an estimated 8-10 cents per diluted share in fiscal 2005, excluding one-time transition costs and assuming a May 31 closing. Dilution to reported earnings per share is estimated to be approximately 10-11 percent in fiscal 2006. Timing of the closing and final valuation of intangible assets can both significantly affect these estimates.

Lee is extremely confident in the ability of the combined company to generate substantial and increasing free cash flow, which will enable Lee to rapidly delever the balance sheet. We expect that over the next 24 months that Lee will return to a solid investment grade profile. We are comfortable with the pro forma capital structure given the financial attributes of the company and the attractive financing available in the current market. The bank financing is fully committed with 7-8 year maturities. Further, there are no onerous covenants and no significant debt amortization requirements in the early years. Lee may consider other financing opportunities in the long-term debt market or in the equity or equity linked market. Nothing, however, is needed or required. We are comfortable with our business and our balance sheet.

Q: How does the purchase price compare to similar deals in recent history?

The purchase price of \$64 per share translates to 13.5 times operating cash flow for the 12 months ended December 26, 2004, and 11-11.5 times operating cash flow for the first full fiscal year, ending September 30, 2006. Both are in the range of other major newspaper stock purchases in the last five years.

Q: Do you plan to sell any of the Pulitzer newspapers?

No. The purchase of Pulitzer expands Lee’s geographic reach into some fast-growing markets in the Southwest, and it enhances our position in other areas of the country, plus extends Lee into an attractive top 25 metro market. While we regularly evaluate proposals to buy, sell or exchange properties, we have no plans at this time to divest any of the Pulitzer newspapers.

Q: What kind of cost-saving opportunities do you see in the merger?

The pro forma assumes a significant reduction in corporate costs. We can expect some savings due to increased purchasing power, but we don’t expect savings in newsprint expense as Pulitzer is already part of the same buying group as Lee. We have a track record of steadily improving margins by maintaining careful cost controls while also focusing on topline growth and producing quality products.

Q: What are the opportunities for revenue growth?

Lee has consistently outperformed the industry average on revenue growth, and we see attractive room for topline growth in Pulitzer by energetically applying Lee’s proven sales tactics.

In particular, we expect early successes from the use of Lee’s blitz-team approach, combining sales training programs with intensive prospecting and team selling in specific categories. Based on the needs of an individual market and local ad management teams, we send in well-trained sales crews to assist local salespeople in focused efforts, often targeting competing media, including yellow pages, cable and radio. Our Flight frequency advertising sales program should be easily integrated into Pulitzer markets, as should our current focus on key classified categories such as automotive and recruitment.

In addition to advertising sales training programs, Lee’s focus on topline revenue growth includes simply hiring the best salespeople we can and filling open positions quickly.

In St. Louis, we see opportunity for continued growth in territories and midsize accounts, as well as in improved cross-selling between the *Post-Dispatch* and the Suburban Journals. These are areas where Lee has a good track record of success.

In St. Louis and elsewhere, we believe Lee’s online sales model, including selling “big ads” and creating stronger classified verticals, will lead to substantial increases in revenue. In online, as with print, Lee’s SWAT team approach includes training with intensive prospecting and team selling.

We also see opportunity for continued growth in niche publications in several Pulitzer markets, similar to what we’ve launched in other Lee properties.

Q: Can you increase circulation as you have in Lee?

Pulitzer has had circulation success of its own.

Lee’s track record historically has been better than the industry as a whole, especially on Sundays, the most important day of the week for advertisers. Overall, the application of Lee’s best practices helped the Howard newspapers increase circulation. We think those strategies also will help Pulitzer papers grow paid circulation through diversified sales pressure, improved retention programs, such as EZ Pay, and focused single copy sales.

In St. Louis, we believe we can improve circulation through stronger sales pressure and marketing efforts. The *Post-Dispatch* also will benefit as a result of Pulitzer’s work to purchase the majority of distribution routes through negotiations with independent distributors. That makes customer contact easier and allows for better control of single-copy sales programs.

We expect circulation revenue to remain generally flat.

Q: What do you forecast in terms of capital spending?

Lee's estimate for 2005 for its own capital spending is \$20 million. On a combined basis, we expect capital spending of 3% or less of revenue on an ongoing basis. As part of our due diligence effort, we engaged an independent consultant to evaluate press and production facilities in St. Louis, Tucson and Bloomington, the three largest operations. The consultant confirmed that Pulitzer has done a good job of maintaining the physical needs of its properties, as does Lee. At some point in the future, those operations will need to be upgraded again, but the time horizon for those events appears to be well into the future.

Q: Discuss the union situation in St. Louis and elsewhere in Pulitzer.

Of nearly 1,300 employees at the *Post-Dispatch*, more than 1,000 are represented by 11 unions. The largest is the Guild, which covers about 600 full-time and part-time employees.

Current Pulitzer management has worked to maintain good relations with the unions and all employees. While we have not yet had a chance to meet with union representatives, we look forward to doing so. Based on information from Pulitzer, we believe the climate is positive and that contracts give management sufficient operating flexibility.

There are only a few small unions outside of St. Louis.

Q: How do you view the JOA with Gannett in Tucson?

We expect to have a good relationship with Gannett Co., Inc., as our partners in Tucson.

The joint operating agreement in Tucson has been in place since 1940. Pulitzer became a partner in 1971 and Gannett bought its half-interest in 1977.

Pulitzer oversees the news operations for the *Arizona Daily Star*, a morning newspaper with circulation of about 100,000 daily and 162,000 on Sunday. Gannett operates the *Tucson Citizen*, a 30,000-circulation afternoon newspaper six days a week.

With the exception of the two newsrooms, joint operations of the two papers are controlled by TNI Partners. Both Pulitzer and Gannett have three members on the TNI Board, which hires the president. Coincidentally, the current president, Mike Jameson, is a former Lee executive, as is the top advertising executive, Dan Adams. We're pleased to renew our relationships with them.

The current operating agreement in Tucson expires in 2015, but it can be renewed by either party for successive periods of 25 years each.

Q: Do you plan to make management changes?

We don't expect widespread changes. By way of reference, we made no immediate changes at the publisher level when we bought Howard Publications in 2002, other than filling a vacant position. Most of the publishers and other key personnel are still with Lee.

We have met or talked with every Pulitzer publisher and many of the top managers. Our overall impression is that Pulitzer is a well-run company with many talented people in upper management and on the front lines. Just as with Howard, we expect our other newspapers in Lee to benefit from the influx of new talent and fresh ideas.

Q: Will Pulitzer family members be involved in the combined business?

We do not expect Pulitzer family members to be actively engaged in the combined business, but will welcome their advice on preserving the Pulitzer heritage.

Additional Information and Where to Find It

The proposed transaction will be submitted to Pulitzer's stockholders for their consideration, and Pulitzer will file with the SEC a proxy statement to be used to solicit the stockholders' approval of the proposed transaction, as well as other relevant documents concerning the proposed transaction. STOCKHOLDERS OF PULITZER ARE URGED TO READ THE PROXY STATEMENT REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. A free copy of the proxy statement, as well as other filings containing information about Pulitzer, may be obtained at the SEC's Internet site (<http://www.sec.gov>). Copies of the proxy statement and the SEC filings that will be incorporated by reference in the proxy statement can also be obtained, without charge, by directing a request to James V. Maloney, Secretary, Pulitzer Inc., 900 North Tucker Boulevard, St. Louis, Missouri 63101.

Participants in the Solicitation

The directors and executive officers of Pulitzer Inc. and other persons may be deemed to be participants in the solicitation of proxies in respect of the transaction. Information regarding Pulitzer's directors and executive officers will be available in the proxy statement. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement and other relevant materials to be filed with the SEC when they become available.

Acquisition of Pulitzer Inc.

Lee Enterprises, Incorporated
CONFERENCE CALL AND WEBCAST
January 31, 2005



[Operator reads forward-looking note, reference to the Company's recent SEC filings and legend about the Pulitzer Proxy Statement.]

Important notes

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 publicly undertake to update or revise its forward-looking statements. If you refer to our most recent 10-K, 10-K/A and 8-K Reports (including the 8-K we will file today), you will see a discussion of factors that could cause the Company’s actual results to differ materially from these projections.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

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PARTICIPANTS IN THE SOLICITATION

Pulitzer and its directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from the stockholders of Pulitzer in connection with the proposed transaction. Information regarding Pulitzer’s directors and executive officers is available in Pulitzer’s proxy statement for its 2004 annual meeting of stockholders, which was filed with the SEC on April 2, 2004. Additional information regarding the interests of such potential participants will be included in the proxy statement and the other relevant documents filed with the SEC when they become available.



Opening comments

- **Mary Junck**
Chairman, President and Chief Executive Officer
Lee Enterprises, Incorporated



Good morning! I'm Mary Junck and we want to thank you for joining us on this important day for Lee Enterprises and Pulitzer.

Before we begin Lee's presentation, it's my pleasure to turn over the microphone to the president and chief executive officer of Pulitzer, Bob Woodworth.

Opening comments

- **Robert C. Woodworth**
President and Chief Executive Officer
Pulitzer Inc.



Thank you, Mary, and good morning to you all.

Today marks the beginning of a new chapter in the long and storied history of the Pulitzer company.

The Pulitzer name has been synonymous with excellence in news coverage for more than 125 years. The importance of continuing that tradition was one of the pivotal factors we considered in deciding to join with Lee.

It's a tradition that is important to our readers, to our advertisers, to our shareholders and to our employees.

And, because preserving the best of the past as we move into the future was so important in our decision-making, I am particularly pleased to be on the call today with the leadership team from Lee Enterprises, a company that has 114 year-old distinguished history in the news business, and one of the most successful operations in the industry.

In my view, Lee is among the best newspaper operators in the industry, with an especially impressive record for revenue growth. We have admired and respected Lee and their management team for years. Mary Junck has put together a top flight group that delivers results.

We think the acquisition by Lee is a great fit for Pulitzer.

We fit well together geographically, and in an industry that's consolidating, we think the combined company will have an impressive platform from which to compete and on which to grow.

As part of Lee, our newspapers will benefit from greater scale and resources, which are necessary to compete effectively in today's increasingly competitive media market.

Another reason this is a great fit involves our corporate cultures. Having cultures that mesh is critical in our business. And we believe that, in Lee, we have found a company that shares our deep commitment to journalistic excellence, to supporting the communities we serve and to treating employees fairly.

I'm also pleased that a number of our key senior operational and editorial team have expressed their excitement about joining Lee. This will provide continuity to operations and will give Lee access to some of the best talent in the business.

For these reasons, we believe that Lee will be an excellent steward for the Pulitzer company and is well positioned to strengthen it as the two move forward together.

And now I'll turn the call back over to Mary. Mary...

Opening comments

- **Mary Junck**

Chairman, President and Chief Executive Officer
Lee Enterprises, Incorporated



Bob, thank you for your very kind words about Lee. We feel the same way about Pulitzer, which you have led so skillfully as CEO over the last six years.

Lee admires what the Pulitzer family has done for journalism in St. Louis and throughout the United States. We are committed to preserving that heritage.

Now, we are eager to tell you why this is such an attractive acquisition for Lee and our shareholders.

Outline

- Overview of acquisition
- Pulitzer Inc. profile
- Lee plus Pulitzer
- Why Pulitzer is ideal for Lee
- Why St. Louis is a Lee market
- Financial aspects
- Summary
- Questions



Mary Junck
Chairman
President
Chief Executive Officer



Carl Schmidt
Vice President
Chief Financial Officer
Treasurer



Greg Schermer
Vice President – Interactive Media
Corporate Counsel
Director

As you know, Lee has entered into a definitive agreement to acquire Pulitzer Inc. for a cash purchase price of \$64 per share, implying an enterprise value totaling \$1.46 billion.

It's another terrific acquisition for Lee – and, in both order of magnitude and opportunities for revenue growth, it's remarkably similar to our highly successful purchase of the 16 Howard newspapers in 2002. It allows us to take an exciting and logical next step into another attractive group of markets, exactly the kind where we excel.

Joining me on this call are Carl Schmidt, our chief financial officer, and Greg Schermer, who serves as a vice president, corporate counsel and a member of our board of directors.

Both Carl and Greg were extremely instrumental in the Pulitzer acquisition process, and I'm very grateful for their outstanding work.

This presentation will be available for replay on demand beginning this afternoon at lee.net.

Pulitzer Inc. profile

- 14 daily newspapers

- ❖ Daily circulation: 575,522
- ❖ Sunday circulation: 799,010

- More than 100 non-dailies

- ❖ Weeklies, shoppers and specialty publications clustered with dailies
- ❖ Includes network of 38 weeklies in St. Louis

- Revenue (2004): \$444 million

- Operating Cash Flow (2004): \$105 million⁽¹⁾



(1) Including 50% of Tucson



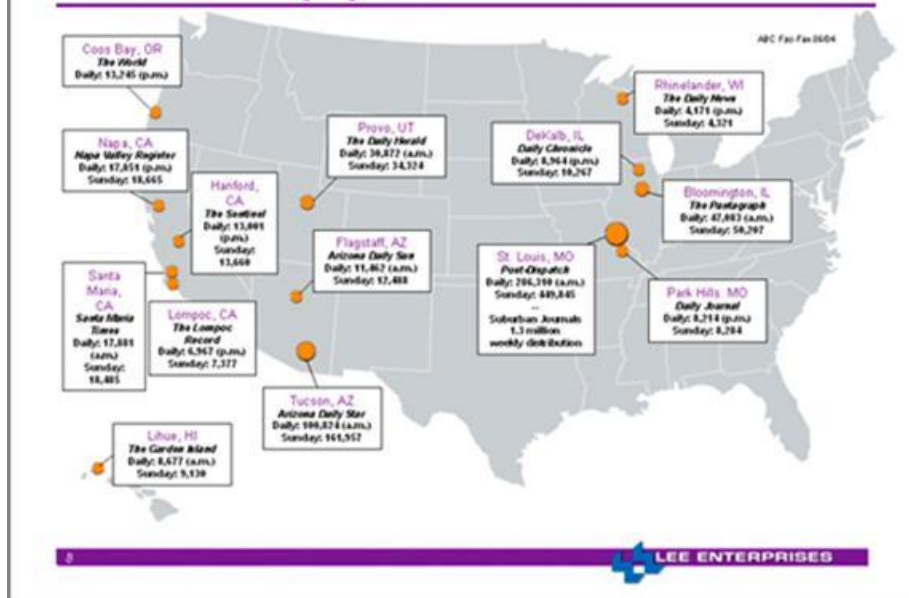
Pulitzer's 14 daily newspapers include the St. Louis Post-Dispatch and the Arizona Daily Star in Tucson.

Combined, these 14 newspapers have circulation of 575,000 daily and 799,000 on Sunday.

All these newspapers operate leading websites in their markets, and they're fortified by more than 100 weeklies, shoppers and specialty publications, including a network of 38 weeklies in the St. Louis market with distribution of more than one million copies.

Reported revenue totaled nearly \$444 million in 2004. Reported operating cash flow, including Pulitzer's 50% share in Tucson, was \$105 million.

Pulitzer newspapers



Here's the Pulitzer map.

The *Post-Dispatch* in St. Louis has circulation of 286,000 daily and 450,000 on Sunday. We'll give you more detail on St. Louis in a moment.

Tucson is an absolute standout growth market. The *Arizona Daily Star* is the larger paper in a joint operating agreement with Gannett, with morning circulation of 101,000 and Sunday circulation of 162,000.

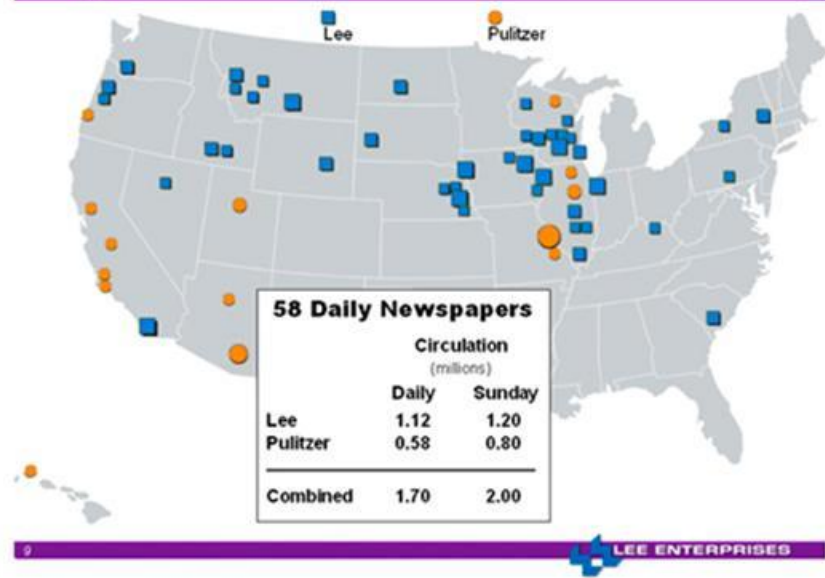
Bloomington, Illinois, is another impressive growth market and *The Pantagraph* has circulation of 47,000 daily and 50,000 on Sunday.

More terrific markets – *The Daily Herald* in Provo, Utah, has circulation of 31,000 daily and 34,000 on Sunday.

In California, we have the *Santa Maria Times*, the *Lompoc Record*, the *Napa Valley Register* and *The Sentinel* in Hanford.

Rounding out the list are *The World* in Coos Bay, Oregon; *The Garden Island* in Lihue, Hawaii; the *Arizona Daily Sun* in Flagstaff; the *Daily Journal* in Park Hills, Missouri; the *Daily Chronicle* in DeKalb, Illinois, and *The Daily News* in Rhinelander, Wisconsin.

Lee plus Pulitzer



Here are the Pulitzer newspapers combined with the Lee map.

Circulation at our 44 existing newspapers and 14 new ones will total 1.7 million daily and 2 million on Sunday.

Lee plus Pulitzer (continued)

- Ownership of all or part of 58 daily newspapers and more than 300 non-dailies. Fourth largest number of dailies.
- 23 states
- Among all newspaper companies, Lee will move from 12th to 7th in daily circulation
- Revenue (2004 LTM): \$1,138 million
- Operating Cash Flow (2004 LTM): \$295 million⁽¹⁾
- Employees: 10,700

(1) Includes 50% of Tucson. Not adjusted for one-time items, or for synergies.

These newspapers in 23 states will give us the fourth largest number of dailies in the country.

In terms of daily circulation, we'll move from 12th place to 7th.

For the last 12 months through December 2004, combined reported revenue is \$1.14 billion, with OCF of \$295 million not adjusted for any one-time items or synergies.

With the addition of 4,000 Pulitzer people, Lee will have about 10,700 employees.

Why Pulitzer is ideal for Lee

- It fits our acquisition strategy and enhances our primary position as a premier publisher of daily newspapers in midsize markets.
 - ❖ Quality newspapers
 - ❖ Strong franchises
 - ❖ Good markets
- It extends Lee into a metro market that plays into our core competencies.

11



Pulitzer is ideal for Lee. Let me tell you why.

First, we're gaining exceptionally fine newspapers that have strong franchises in good growth markets. AND we see upside potential.

Next, the acquisition extends Lee into a metro market that, except for size, looks surprisingly like other markets in which Lee excels.

That's especially true because of the broad media platform in St. Louis that expands on the already-powerful reach of the *Post-Dispatch*.

Of course, St. Louis is a Midwestern market just downstream on the Mississippi from our corporate headquarters in Davenport, Iowa.

Why Pulitzer is ideal for Lee (continued)

- The rest of Pulitzer's portfolio includes some real gems:
 - ❖ Tucson's rapid growth and new management promise strong returns in the future.
 - ❖ Bloomington is a great Midwestern market.
 - ❖ Provo is a fast-growing western market.
 - ❖ And we will gain some high-traffic tourist communities like Flagstaff, Ariz., and Napa, Calif.
 - ❖ Other newspapers also are solid operations in good markets.

Tucson and the other Pulitzer newspapers are an obvious match to the type of markets where Lee's track record is strong.

Tucson is on the front end of an upward curve, and it's being led by new management that we happen to know quite well. The CEO of the JOA is a former Lee publisher, and the top advertising executive is also a highly respected Lee alum.

Other gems in the portfolio are Bloomington, Provo, Flagstaff and Napa – and we like the rest, as well.

Overall, Pulitzer's markets rank considerably above Lee's own locations on our market meter, an internal measure of growth potential in a market area. We believe that a better market meter translates into higher revenue growth.

Why Pulitzer is ideal for Lee (continued)

- Our success with the Howard acquisition has prepared us exceedingly well.
 - ❖ Rapid integration of incoming management
 - ❖ Quick deployment of revenue-generating programs
 - ❖ Immediate and continual communication with new employees
 - ❖ Early alignment with Lee's emphasis on revenue, circulation, strong local news, online growth and careful cost controls
 - ❖ Strong performance out of the gate, well ahead of projections for both revenue and cash flow
 - ❖ Low turnover of management and key personnel

In both order of magnitude and opportunities for revenue growth, this acquisition resembles our purchase of Howard Publications in 2002.

The Howard acquisition increased our circulation by about 75% and our revenue by about 50%. For comparison, Pulitzer will increase our daily circulation by roughly 50% and our revenue by about 60%.

By any measure, the Howard acquisition turned out to be an unqualified success.

The results are a matter of record: Our new newspapers outperformed revenue and OCF projections right out of the gate – and we aim to do it again.

We gained key talent in the acquisition, and three years later, we've retained a high percentage of the original publishers and other key personnel.

The Howard experience has prepared us exceedingly well, and we plan to integrate Pulitzer just as effectively.

Why Pulitzer is ideal for Lee (continued)

- We will build on existing revenue strategies and add an influx of approaches that have proven successful in Lee.
 - ❖ Advertising sales blitzes
 - ❖ Flight frequency advertising programs
 - ❖ "Red Alert" classified advertising programs
 - ❖ Employment and auto ad sales templates
 - ❖ Cross-selling methods
 - ❖ Niche publication opportunities
 - ❖ Online revenue programs and site-building tactics

As with Howard, the driver behind this acquisition is revenue growth, and we see good opportunities in each of the Pulitzer markets.

We plan to build on current strategies by providing an influx of revenue-generating programs that have worked very well for Lee – programs you've heard us talk about before, such as our advertising sales blitzes, frequency ad sales programs, classified employment and automotive templates, cross-selling methods, niche publications and online revenue programs.

Why Pulitzer is ideal for Lee (continued)

- Lee has a strong track record for driving revenue, and we can help Pulitzer achieve a more consistent pattern of growth.



Lee has been a leader for advertising revenue growth, and you may have seen this chart in the past, comparing our performance with the industry average.

That's Pulitzer in purple, Lee in blue and the industry in black. And we are the leader.

While Pulitzer has periodically outperformed the industry, together, we expect to achieve a more consistent pattern of even higher above-average growth.

Why Pulitzer is ideal for Lee (continued)

- We will gain talent and new ideas.
 - ❖ Impressed with Pulitzer management we've met
 - ❖ Fit with Lee is ideal
- Similar traditions and culture will speed transition.
 - ❖ Devoted to newspapers
 - ❖ Strong news tradition
 - ❖ Committed to our communities; view newspapers as a public trust
 - ❖ Committed to our people and their development
 - ❖ Long-standing shareholders committed to the business of quality newspapers
 - ❖ Strong publishers and editors
 - ❖ Experienced, successful management teams

Another reason we're excited about Pulitzer is the people we've met. We've found them to be smart, receptive and enthusiastic.

Lee and Pulitzer have a lot in common.

Throughout our long histories, we've both been devoted to newspapers and we have strong news traditions. We view newspapers as a public trust. We're committed to our communities and our people. We both have enjoyed a loyal base of shareholders committed to the business of quality newspapers. We both rely on strong publishers, editors and management teams.

All those things will make for a smooth transition.

St. Louis: Why it's a Lee market

Long-term market strength

Rank	DMA	State	2003 Pop. (in 000s)
1	New York	NY	20,623
2	Los Angeles	CA	16,335
3	Chicago	IL	9,496
4	Philadelphia	PA	7,643
5	San Francisco	CA	6,931
6	Boston	MA	6,215
7	Dallas-Fort Worth	TX	6,188
8	Washington	DC	5,896
9	Atlanta	GA	5,513
10	Houston	TX	5,309
11	Detroit	MI	5,017
12	Seattle	WA	4,404
13	Phoenix	AZ	4,265
14	Minneapolis-St. Paul	MN	4,219
15	Miami-Ft. Lauderdale	FL	4,147
16	Cleveland	OH	3,924
17	Tampa-St. Petersburg	FL	3,905
18	Sacramento-Stockton	CA	3,662
19	Denver	CO	3,632
20	Orlando	FL	3,167
21	St. Louis	MO	3,031
22	San Diego	CA	2,960
23	Pittsburgh	PA	2,883
24	Portland	OR	2,864
25	Baltimore	MD	2,813



Source: 2003 Scarborough Report

Now, let's take a closer look at St. Louis and explain why it's similar to other Lee markets.

St. Louis ranks as the 21st largest Designated Market Area in the country, with three million people.

As an aside, this is a market size I'm personally familiar and comfortable with, having been the publisher of the Baltimore Sun and the St. Paul Pioneer Press.

St. Louis: Why it's a Lee market (continued)

- Regional hub for shopping, health care, education, sports and culture
- Suburbs are exceptionally strong
 - ❖ Low cost of living
 - ❖ Low unemployment
 - ❖ High purchasing power
 - ❖ Projected growth, 2003-2008:
 - St. Charles County, MO – up 13%
 - Lincoln County, MO – up 13%
 - Monroe County, IL – up 10%
 - Franklin County, MO – up 7%
 - Jefferson County, MO – up 7%
- The city of St. Louis is undergoing positive redevelopment



St. Louis is a regional hub that serves a wide area.

The suburbs are exceptionally strong, with a relatively low cost of living, low unemployment, high purchasing power and lots of growth.

At the same time, the city of St. Louis is undergoing significant change through redevelopment efforts on a broad front. Positive signs include a new \$345 million baseball stadium, an \$87 million Federal Reserve Bank expansion and several projects to convert old buildings into lofts and condos.

St. Louis: Why it's a Lee market (continued)

- Newspaper readership is high, especially compared with most metro markets

Post-Dispatch reach vs. top 25 markets

Rank	Newspaper	% Reach Daily	Rank	Newspaper	% Reach Sunday
1	Washington Post	42%	1	Washington Post	55%
2	San Diego Union Tribune	40%	2	Denver Post/Rocky Mtn News	53%
3	Arizona Republic	39%	3	St. Louis Post-Dispatch	51%
4	Portland Oregonian	39%	4	Baltimore Sun	51%
5	Houston Chronicle	36%	5	Houston Chronicle	50%
6	Baltimore Sun	33%	6	San Diego Union Tribune	49%
7	Minneapolis Star Tribune	32%	7	Arizona Republic	48%
8	St. Louis Post-Dispatch	30%	8	Minneapolis Star Tribune	47%
9	Cleveland Plain Dealer	30%	9	Portland Oregonian	46%
10	Atlanta Journal-Constitution	27%	10	Detroit Free Press/News	46%
11	Orlando Sentinel	27%	11	Atlanta Journal	45%
12	Pittsburgh Post-Gazette	27%	12	Pittsburgh Post-Gazette	41%
13	Chicago Tribune	26%	13	Orlando Sentinel	40%
14	St. Petersburg Times	25%	14	Cleveland Plain Dealer	40%
15	Sacramento Bee	25%	15	Chicago Tribune	39%
16	Dallas Morning News	25%	16	Dallas Morning News	36%
17	Rocky Mountain News	24%	17	Boston Globe	36%
18	Miami Herald	23%	18	Philadelphia Inquirer	34%
19	Boston Globe	23%	19	Seattle Times/Post-Intellig.	33%
20	Chicago Sun Times	23%	20	Miami Herald	33%
21	Detroit Free Press	22%	21	Los Angeles Times	32%
22	Denver Post	22%	22	Sacramento Bee	31%
23	Los Angeles Times	22%	23	St. Petersburg Times	30%
24	San Francisco Chronicle	22%	24	Tampa Tribune	26%
25	Tampa Tribune	19%	25	San Francisco Chronicle	26%

Source: 2003 Scarborough Report

79



The dominance of the suburbs reinforces the strength of Pulitzer's media platform and helps explain why the *Post-Dispatch* has remained such a powerhouse.

It reaches 32% of adults in the market daily and 51% on Sunday. You don't see numbers like that in most metro markets, as these lists show.

For instance, the column on the right ranks the Post-Dispatch as the third best metro market newspaper for Sunday readership. That's quite a local franchise.

St. Louis: Why it's a Lee market (continued)

- Pulitzer has built a powerful media platform, a must-buy for major advertisers.

- ❖ Bought *Suburban Journals* in 2000.
 - It is the largest group of suburban papers in the U.S.
 - Distribution of more than a million copies a week
- ❖ Built STLtoday.com into the leading local internet site drawing 37% of online adults.
- ❖ Launched a direct mail program, Local Values, with distribution of 935,000.
- ❖ Invested in infrastructure – plant expansion, billing and ad systems, market database, distribution.

ST. LOUIS POST-DISPATCH

LEE ENTERPRISES INC.

38 SUBURBAN
JOURNALS

STLtoday.com

LAUNCHED
LOCAL VALUES
935,000

DIRECT MAIL SERVICES
STL

LEE
ENTERPRISES

Pulitzer has spent the last five-plus years investing in infrastructure and building its powerful media platform, and the highlights of Pulitzer's steps are listed here.

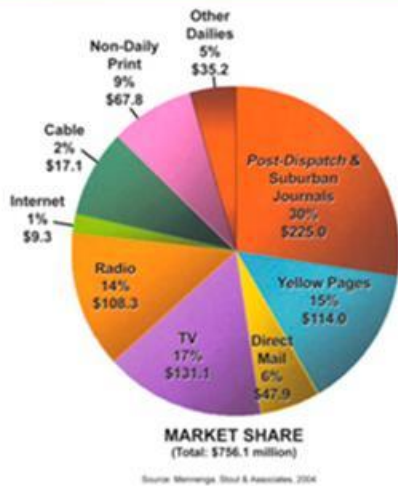
Besides the Post-Dispatch, the media platform in St. Louis includes the 38 Suburban Journals, which reach a huge audience with distribution of more than a million copies a week.

The media platform also includes the market's leading website, STLtoday.com, and Local Values, a direct mail program.

St. Louis: Why it's a Lee market (continued)

■ Pulitzer captures a big share of the market

- ❖ The *Post-Dispatch* is the recognized market leader for news and advertising.
- ❖ The *Post-Dispatch* and *Suburban Journals* capture 30% of all media dollars in the market.



21



As this pie chart shows, the *Post-Dispatch* and the *Suburban Journals* capture 30% of all media dollars in the market. You can see that no competitor even comes close.

30% is an OK number for a metro market – but we and Pulitzer management are convinced we can grow market share in St. Louis.

While most U.S. daily newspapers lost ground between 2002 and 2004, the *Post-Dispatch* gained market share, according to the same study.

These gains in St. Louis are due to strong management there, which is already on a good course and, from what we've seen, is eager to join with us in driving revenue and growing ad share.

We're convinced that Lee's focus on revenue, circulation, strong local news and online growth will pay off in St. Louis and throughout Pulitzer, just as it has everywhere else in Lee.

Now, Carl Schmidt will discuss financial aspects of the transaction.

Highlights of the deal

- **Transaction enterprise value: \$1.46 billion**
 - ❖ 13.5 x operating cash flow for 12 months ended Dec. 26, 2004
 - ❖ Estimated 11-11.5 x operating cash flow for first full fiscal year, ending Sept. 30, 2006
- **Form: Stock purchase, 100% cash, \$64.00 per share**
- **Financing: New bank borrowing, \$1.55 billion**
- **Closing: June quarter**

22



As you would expect, we took a methodical and quite painstaking approach to determining how much we should offer.

We performed extensive due diligence analysis. For example, a team of Lee executives visited seven key locations and spoke with the management of all other locations by phone. We built detailed models for revenue, expense and OCF.

We reviewed the public market value of Pulitzer and others, studied recent acquisition multiples, analyzed valuation by parts and in sum, reviewed potential price adjustments and performed discounted cash flow analysis.

The result was the purchase price of \$64 per share, totaling enterprise value of \$1.46 billion. As it turns out, the price was within the range of analyst expectations.

It translates into a multiple of 13.5 times operating cash flow for the 12 months ended Dec. 26, 2004 after adjusting for minority interest and making one-time adjustments to 2004 results.

For our first full fiscal year of ownership, ending Sept. 30, 2006, the multiple of OCF is estimated to be 11 to 11.5 times operating cash flow. This compares to 11.2 for Howard.

As you also saw in the news release, we're paying cash, financed by a \$1.55 billion fully committed bank facility led by Deutsche Bank and SunTrust Bank. The facility consists of a seven year, \$450 million revolving credit and \$1.1 billion of seven and eight year term loans at floating rates tied to the company's leverage levels. The agreements have traditional covenants that allow the company excellent operating flexibility. Debt repayments in the early years of the agreements are modest.

We expect to close in the June quarter.

Financial impact

- **Immediately accretive to free cash flow**
 - ❖ Approximately \$0.50 per share in 2006
- **Debt level is projected to fall quickly**
 - ❖ At close: Debt to OCF ratio of about 5.5x
 - ❖ Rapid return to investment grade profile
- **Initially dilutive to earnings**
 - ❖ \$0.08-0.10 in current fiscal year, ending Sept. 30, assuming May 31 close
 - ❖ 10-11% in Fiscal 2006

We expect the acquisition to be immediately accretive to free cash flow, and at closing we will have a debt to OCF ratio of about 5.5 times, based on the covenant formula to be used.

Because of the combined cash flow of the two companies, we expect the debt level to fall quickly, as we have clearly demonstrated that ability since the Howard acquisition. Free cash flow should increase by approximately \$0.50 per diluted share in fiscal 2006.

We expect that over the next 24 months that Lee will return to a solid investment grade profile. We are comfortable with the structure given the financial attributes of the company and the attractive financing available in the current market.

Because of significant non-cash charges for amortization of intangible assets, the transaction will be initially dilutive to earnings.

We estimate dilution of 8-10 cents per diluted share for fiscal 2005, excluding one-time transition costs and assuming a May 31 close. We expect 10-11% dilution in fiscal 2006. Both of those estimates are influenced by timing of the closing and final valuation of intangible assets.

Summary

- It's an exciting and logical next step into another exceptionally attractive group of markets, exactly the kind where Lee excels.
- It extends Lee into a metro market that plays into our core competencies.
- It also extends us into the rapidly growing Southwest and into other attractive markets.
- We can build on existing revenue strategies and add approaches that have proven very successful in Lee.
- Our success with the Howard acquisition has prepared us exceedingly well.
- Pulitzer management is strong, enthusiastic and eager.
- We believe we can drive significant value for shareholders.

24



In summary, for all the reasons we've talked about, we're excited.

The acquisition is a great fit.

It provides new markets in which we can put our successful growth strategies to work.

It provides exciting new opportunities for our employees and Pulitzer's.

The Howard transition has prepared us for the challenge.

We're gaining great new talent.

And, most importantly, we're convinced that this acquisition will pay off for Lee's shareholders.

Thanks for letting us give you the details. As the news release indicated, in order to provide additional information, we've posted a prepared set of questions and answers at lee.net.

For those of you who have been invited to ask questions, we'll be glad to take them now. Please begin by identifying yourself.



Q&A / Pulitzer Employees

Q: What does this mean for my job and benefits?

It will be business as usual in terms of scheduled evaluations, pay raises and other normal operations.

Benefit details will be addressed separately in the weeks to come, but Lee offers a competitive employee benefits package including health insurance, dental and vision coverage, life insurance, retirement and an employee stock purchase plan. While there may be some pluses and minuses in the details, we think you'll find the benefits to compare well overall.

We need to study the details of current benefits, but on health insurance, we expect current coverage to continue for the rest of the calendar year. At that time, employees will convert to Lee's plans, which offer comparable coverage.

You do not have to reapply for your job, as is the case in some acquisitions.

Q: Overall, what kind of changes can we expect?

You may see some overall changes due to corporate consolidation, such as joint purchasing and centralized payroll processing. We'll be working to integrate computer systems. And you can expect to see or meet key Lee executives as we help Pulitzer employees get familiar with Lee's priorities.

Chief among the priorities is a focus on revenue growth, and Lee offers corporate resources to assist with sales initiatives. In addition, Lee will focus attention on increasing readership and circulation, emphasizing strong local news and driving online growth.

Q: In a broader sense, what does this mean for Pulitzer and Lee employees?

This is a case where bigger really is better for employees.

You will become part of a bigger, stronger company with more company-wide resources, which will increase our ability to compete in today's media marketplace. Lee offers an impressive array of training opportunities, including leadership training, online training for supervisors and circulation managers, hands-on training for advertising salespeople and extensive newsroom support and training programs.

The combined company will offer greatly expanded career opportunities in small and large properties in diverse markets, whether you like the big-city life of St. Louis, Chicago or San Diego, warm-weather or northern climates, or the wide-open spaces of Montana and other western states.

Also, you will be part of a company that shares your passion for newspapers and a strong belief in their future. Like Pulitzer, Lee has a strong news tradition and is committed to our communities and employees.

Q: How will this affect our newspapers and the role they play in our communities?

The Lee and Pulitzer cultures are similar. Lee believes in the importance of strong local news, local editorial control and community leadership.

Over time, you can expect to see a helpful emphasis on improving the newspaper to meet the challenges of increasing readership in today's world. That will involve training and a focus on key action steps, such as improving enterprise reporting and giving readers relevant content they find interesting, entertaining and surprising.

Q: What about the Pulitzer legacy in St. Louis?

Lee admires what the Pulitzer family has done for journalism in St. Louis and throughout the United States. We are committed to preserving that heritage.

Like Pulitzer, Lee views newspapers as a public trust. Mary Junck, our chairman, president and CEO, met personally with Pulitzer family members to assure them that Lee would be an excellent steward for Pulitzer.

The editorial platform statement in St. Louis, including its pledge to "always remain devoted to the public welfare, never be satisfied with merely printing the news (and) always be drastically independent," has been a part of the newspaper every day since 1911, and we see no reason to change that now. We've assured the Pulitzer family on that point.

In any acquisition, Lee has always been cautious about making changes to longstanding editorial positions of the newspaper. We encourage our papers to have active, vocal editorial boards – but we leave it to our local publishers and editors to decide what positions are best for their communities.

Q: What will the combined company look like?

With the purchase of Pulitzer, Lee will own all or part of 58 daily newspapers in 23 states.

Combined circulation will be about 1.7 million daily and 2 million on Sunday. Lee will move from 12th to 7th place in daily circulation among all newspaper companies in the country. Lee will become the fourth-largest in terms of daily newspapers owned. Among public newspaper companies, Lee will move from 11th to 6th in publishing revenue.

As in Lee, Pulitzer's newspapers all operate leading websites in their markets.

Also with the acquisition, Lee will operate a vast array of weekly newspapers and specialty publications. With the addition of 100 from Pulitzer, including 38 weeklies in the St. Louis market, Lee will own more than 300 non-dailies.

Combined, we'll have about 10,700 employees.

Q: How will Lee pay for Pulitzer?

Lee has received a fully committed \$1.55 billion credit facility led by Deutsche Bank and SunTrust Bank. The facility consists of a seven year, \$450 million revolving credit and \$1.1 billion of seven or eight year term loans at floating rates tied to the company's leverage levels. The agreements have traditional covenants that allow the company very good operating flexibility. Debt repayments in the early years of the agreements are modest.

An agreement of this nature would not have been possible without the strong cash flow generation our company has historically demonstrated.

Q: Do you plan to sell any of the Pulitzer newspapers?

No. The purchase of Pulitzer expands Lee's geographic reach into some fast-growing markets in the Southwest, and it enhances our position in other areas of the country, plus extends Lee into an attractive top 25 metro market. While we regularly evaluate proposals to buy, sell or exchange properties, we have no plans at this time to divest any of the Pulitzer newspapers.

Q: Lee has historically focused on smaller market properties and bills itself as the premier publisher of daily newspapers in midsize markets. How does this acquisition, particularly St. Louis, fit your strategy?

The deal enhances Lee's core position, gets us into markets in the rapidly growing Southwest and extends our company into another metro market that plays into our core competencies.

Pulitzer properties like *The Pantagraph* in Bloomington, Ill., *The Daily Herald* in Provo, Utah, and the *Napa Valley Register* in Napa, Calif., are obvious natural fits with the bulk of our operations.

In Tucson, the *Arizona Daily Star* is in a JOA operation similar in size and scope to our partnership in Madison, Wis. Coincidentally, the president of the joint company and the top advertising executive are former Lee executives, so our comfort level there is high.

That brings us to St. Louis, which we have concluded is an attractive market similar in many respects to existing Lee markets:

- Pulitzer has built a strong platform in St. Louis, including the *Post-Dispatch*, the *Suburban Journals*, STLtoday.com and a direct-mail operation. The Suburban Journals alone have distribution of more than a million copies a week.
- Pulitzer's platform with multiple titles in the market is similar to the Lee SBU approach you'd find in Madison, Lincoln and other Lee markets.
- Market penetration, especially in the growing St. Louis suburbs, is well within the range of what we see in larger Lee markets. The *Post-Dispatch* has no daily newspaper competition on the Missouri side of the river and enjoys readership reach that is among the best of U.S. metro papers.
- St. Louis is a Midwestern community with values like those in other Lee markets, including Mississippi River cities where Lee owns papers, like Davenport, Iowa, or La Crosse, Wis.
- It is a regional hub for shopping, health care, education, sports and culture.
- Residents enjoy high purchasing power, a low cost of living and relatively easy commuting.

Q: Does Lee have any experience with a merger of this kind?

In order of magnitude and opportunity for revenue growth, the transaction is remarkably similar to Lee's acquisition of Howard Publications and its 16 daily newspapers in 2002. Then, Lee grew by about 50 percent in circulation and 75 percent in revenue. With Pulitzer, Lee will grow by about 60 percent in revenue and 50 percent in circulation.

The Howard newspapers were integrated quickly, and the resulting company reflects the best of both organizations.

Q: Does Lee have the expertise to compete in a metro market?

Yes.

In the first place, Pulitzer already has strong management in place, and we have been impressed with both strategies we've seen and people we've met.

As for Lee's experience:

Two of our largest newspapers operate in metro markets. The *North County Times* in Oceanside and Escondido, Calif., is in the northern suburbs of San Diego. *The Times* in Munster, Ind., circulates in the southeast suburbs of Chicago. Both papers were part of the Howard Publications acquisition in 2002. Both have grown since the purchase.

Several of Lee's executives have metro market experience. Chief among them is Mary Junck, our chairman, president and CEO, who joined Lee in 1999. She previously held several senior executive positions at Times Mirror Company. From 1997 to 1999, she was executive vice president of Times Mirror and president of Times Mirror Eastern Newspapers. She was responsible for all newspaper operations in the region, including *Newsday*, *The Baltimore Sun*, the *Hartford Courant*, *The Morning Call* and Southern Connecticut Newspapers. From 1993 to 1997, she was publisher and chief executive officer of *The Baltimore Sun*. From 1990 to 1992, she was publisher and president of the *St. Paul Pioneer Press*, where she had served as president, general manager and senior vice president since 1985.

Q: How do you view the JOA with Gannett in Tucson?

We expect to have a good relationship with Gannett Co., Inc., as our partners in Tucson.

The joint operating agreement in Tucson has been in place since 1940. Pulitzer became a partner in 1971 and Gannett bought its half-interest in 1977.

Pulitzer oversees the news operations for the *Arizona Daily Star*, a morning newspaper with circulation of about 100,000 daily and 162,000 on Sunday. Gannett operates the *Tucson Citizen*, a 30,000-circulation afternoon newspaper six days a week.

With the exception of the two newsrooms, joint operations of the two papers are controlled by TNI Partners. Both Pulitzer and Gannett have three members on the TNI Board, which hires the president. Coincidentally, the current president, Mike Jameson, is a former Lee executive, as is the top advertising executive, Dan Adams. We're pleased to renew our relationships with them.

The current operating agreement in Tucson expires in 2015, but it can be renewed by either party for successive periods of 25 years each.

Q: Do you plan to make management changes?

We don't expect widespread changes. By way of reference, we made no immediate changes at the publisher level when we bought Howard Publications in 2002, other than filling a vacant position. Most of the publishers and other key personnel are still with Lee.

We have met or talked with every Pulitzer publisher and many of the top managers. Our overall impression is that Pulitzer is a well-run company with many talented people in upper management and on the front lines. Just as with Howard, we expect our other newspapers in Lee to benefit from the influx of new talent and fresh ideas.

Q: Will Pulitzer family members be involved in the combined business?

We do not expect Pulitzer family members to be actively engaged in the combined business, but will welcome their advice on preserving the Pulitzer heritage.

Q: Are you planning layoffs?

No plans have been made for staff reductions at any of the newspapers.

Q: What happens to the union contracts negotiated with Pulitzer?

Nothing. To the extent that contracts exist, they will be honored.

Q: What happens next?

You'll see a lot of activity in the coming weeks – and we promise more communication. The transaction is expected to close in the second quarter of calendar 2005.

Q: What if I have more questions or concerns?

As always, talk with your supervisor, your human resources representative or your publisher.

Also, although you're not yet a part of Lee, you're welcome to call our Open Door line and leave a recorded message (anonymously, if you choose): 1-800-331-1510. Or you can send an e-mail to opendoor@lee.net.

Additional Information and Where to Find It

The proposed transaction will be submitted to Pulitzer's stockholders for their consideration, and Pulitzer will file with the SEC a proxy statement to be used to solicit the stockholders' approval of the proposed transaction, as well as other relevant documents concerning the proposed transaction. STOCKHOLDERS OF PULITZER ARE URGED TO READ THE PROXY STATEMENT REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. A free copy of the proxy statement, as well as other filings containing information about Pulitzer, may be obtained at the SEC's Internet site (<http://www.sec.gov>). Copies of the proxy statement and the SEC filings that will be incorporated by reference in the proxy statement can also be obtained, without charge, by directing a request to James V. Maloney, Secretary, Pulitzer Inc., 900 North Tucker Boulevard, St. Louis, Missouri 63101.

Participants in the Solicitation

Pulitzer and its directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from the stockholders of Pulitzer in connection with the proposed transaction. Information regarding Pulitzer's directors and executive officers is available in Pulitzer's proxy statement for its 2004 annual meeting of stockholders, which was filed with the SEC on April 2, 2004. Additional information regarding the interests of such potential participants will be included in the proxy statement and the other relevant documents filed with the SEC when they become available.



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201 N. Harrison St.
Davenport, IA 52801-1939

www.lee.net

Mary E. Junck
Chairman, President and Chief Executive Officer
(563) 383-2100

January 31, 2005

Dear Pulitzer Employees:

I'm delighted that you're going to become part of Lee Enterprises, and I wish I could greet you personally right away.

The best we could do for now is send you this letter and post a brief video greeting, along with other information, at www.lee.net.

Lee is a 114-year-old company devoted to newspapers. Like Pulitzer, we are committed to quality journalism, our employees, our communities and the public trust.

Lee is based in Davenport, Iowa, and currently operates 44 daily newspapers in 19 states. Our newspapers include the *Wisconsin State Journal* in Madison, *The Times* of Northwest Indiana in Munster and the *North County Times* in Oceanside/Escondido, Calif.

When we join together, we will become the fourth largest U.S. newspaper publisher in terms of dailies owned and seventh largest in circulation, growing from 44 to 58 daily newspapers in 23 states, with new total circulation of 1.7 million daily and 2.0 million Sunday. Our annual revenue will rise to well over a billion dollars.

With the addition of about 4,000 people from Pulitzer, our combined company will have 10,700 employees. This means we'll all become part of a bigger, stronger company with more career opportunities.

Among the many reasons we're excited about Pulitzer is the people we've met. We've found them to be warm, smart and enthusiastic. Those of us already in Lee will try hard to make you feel the same way about us.

I'm attaching a Q&A to provide a few more answers to questions that may be on your mind, and we'll post regular updates at www.lee.net/pulitzer. You'll also find a toll-free number there that you're welcome to call with questions or comments.

With best wishes,

A handwritten signature in black ink, appearing to read "Mary E. Junck".

Attachment: Q&A
