FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1994-12-27** | Period of Report: **1994-09-30**
SEC Accession No. 0000743530-94-000017

FILER

LEE ENTERPRISES INC	Mailing Address	Business Address
CIK:**58361**| IRS No.: **420823980** | State of Incorp.:**DE** | Fiscal Year End: **0930**	*400 PUTNAM BUILDING*	*400 PUTNAM BLDG*
Type: **10-K** | Act: **34** | File No.: **001-06227** | Film No.: **94566384**	*215 N. MAIN STREET*	*215 N MAIN ST*
SIC: **2711** Newspapers: publishing or publishing & printing	*DAVENPORT IA 52801*	*DAVENPORT IA 52801*
		3193832100

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, 1994

[ ] 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 9, 1994. Common Stock and Class B Common Stock, $2.00 par value: $723,000,000.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of December 9, 1994. Common Stock, $2.00 par value, 15,754,767 shares; and Class B Common Stock, $2.00 par value, 6,666,872 shares.

PART I

Item 1. Business

Item 1(a) Recent business developments. During the Company's fiscal year ended September 30, 1994 there were no material developments in the Company's business.

Item 1(b) Financial information about industry segments. See Note 9 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:

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

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 owns 49.75% of the outstanding capital stock of Journal-Star Printing Co., Lincoln, Nebraska, which publishes two weekday newspapers, The Lincoln Star and The Lincoln Journal, as well as the Saturday Journal Star and the Sunday Journal and Star. The Company has a contract to furnish the editorial and news content for The Lincoln Star, which is a morning newspaper published daily, except Saturday and Sunday, and certain holidays, the editions of the Journal Star published on Saturday and certain holidays, and not less than 15% of the editorial and news content for the Sunday newspaper, the Sunday Journal and Star. Journal Limited Partnership, a partnership not affiliated with the Company, which owns 50.25% of the outstanding capital stock of Journal-Star Printing Co., has a similar contract to furnish the editorial and news content for The Lincoln Journal, which is an afternoon newspaper published daily, except Saturday, Sunday and certain holidays and not more than 85% of the news and editorial content for the Sunday Journal and Star. These newspapers are produced in the printing plant of Journal-Star Printing Co., which maintains common advertising, circulation, delivery and business departments for the two daily and Sunday newspapers. The Company is compensated for supplying the editorial and news content and certain administrative services. In the newspaper field and rating services The Lincoln Star is classified as one of the Lee Group of newspapers.

The Company also publishes 36 weekly newspapers, shoppers 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, as well as magazines, radio, television and other advertising media such as billboards, shoppers and direct mail. 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	Affiliation	Nielsen DMA Market Ranking
KOIN-TV - Portland, Oregon	CBS	25
KGMB-TV - Honolulu, Hawaii	CBS	69 <F1>
WSAZ-TV - Huntington-Charleston, West Virginia	NBC	56
KMTV - Omaha, Nebraska	CBS	74
KGUN-TV - Tucson, Arizona	ABC	81
KRQE-TV - Albuquerque, New Mexico	CBS	49 <F2>
KBIM-TV - Roswell, New Mexico	CBS	49 <F2>
KZIA-TV - Las Cruces, New Mexico	Paramount	100 <F3>

[FN]
<F1> KGMB-TV also operates satellite stations KGMD-TV, Hilo, Hawaii and KGMV-TV, Maui, Hawaii.
<F2> Combined DMA rank.
<F3> El Paso, Texas DMA Rank

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, and radio companies, as well as other advertising media such as newspapers, magazines and billboards. 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 conflicting application is filed, 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.

MEDIA PRODUCTS AND SERVICES

NAPP Systems Inc. ("NAPP") has been wholly-owned by the Company since

September 14, 1990 and is engaged in the business of manufacturing and selling photosensitive letterpress (NAPPlate) and flexographic (NAPPflex) polymer printing plates and selling related plate processing equipment manufactured under contracts by others to newspaper publishers, preprint, or telephone directory printing businesses located throughout the world.

NAPP is subject to competition in the photopolymer plate business. Present supplies and/or contracts with suppliers of aluminum, steel and chemicals used in manufacturing of NAPP plates are deemed adequate. Price increases for these raw materials are probable in the future, but these increases will affect competition as well as NAPP.

Under an Assignment and License Agreement with Nippon Paint Co., Ltd. ("Nippon"), former owner of 50% of the outstanding capital stock of NAPP, NAPP was granted the exclusive worldwide, nonassignable and nonsublicensable right to use Nippon's NAPPlate and NAPPflex patent rights in development, design, manufacture, marketing, sale, and distribution of photopolymer printing plates for use by newsprint, preprint, and telephone directory printing businesses throughout the world. In return for rights under the Assignment and License Agreement with Nippon, which are of substantial importance to NAPP, NAPP agreed to pay a fixed payment with respect to NAPPlate patent rights, which amount has been fully paid at the date of this report. With respect to NAPPflex patent rights, NAPP pays the greater of a minimum royalty or an annual royalty fee equal to 2% of the yearly defined net sales of NAPP.

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 1994, the Company, its subsidiaries and associated companies had approximately 4,700 employees, including approximately 1,600 part-time employees.

Item 2. Properties

The Company's executive offices are located in facilities leased under a short-term arrangement at 215 North Main Street, Davenport, Iowa.

All of the newspaper printing plants (except Madison and Lincoln) are owned by the Company. All newspaper printing plants (including Madison and Lincoln) 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.

The office, production and primary warehouse facilities of NAPP are located in buildings in San Marcos, California which are owned by NAPP, are in good condition and repair, and are suitable for its operations.

Item 3. Legal Proceedings

Not applicable.

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

Not applicable.

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				
1994:				
High	$ 35-1/2	$ 35-1/2	$ 38-1/8	$ 35
Low	32	31-3/4	33-3/4	31
Closing	34-1/2	32	35-1/8	35
1993:				
High	$ 31-5/8	$ 30-1/4	$ 31-1/2	$ 34-1/2
Low	27-1/2	27-1/4	28-1/2	30-1/4
Closing	31-3/8	27-1/4	29-5/8	30-1/2
1992:				
High	$ 32	$ 30	$ 27-7/8	$ 23-1/4
Low	27-1/2	26	23-1/8	20-1/4
Closing	32	27-1/4	26-7/8	23-1/4
DIVIDENDS PAID				
1994	$ .21	$ .21	$ .21	$ .21
1993	.20	.20	.20	.20
1992	.20	.19	.19	.19

For a description of the relative rights of Common Stock and Class B Common Stock, see Note 6 of the Notes to Financial Statements under Item 8 herein.

At September 30, 1994, the Company had 5,118 holders of Common Stock and 3,026 holders of Class B Common Stock.

Item 6. Selected Financial Data

FIVE YEAR FINANCIAL PERFORMANCE

Year Ended September 30:	1994	1993	1992	1991	1990
	(In Thousands Except Per Share Data)				
OPERATIONS					

Operating revenue	$402,551	$372,907	$363,918	$346,260	$287,477
Net income	$ 50,854	$ 41,236	$ 38,492	$ 31,501	$ 43,494
PER SHARE AMOUNTS					
Weighted average shares	23,425	23,460	23,341	23,292	23,928
Earnings	$ 2.17	$ 1.76	$ 1.65	$ 1.35	$ 1.82
Dividends	.84	.80	.77	.76	.72
OTHER DATA					
Total assets	$474,701	$482,317	$504,985	$490,264	$496,395
Debt, including current maturities	130,532	160,214	173,537	191,096	205,007
Stockholders' equity	241,930	223,482	203,812	183,035	173,343

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

Management Review and Discussions

Operating results are summarized below:

	1994	1993	1992
	(In Thousands)		
Operating revenue	$402,551	$372,907	$363,918
Percent change	7.9%	2.5%	5.1%
Operating income	95,477	81,139	80,169
Percent change	17.7%	1.2%	15.6%
Net income	50,854	41,236	38,492
Percent change	23.3%	7.1%	22.2%
Earnings per share	2.17	1.76	1.65
Percent change	23.3%	6.7%	22.2%

Fiscal 1994 and 1993 comparisons were not affected by significant acquisitions. The 1992 operating revenue growth rate was 2.1% excluding the effect of the purchase of New Mexico Broadcasting Company, Inc.

NEWSPAPERS

	1994	1993	1992
	(In Thousands)		
Operating revenue	$241,032	$223,423	$213,666
Percent change	7.9%	4.6%	2.9%
Operating income:			
Wholly-owned properties	65,881	58,434	59,144

Percent change	12.7%	(1.2%)	18.7%
Equity in net income	10,031	9,502	8,667
Percent change	5.6%	9.6%	8.4%
Operating margin, wholly-owned properties	27.3%	26.2%	27.7%

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

	1994	1993	1992
		(In Thousands)	
Daily newspaper:			
Advertising	$134,322	$126,920	$122,762
Percent change	5.8%	3.4%	2.5%
Circulation	66,302	63,285	59,882
Percent change	4.8%	5.7%	5.6%
Other	40,408	33,218	31,022
Percent change	21.6%	7.1%	(.4%)

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

ADVERTISING INCHES	1994	1993	1992
		(In Thousands)	
Classified	3,508	3,227	3,130
Percent change	8.7%	3.1%	(.1%)
Local	4,950	5,002	5,144
Percent change	(1.0%)	(2.8%)	(1.6%)

Classified advertising revenue increased approximately 13.3% in 1994, 4.4% in 1993 and 2.2% in 1992. The average rate realized increased 4.2% in 1994, 1.3% in 1993 and 2.5% in 1992. In 1994 growth was led by increases in employment, automotive and private party 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 in 1994 increased 2.8% on higher average rates despite a 1.0% decrease in advertising inches. In 1993 revenue was flat due to the 2.8% decrease in volume. In 1992 revenue increased .4% while volume decreased by 1.6% as advertisers reduced the average ad size.

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 increased $1,275,000 (4.4%) in 1994, $1,500,000 (5.7%) in 1993 and $2,000,000 (7.9%) in 1992 primarily as a result of increases in volume.

In 1994 circulation revenue increased 4.8% as a result of higher rates which offset a .7% decrease in volume. The 1993 and 1992 increases in circulation revenue were a result of increases in price of 5.4% and 5.1% and in the number of subscribers of .3% and .5%, respectively.

The primary components of the 1994 increase in other revenue resulted from: 1) a $2,000,000 increase in products delivered outside the newspaper (which include activities such as target marketing and special event production), 2) a $3,900,000 increase in weekly and specialty publications, including $2,150,000 related to acquisitions, and 3) a $900,000 increase in commercial printing. The 1993 increase was primarily the result of a $1,000,000 increase in products delivered outside the newspaper and a $1,000,000 increase in commercial printing. Revenues from acquisitions and start-ups of weekly newspapers were not significant in

1993, net of the effect of discontinued publications.

Exclusive of the effects of the specialty publication acquisitions, in 1994 costs other than depreciation and amortization (which we refer to as "cash costs") 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 in 1994 decreased 1.1%. Increased newsprint rebates offset a 4% increase in newsprint usage by newspapers and a 11% increase in commercial printing volume. Exclusive of the acquisitions, other cash costs increased 7.1% primarily due to non-traditional services and normal inflationary increases.

After many years of flat or declining newsprint prices, suppliers have announced sharply higher newsprint prices for 1995. The increases reflect a growing economy and worldwide newsprint demand. If newsprint prices actually increase as indicated our costs could increase by 15-20% in 1995.

In 1993 cash costs increased 7.5%. Compensation costs increased 3.7% primarily as a result of salary increases. Newsprint and ink costs increased 10.0% primarily as a result of reduced newsprint rebates and an increase in commercial printing. Other cash costs increased 12.2% primarily due to costs related to non-traditional services and normal inflationary increases.

In 1992 cash costs decreased 1.6%. Increases in total compensation of 3.7% as a result of salary increases and termination payments were partially offset by a decrease in total hours worked of 2.5%. Lower newsprint prices reduced expense by approximately $5,300,000, and reduced commercial printing activity resulted in approximately $500,000 of newsprint cost reduction. All other cash costs increased only 1.4% as a result of the cost control programs.

BROADCASTING

	1994	1993	1992
		(In Thousands)	
Operating revenue	$ 90,000	$ 81,284	$ 79,118
Percent change	10.7%	2.7%	13.5%
Operating income	21,494	16,712	13,966

Percent change	28.6%	19.7%	28.7%
Operating margin	23.9%	20.6%	17.7%

The full year of operations from the acquisition of KZIA-TV, Las Cruces, New Mexico, increased operating revenue in 1994 by $400,000. Exclusive of the effects of this acquisition, local/regional revenue increased $4,700,000 and national advertising increased $4,300,000. Included in these increases are the effects of the Winter Olympics on our five CBS affiliates. Recent changes in network affiliation agreements are expected to increase 1995 network compensation revenue by approximately $2,000,000.

Political advertising in 1993 increased $1,100,000 over the prior year. Local/regional advertising increased by $2,500,000 which was offset, in part, by a $1,200,000 decrease in national advertising. The national advertising decrease was primarily related to the economically depressed west coast markets where national media buyers reduced their orders. This reaction impacted Portland even though that area remained solid economically. Network compensation decreased $300,000 for the year, primarily at the Company's CBS-affiliated stations.

The acquisition of New Mexico Broadcasting Company increased operating revenue in 1992 by $9,100,000. Exclusive of the effects of this acquisition broadcasting revenue increased .4% in 1992. A $3,000,000 decrease in political advertising in the first quarter of 1992 was offset by increased revenue primarily at the Company's CBS-affiliated television stations during the remainder of the fiscal year. Network compensation decreased $500,000 for the year, primarily at the Company's NBC affiliate.

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 Las Cruces). Portland, Omaha and Huntington all expanded news programming which required additional staffing and other related costs. Film amortization declined $1,000,000 primarily due to lower programming costs. Other cash costs increased $1,800,000 or 10.4%, due to costs related to the higher business activity levels. In 1995 programming costs are not expected to change significantly.

Operating income increased $2,600,000 in 1993. Programming costs decreased by $3,300,000 reflecting trends from 1992. Compensation costs increased 5.0% primarily as a result of salary increases. Other cash costs increased by 5.1% reflecting increased sales promotion costs and inflationary cost increases.

The operating income increase in 1992 reflects a $2,900,000 net improvement resulting primarily from a reduction in programming costs and a reduction of .3% in other operating costs.

MEDIA PRODUCTS AND SERVICES

In 1994 NAPP's revenue increased 5.2% due primarily to higher flexographic printing plate sales. The contribution from letterpress printing plates for the year was flat as higher average prices offset increased manufacturing costs and a 10% reduction in plate volume.

NAPP presently expects conversion to offset or flexographic printing by its existing newspaper letterpress customer base within the next fifteen to twenty years. The timing of conversion to offset or flexographic printing by present newspaper customers of NAPP in future periods is difficult to predict since printing equipment may be retired based on considerations other than physical condition. The decision will also be impacted by a number of factors beyond NAPP's control, including economic conditions in NAPP's worldwide market.

NAPP may be able to offset a portion of the loss in newspaper letterpress revenues by increasing the newspaper and commercial market for its flexographic product, increasing product offerings in the commercial letterpress printing market, development of additional products for use in other printing technologies and marketing of the cost-effective letterpress printing technology in Eastern Europe and other countries where newspaper markets are developing. There is no assurance that NAPP will be successful in replacing its newspaper letterpress revenues.

During 1993 NAPP restructured its European operations and appointed a distributor for the European market. The distribution agreement provides for payment in U.S. dollars, which substantially reduces NAPP's exposure to fluctuation in foreign currency exchange rates. Costs of approximately $2,000,000 related to closing NAPP's United Kingdom sales office were offset in part by a one-time sale of letterpress printing plate inventories to the new distributor. In 1992 NAPP was able to offset the loss of letterpress volume due to conversions to offset printing by increasing market share and levels of customer inventories.

INTEREST EXPENSE

Interest expense decreased by approximately $1,700,000 in 1994, $1,600,000 in 1993 and $1,800,000 in 1992. The most significant elements of the decrease were a lower debt level which reduced interest by approximately $1,700,000, $800,000, and $1,000,000, respectively, and in 1992, a $600,000 reduction in interest on amended income tax returns. The continuing phase-out of the Company's Deferred Compensation Unit Plan reduced interest by $400,000 and $500,000 in 1993 and 1992, respectively. The 1992 reductions were offset, in part, by interest expense related to the acquisition of New Mexico Broadcasting Company which totaled approximately $300,000.

INCOME TAXES

Income taxes were 40.1% of pretax income in 1994, 39.3% in 1993 and 40.7% in 1992. The effect of the federal income tax rate increase was approximately $200,000 in 1994 and $1,000,000 including a $500,000 increase in deferred income tax credits in 1993. The 1993 increase was offset by the reduction in the income tax interest contingency related to the income tax basis of acquired intangibles due to favorable court rulings for taxpayers with similar circumstances and changes in the income tax law. The effective tax rate for 1995 is expected to be approximately 39%.

LIQUIDITY, CAPITAL RESOURCES AND COMMITMENTS

Cash provided by operations is the Company's primary source of liquidity, generating $77,775,000 in 1994, $58,275,000 in 1993 and $68,137,000 in 1992. The reduction in cash provided by operations in 1993 is attributable to the $7,749,000 distribution to participants in connection with the phase-out of a long-term deferred compensation plan. The Company has not traditionally made use of short-term debt to finance seasonal or other working capital requirements.

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 were $17,611,000, $9,988,000 and $3,954,000 in 1994, 1993 and 1992, respectively, and are expected to be about $17,000,000 in 1995. 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 22 cents per share, an annual rate of $.88.

During the fiscal year ended September 30, 1994, the Company paid $19,367,000 or 38.1% of the current year's earnings in dividends. 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.

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 SHEET

	September 30,		
	1994	1993	1992

	(Dollars In Thousands)		
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 18,784	$ 17,072	$ 23,271
Temporary investments	38,859	45,500	24,800
Trade receivables, less allowance for doubtful accounts 1994 $4,100; 1993 $3,400 and 1992 $3,500	46,170	43,284	43,786
Receivables from associated companies	2,169	2,137	1,852
Inventories	13,147	11,177	12,489
Film rights and other	16,578	15,952	19,727
Total current assets	$135,707	$135,122	$125,925
INVESTMENTS, associated companies	$ 21,969	$ 20,305	$ 18,977
PROPERTY AND EQUIPMENT			
Land and improvements	$ 11,392	$ 11,319	$ 11,856
Buildings and improvements	56,675	55,177	55,855
Equipment	152,547	137,917	129,941
	$220,614	$204,413	$197,652
Less accumulated depreciation	138,450	129,057	120,854
	$ 82,164	$ 75,356	$ 76,798
INTANGIBLES AND OTHER ASSETS			
Intangibles	$225,633	$242,267	$276,470
Other	9,228	9,267	6,815
	$234,861	$251,534	$283,285
	$474,701	$482,317	$504,985

	September 30,		
	1994	1993	1992
	(Dollars In Thousands)		
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			

Current maturities of long-term debt	$ 31,891	$ 32,748	$ 20,363
Accounts payable	17,336	13,215	15,116
Compensation and other accruals	26,523	25,078	34,094
Income taxes payable	12,971	10,808	21,494
Unearned income	11,009	9,859	9,096
Total current liabilities	$ 99,730	$ 91,708	$100,163
LONG-TERM DEBT, net of current maturities	$ 98,641	$127,466	$153,174
DEFERRED ITEMS			
Retirement and compensation	$ 13,021	$ 13,747	$ 11,442
Income taxes	21,379	25,914	36,394
	$ 34,400	$ 39,661	$ 47,836
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 1994 16,065,000 shares	$ 32,130	$ 31,826	$ 41,842
Class B, common, $2 par value; authorized 30,000,000 shares; issued and outstanding 1994 6,695,000 shares	13,390	14,374	18,606
Additional paid-in capital	6,497	3,469	- -
Unearned compensation	(665)	(901)	(760)
Retained earnings	190,578	174,714	256,519
	$241,930	$223,482	$316,207
Less cost of shares reacquired for the treasury	- -	- -	112,395
	$241,930	$223,482	$203,812
	$474,701	$482,317	$504,985

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended September 30,		
	1994	1993	1992
	(In Thousands Except Per Share Data)		

OPERATING REVENUE			
Newspaper:			
Advertising	$134,322	$126,920	$122,762
Circulation	66,302	63,285	59,882
Other	40,408	33,218	31,022
Broadcasting	90,000	81,284	79,118
Media products and services	61,357	58,651	62,846
Equity in net income of associated companies	10,162	9,549	8,288
	$402,551	$372,907	$363,918
Operating expenses:			
Compensation costs	$138,486	$128,734	$125,475
Newsprint and ink	21,744	21,936	19,939
Depreciation	10,916	11,131	11,246
Amortization of intangibles	12,580	13,645	13,614
Other	123,348	116,322	113,475
	$307,074	$291,768	$283,749
Operating income	$ 95,477	$ 81,139	$ 80,169
Financial (income) expense:			
Interest expense	$ 13,576	$ 15,312	$ 16,897
Financial (income)	(2,984)	(2,103)	(1,600)
	$ 10,592	$ 13,209	$ 15,297
Income before taxes on income	$ 84,885	$ 67,930	$ 64,872
Income taxes	34,031	26,694	26,380
Net income	$ 50,854	$ 41,236	$ 38,492
Weighted average number of shares	23,425	23,460	23,341
Earnings per share	$ 2.17	$ 1.76	$ 1.65

CONSOLIDATED STATEMENTS OF CASH FLOWS

	September 30,		
	1994	1993	1992
	(In Thousands)		

CASH PROVIDED BY OPERATING ACTIVITIES			
Net income	$ 50,854	$ 41,236	$ 38,492
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	23,496	24,776	24,860
Undistributed earnings of associated companies	(1,696)	(1,563)	(751)
Change in assets and liabilities, net of effects from business acquisitions:			
(Increase) decrease in receivables	(2,631)	529	(3,870)
(Increase) decrease in inventories, film rights and other	(4,013)	1,447	(910)
Increase (decrease) in accounts payable, accrued expenses and unearned income	5,038	(10,154)	10,830
Increase in income taxes payable	2,163	884	5,670
Other, primarily deferred items	4,564	1,120	(6,184)
Net cash provided by operating activities	$ 77,775	$ 58,275	$ 68,137
CASH (REQUIRED FOR) INVESTING ACTIVITIES			
Acquisitions	$ (4,132)	$ (444)	$ (1,500)
Additional investment in associated companies	- -	(50)	(1,365)
Purchase of property and equipment	(17,611)	(9,988)	(3,954)
Purchase of temporary investments	(117,732)	(87,500)	(25,600)
Proceeds from maturities of temporary investments	124,373	66,800	1,900
Net cash (required for) investing activities	$(15,102)	$(31,182)	$(30,519)
CASH (REQUIRED FOR) FINANCING ACTIVITIES			
Purchase of common stock	$(16,498)	$ (8,702)	$ (2,958)
Cash dividends paid	(19,367)	(18,495)	(17,771)
Principal payments on long-term borrowings	(26,667)	(11,070)	(13,549)
Other, primarily stock options exercised	1,571	4,975	2,707
Net cash (required for) financing activities	$(60,961)	$(33,292)	$(31,571)
Net increase (decrease) in cash and cash equivalents	$ 1,712	$ (6,199)	$ 6,047
Cash and cash equivalents:			
Beginning	17,072	23,271	17,224
Ending	$ 18,784	$ 17,072	$ 23,271

<TABLE>

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

<CAPTION>

	Years Ended September 30,					
		Amount			Shares	
	1994	1993	1992	1994	1993	1992

(In Thousands Except Per Share Data)

<S>	<C>	<C>	<C>	<C>	<C>	<C>
COMMON STOCK						
Balance, beginning	$ 31,826	$ 41,842	$ 40,604	15,913	20,921	20,302
Conversion from Class B Common Stock	988	432	1,238	494	216	619
Cancellation of treasury stock	- -	(10,480)	- -	- -	(5,240)	- -
Shares issued	462	560	- -	231	280	- -
Shares reacquired	(1,146)	(528)	- -	(573)	(264)	- -
Balance, ending	$ 32,130	$ 31,826	$ 41,842	16,065	15,913	20,921
CLASS B COMMON STOCK						
Balance, beginning	$ 14,374	$ 18,606	$ 19,844	7,187	9,303	9,922
Conversion to Common Stock	(988)	(432)	(1,238)	(494)	(216)	(619)
Cancellation of treasury stock	- -	(3,712)	- -	- -	(1,856)	- -
Shares issued	14	90	- -	7	45	- -
Shares reacquired	(10)	(178)	- -	(5)	(89)	- -
Balance, ending	$ 13,390	$ 14,374	$ 18,606	6,695	7,187	9,303
ADDITIONAL PAID-IN CAPITAL						
Balance, beginning	$ 3,469	$ - -	$ - -			
Shares issued and reacquired, net	3,028	3,469	- -			
Balance, ending	$ 6,497	$ 3,469	$ - -			
UNEARNED COMPENSATION						
Balance, beginning	$ (901)	$ (760)	$ - -			
Restricted shares issued	(474)	(787)	(1,067)			
Restricted shares cancelled	22	118	- -			
Amortization	688	528	307			
Balance, ending	$ (665)	$ (901)	$ (760)			

</TABLE>

<TABLE>
<CAPTION>

	Years Ended September 30,					
	Amount			Shares		
	1994	1993	1992	1994	1993	1992
	(In Thousands Except Per Share Data)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
RETAINED EARNINGS						
Balance, beginning	$174,714	$256,519	$236,701			
Net income	50,854	41,236	38,492			
Cash dividends per share 1994 $.84; 1993 $.80; 1992 $.77	(19,367)	(18,495)	(17,771)			
Treasury stock issued for less than cost or cancelled	- -	(98,203)	(273)			
Shares reacquired	(15,623)	(6,343)	- -			
Balance, ending	$190,578	$174,714	$256,519			
TREASURY STOCK						
Balance, beginning	$ - -	$112,395	$113,484	- -	7,096	7,154
Shares reacquired	- -	- -	2,958	- -	- -	109
Shares issued	- -	- -	(4,047)	- -	- -	(167)

Cancellation of treasury stock	- -	(112,395)	- -	- -	(7,096)	- -
Balance, ending	$ - -	$ - -	$112,395	- -	- -	7,096
STOCKHOLDERS' EQUITY	$241,930	$223,482	$203,812	22,760	23,100	23,128

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

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 because of the short maturity of those instruments.

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, 1994, 1993 and 1992 were less than replacement cost by $2,985,000, $3,148,000 and $3,132,000, respectively.

Media product inventories are valued at the lower of standard cost (which approximates cost on a first-in, first-out method) or market.

FILM RIGHTS:

Cost of film rights is stated at the lower of cost or estimated 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 film rights is charged to operations primarily on accelerated bases related to the usage of the program. The current portion of film rights represents those rights that will be amortized in the succeeding year.

INVESTMENTS IN ASSOCIATED COMPANIES:

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.

FOREIGN CURRENCY TRANSLATION:

The Company through its subsidiary, NAPP Systems Inc., has approximately 3%, 5% and 8% of its 1994, 1993 and 1992 revenue in foreign currencies, respectively. Assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date. Revenues, costs and expenses are translated at average rates of exchange prevailing during the year. Translation adjustments resulting from this process are charged or credited to operations. Realized and unrealized gains and losses on foreign currency transactions and forward contracts are included in operations. For the years ended September 30, 1994 and 1993, the Company had no foreign exchange forward contracts outstanding. Gains and losses on foreign exchange forward contracts were not material in 1992.

FINANCIAL INSTRUMENTS AND RISK CONCENTRATION:

Financial instruments which potentially subject the Company to concentrations of credit risk are cash investments. The Company places its cash investments with high-credit-quality financial institutions and currently invests primarily in commercial paper and corporate bonds that have maturities of 6 months or less. The Company believes no significant concentration of credit risk exists with respect to these cash investments.

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
Manufacturing equipment	5-8

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

INTANGIBLES:

Intangibles include covenants not-to-compete, consulting agreements, customer lists and the excess costs over fair value of tangible net assets of businesses acquired.

The excess costs over fair value of net tangible assets include $21,510,000 related to the newspaper and broadcast segments incurred prior to October 31, 1970, which is not being amortized. Excess costs related to shoppers are being amortized over a 10 to 15 year period. The remaining newspaper and broadcast segment costs are being amortized over a period of 40 years. Intangibles related to the media products and services segment are being amortized over a period of 20 years. Intangibles, representing non-compete covenants and consulting agreements, are being amortized over a period of 3 to 10 years.

The Company reviews its intangibles annually to determine potential impairment by comparing the carrying value of the intangibles with the anticipated future cash flows of the related property.

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 operating 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. ACQUISITIONS

The Company acquired two specialty publications in 1994, an independent television station in 1993 and two shoppers in 1992.

The purchase price of business acquisitions was allocated as follows:

	Year Ended September 30, 1994	1993	1992
	(In Thousands)		
Noncash working capital acquired	$ 161	$ 27	$ - -
Property and equipment	436	505	165
Intangibles	3,535	67	2,829
Deferred items	- -	(155)	(1,494)
Total cash purchase price	$ 4,132	$ 444	$ 1,500

NOTE 3. INVESTMENTS IN ASSOCIATED COMPANIES

The Company has an effective 50% ownership interest in two newspaper publishing companies operating at Lincoln, Nebraska (Journal-Star Printing Co.) and Madison, Wisconsin (Madison Newspapers, Inc.) and a direct marketing venture, Quality

Information Systems.

Summarized financial information of the associated companies is as follows:

Combined Associates	1994	1993	1992
		(In Thousands)	
Assets			
Current assets	$ 35,895	$ 36,420	$ 37,076
Investments and other assets	13,757	14,486	7,261
Property and equipment, net	13,835	8,608	9,007
	$ 63,487	$ 59,514	$ 53,344
Liabilities and Stockholders' Equity			
Current liabilities	$ 17,839	$ 17,684	$ 14,705
Long-term debt	615	615	1,119
Deferred items	2,414	1,915	1,689
Stockholders' equity	42,619	39,300	35,831
	$ 63,487	$ 59,514	$ 53,344
Revenue	$ 98,011	$ 92,097	$ 85,568
Income before depreciation, interest and income taxes	33,454	31,333	27,251
Operating income	31,629	29,600	25,499
Net income	20,353	19,124	16,599

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

	1994	1993	1992
		(In Thousands)	
Share of:			
Stockholders' equity	$ 21,265	$ 19,601	$ 17,872
Undistributed earnings	19,508	17,844	16,543

NOTE 4. DEBT

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

	September 30, 1994	1993	1992
		(In Thousands)	
Insurance companies notes payable:			
Senior notes, effective rate of 8.27%, due January 1997	$ 20,000	$ 20,000	$ 35,000
Senior notes, effective rate of 9.79%, due in varying amounts from 1995 through 1999	75,000	100,000	110,000
Film contracts, noninterest bearing, due through 1997	2,040	4,366	6,447
Other 5.0%, due through 2010	1,601	3,100	1,727
	$ 98,641	$127,466	$153,174

Aggregate maturities during the next five years are $31,891,000, $26,911,000, $20,277,000, $25,079,000, and $26,374,000. Covenants under these agreements are not considered restrictive to normal operations or anticipated stockholder dividends.

The fair value of the Company's long-term 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 fair value of the long-term debt at September 30, 1994 and 1993 is approximately $102,239,000 and $141,451,000, respectively.

NOTE 5. 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 $10,200,000 in 1994, $7,800,000 in 1993 and $9,056,000 in 1992.

NOTE 6. 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.

During 1993, the Board of Directors retired 7,096,000 shares of treasury stock and adopted the policy of retiring all shares of the Company's common stock as it is repurchased.

NOTE 7. STOCK OPTION AND RESTRICTED STOCK AND STOCK PURCHASE PLANS

Stock option and restricted stock plans:

The Company has reserved 3,768,000 common shares 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		
	1994	1993	1992
	(In Thousands)		
Under option, beginning of year	1,278	1,341	1,195
Granted	99	186	225
Terminated and cancelled	(17)	(11)	- -
Exercised	(157)	(238)	(79)
Under option, end of year	1,203	1,278	1,341
Options exercisable, end of year	928	869	809

As of September 30, 1994, 39,000 options granted in 1986 and in prior years are for Class B Common Stock. All other options granted in 1987 and all subsequent option grants are for common stock.

	Average Price		
	1994	1993	1992
Granted during the year	$32.05	$31.08	$22.00
Exercised during the year	24.73	19.88	13.90
Under option, end of year	26.40	25.81	24.04

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, 1994, 82,000 shares of restricted stock were outstanding.

At September 30, 1994, 2,565,000 shares were available for granting of stock options or issuance of restricted stock.

Stock purchase plan:

The Company has 163,000 additional shares of common stock available for issuance pursuant to a non-officer employee stock purchase plan. April 30, 1995 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 1994, 1993 and 1992 employees purchased 60,000, 54,000 and 54,000 shares, respectively, at a per share price of $24.97 in 1994, $24.76 in 1993 and $24.76 in 1992.

NOTE 8. INCOME TAX MATTERS

Components of income tax expense consist of the following:

	Year Ended September 30, 1994	1993	1992
	(In Thousands)		
Paid or payable on currently taxable income:			
Federal	$27,846	$21,554	$22,349
State	5,535	4,311	4,467
Net increase (decrease) due to deferred income taxes	650	829	(436)
	$34,031	$26,694	$26,380

Income tax expense for the years ended September 30, 1994, 1993 and 1992 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 1994	1993	1992
Computed "expected" income tax expense	35.0%	34.8%	34.0%
State income taxes, net of federal tax benefit	4.2	4.2	4.4
Net income of associated companies taxed at dividend rates	(3.7)	(4.4)	(4.1)
Effect of change in tax rates on deferred taxes	- -	.7	- -
Goodwill amortization	3.3	4.7	4.9
Other	1.3	(.7)	1.5
	40.1%	39.3%	40.7%

Foreign taxes are not material.

Net deferred tax liabilities consist of the following components as of September 30, 1994, 1993 and 1992:

	1994	1993	1992
	(In Thousands)		
Deferred tax liabilities:			
Property and equipment	$ 3,429	$ 3,728	$ 2,642
Equity in undistributed earnings of affiliates	1,676	1,529	1,350
Deferred gain on sale of broadcast properties	3,308	3,308	3,231
Identifiable intangible assets	19,686	23,120	34,032
	$ 28,099	$ 31,685	$ 41,255
Deferred tax assets:			
Accrued compensation	$ 7,525	$ 6,670	$ 8,672
Receivable allowance	1,746	1,493	1,429
Loss carryforwards acquired	784	1,703	1,660
Other	3,084	3,411	2,812
	$ 13,139	$ 13,277	$ 14,573
Less, valuation allowance	- -	1,703	1,660
	$ 13,139	$ 11,574	$ 12,913
	$ 14,960	$ 20,111	$ 28,342

The components giving rise to the net deferred tax liabilities described above have been included in the accompanying balance sheets as of September 30, 1994, 1993 and 1992 as follows:

	1994	1993	1992
	(In Thousands)		
Current assets	$ 6,419	$ 5,803	$ 8,052
Noncurrent liabilities	(21,379)	(25,914)	(36,394)
	$(14,960)	$(20,111)	$(28,342)

The Company provided a valuation allowance of $1,660,000 during 1991 at the time New Mexico Broadcasting Company, Inc. was acquired because of limitations imposed by the tax laws on the Company's ability to realize the benefit of the acquired operating loss carryforwards. The net change in the valuation allowance for deferred tax assets was an increase of $43,000 during 1993, due to the effect of the tax rate change on the net operating loss carryforward. 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 remaining net operating losses will be utilized and, accordingly, reduced the valuation allowance by $1,703,000 with a corresponding reduction in goodwill.

Based upon recent favorable court rulings for taxpayers with similar circumstances and changes in the income tax law and recent Internal Revenue examination, the Company changed its estimate of the tax basis of acquired intangibles and reduced goodwill by $5,877,000 and $20,632,000 during the years ended September 30, 1994 and 1993 respectively.

NOTE 9. LINE OF BUSINESS INFORMATION

The Company has three principal businesses: newspaper publishing, broadcasting and sale of media products and services. As of September 30, 1994, operating divisions and associated companies publish 19 daily newspapers and operate eight television stations. Media products and services consist primarily of the operations of NAPP Systems Inc., a manufacturer of graphic systems products.

	Year Ended September 30,		
	1994	1993	1992
	(In Thousands)		
Revenues:			
Newspapers:			
Wholly-owned properties	$241,032	$223,423	$213,666
Equity in net income of associated companies	10,031	9,502	8,667
Broadcasting	90,000	81,284	79,118
Media products and services:			
Wholly-owned properties	61,357	58,651	62,846
Equity in net income (loss) of associated companies	131	47	(379)
Total revenue	$402,551	$372,907	$363,918
Operating income:			
Newspapers	$ 75,912	$ 67,936	$ 67,811
Broadcasting	21,494	16,712	13,966
Media products and services	11,321	8,187	10,384
Corporate and other	(13,250)	(11,696)	(11,992)
Total operating income	$ 95,477	$ 81,139	$ 80,169
Identifiable assets:			
Newspapers	$174,695	$168,432	$182,418
Broadcasting	139,401	147,270	165,158
Media products and services	88,225	95,641	100,542
Corporate	72,380	70,974	56,867

Total identifiable assets	$474,701	$482,317	$504,985
Depreciation:			
Newspapers	$ 5,645	$ 6,087	$ 6,385
Broadcasting	3,917	3,635	3,868
Media products and services	850	804	880
Corporate	504	605	113
Total depreciation	$ 10,916	$ 11,131	$ 11,246
Amortization of intangibles:			
Newspapers	$ 4,927	$ 5,584	$ 5,553
Broadcasting	3,661	4,069	4,069
Media products and services	3,992	3,992	3,992
Total amortization of intangibles	$ 12,580	$ 13,645	$ 13,614
Capital expenditures:			
Newspapers	$ 12,993	$ 2,113	$ 1,833
Broadcasting	4,298	3,715	1,417
Media products and services	170	398	315
Corporate	150	3,762	389
Total capital expenditures	$ 17,611	$ 9,988	$ 3,954

NOTE 10. OTHER INFORMATION

Balance sheet information:

Inventories consist of the following:

	September 30, 1994	1993	1992
	(In Thousands)		
Newsprint	$ 2,343	$ 2,904	$ 3,087
Media products and services:			
Raw material	5,684	4,737	4,571
Finished goods	5,120	3,536	4,831
	$ 13,147	$ 11,177	$ 12,489

Film rights and other consist of the following:

	September 30, 1994	1993	1992
	(In Thousands)		
Film rights	$ 6,278	$ 7,507	$ 9,007
Deferred income taxes	6,419	5,803	8,052
Other	3,881	2,642	2,668
	$ 16,578	$ 15,952	$ 19,727

Intangibles consist of the following:

	September 30, 1994	1993	1992
	(In Thousands)		
Goodwill	$206,525	$209,356	$232,595
Less, accumulated amortization	56,631	46,834	41,519
	$149,894	$162,522	$191,076
Covenants and consulting			

agreements	$ 25,315	$ 23,955	$ 23,955
Less, accumulated amortization	13,543	10,302	7,085
	$ 11,772	$ 13,653	$ 16,870
Customer lists, broadcasting licenses and agreements and newspaper subscriber lists	$ 79,432	$ 79,332	$ 79,332
Less, accumulated amortization	15,465	13,240	10,808
	$ 63,967	$ 66,092	$ 68,524
	$225,633	$242,267	$276,470

Compensation and other accruals consist of the following:

	September 30, 1994	1993	1992
	(In Thousands)		
Compensation	$ 9,684	$ 10,777	$ 11,484
Deferred compensation, current portion	1,567	173	7,749
Vacation pay	3,892	3,811	3,572
Retirement and stock purchase plans	2,769	2,192	2,302
Interest	2,365	2,831	3,034
Other	6,246	5,294	5,953
	$ 26,523	$ 25,078	$ 34,094

Cash flows information:

	Year Ended September 30, 1994	1993	1992
	(In Thousands)		
Cash payments for:			
Interest	$ 14,042	$ 15,515	$ 17,137
Income taxes	$ 31,218	$ 24,743	$ 21,146
Film rights were acquired by issuing long-term contracts as follows	$ 3,600	$ 4,900	$ 6,900
Issuance of restricted common stock, net	$ 452	$ 669	$ 1,067
Change in tax contingency estimates:			
Reduction in goodwill	$ 7,580	$ 20,632	$ - -
Reduction in:			
Deferred income taxes	$ 5,801	$ 9,060	$ - -
Income taxes payable	1,779	11,572	- -
	$ 7,580	$ 20,632	$ - -

SUPPLEMENTARY DATA
QUARTERLY RESULTS (UNAUDITED)

	4th	3rd	2nd	1st
	(In Thousands Except Per Share Data)			
1994 Quarter				
Operating revenue	$102,519	$103,022	$ 94,923	$102,087
Net income	13,606	14,367	9,564	13,317
Earnings per common and common equivalent share	$ .58	$ .61	$ .41	$ .57
1993 Quarter				
Operating revenue	$ 94,608	$ 97,043	$ 84,909	$ 96,347
Net income	11,383	11,849	6,501	11,503
Earnings per common and common equivalent share	$ .49	$ .51	$ .28	$ .49
1992 Quarter				
Operating revenue	$ 91,766	$ 93,173	$ 84,776	$ 94,203
Net income	10,764	11,761	6,342	9,625
Earnings per common and common equivalent share	$ .46	$ .50	$ .27	$ .42

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

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant

NOMINEES FOR ELECTION AS DIRECTORS

Nominee	Principal Occupation	Age	Proposed Term	Director Since
Andrew E. Newman	Chairman of the Board, Edison Brothers Stores, Inc. <F2>	50	3 years (1998)	1991
Ronald L. Rickman	Vice President-Newspapers	56	3 years (1998)	1986
Lloyd G. Schermer	Chairman of the Board <F1>	68	3 years (1998)	1959
Richard W. Sonnenfeldt	Consultant and Retired Chief Executive Officer of NAPP Systems Inc. <F3>	71	1 year (1996)	1982

DIRECTORS CONTINUING IN OFFICE

Director	Principal Occupation	Age	Remaining Term	Director Since
J. P. Guerin	Investor <F1><F3>	65	2 years (1997)	1985
Charles E. Rickershauser, Jr.	Chairman of the Board, PS Group, Inc. <F3><F4>	66	2 years (1997)	1990

Mark Vittert	Private Investor <F2><F4>	46	2 years (1997)	1986
Rance E. Crain	President, Crain Communications <F2>	56	1 year (1996)	1990
Richard D. Gottlieb	President and Chief Executive Officer <F1>	52	1 year (1996)	1986
Phyllis Sewell	Retired <F2><F4>	64	1 year (1996)	1977

[FN]
<F1> Member of Executive Committee
<F2> Member of Executive Compensation Committee
<F3> Member of Audit Committee
<F4> Member of Nominating Committee

Mr. Newman is Chairman of the Board of Edison Brothers Stores, Inc., a position he has held since 1987. Edison Brothers is a diversified retail apparel, footwear and entertainment concern with its principal corporate offices in St. Louis, MO. He is also a director of Boatmen's Bancshares and Sigma-Aldrich Corporation, St. Louis, MO.

For more than the past 5 years, Mr. Rickman has been Vice President-Newspapers of the Company.

Mr. Schermer was Chairman and Chief Executive Officer of the Company until May 11, 1991 when, upon his recommendation, the Board of Directors elected Mr. Gottlieb as Chief Executive Officer.

From September 1, 1987 to September 28, 1990, Mr. Sonnenfeldt held the position of Chairman of the Board and Chief Executive Officer of NAPP Systems Inc., a subsidiary of the Company. He is a director of SKYSAT Communications Network Corp., New York, NY; Solar Outdoor Lighting Co., Stuart, FL; and TRIDEX Corporation, Westport, CT. He is also a member of the Council on Foreign Relations, the American Council on Germany, and is a Fellow of the IEEE.

Mr. Guerin is Vice-Chairman of Daily Journal Company, Los Angeles, CA and a director of PS Group, Inc., San Diego, CA and Chairman of Tapestry Films and Mitchum Securities Corp., Los Angeles, CA.

Mr. Rickershauser is Chairman of the Board of PS Group, Inc., San Diego, CA. From 1986 until October 31, 1990, he was a partner of the firm of Fried, Frank, Harris, Shriver & Jacobson, Los Angeles, California. He is also a director of City National Corporation and of The Vons Companies, Inc., Los Angeles, CA.

Mr. Vittert organized the Business Journal Publications Corporation in St. Louis 12 years ago. This corporation published business newspapers in St. Louis, Indianapolis, Cincinnati, Philadelphia, Baltimore and Pittsburgh. He sold his interest in this business in 1986. Mr. Vittert is currently a private investor and a director of Munsingwear, Inc.

Mr. Crain is the President and Editorial Director of Crain Communications, a diversified publishing company with its principal offices in Chicago, IL.

Mr. Gottlieb was elected Chief Executive Officer of the Company on May 11, 1991, and prior thereto served as President and Chief Operating Officer since November 11, 1986.

Until July, 1988, Mrs. Sewell was a Senior Vice President of Federated Department Stores. Mrs. Sewell is also a director of Pitney Bowes Inc., Stamford, CT, The United States Shoe Corporation, Cincinnati, OH, and SYSCO Corporation, Houston, TX.

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	52	31 years	3 years	President and Chief Executive Officer
Larry L. Bloom	47	1 1/2 Years	1 1/2 Years	Vice-President & Treasurer
Ronald L. Rickman	56	35 years	11 years	Vice-President
Gary N. Schmedding	56	22 years	6 years	Vice-President
Floyd Whellan	57	8 years	8 years	Vice-President
Mark S. Roby	39	1 1/2 Years	1 1/2 Years	Vice-President
Charles D. Waterman, III	48	5 years	5 years	Secretary
George C. Wahlig	47	5 years	2 years	Principal Accounting Officer
John VanStrydonck	41	13 years	3 years	Chairman and CEO, NAPP Systems Inc.

Richard D. Gottlieb was elected Chief Executive Officer of the Company in May 1991, and was elected President and Chief Operating Officer of the Company in November 1986.

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.

Gary N. Schmedding was elected a Vice-President of the Company in January 1989; from February 1987 to February 1989 he was general manager of WSAZ-TV.

Mark S. Roby was elected Vice-President of Marketing and Chief Information Officer in June 1993. For more than five years prior thereto Mr. Ruby held various marketing management positions with IBM Corporation.

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 and for more than two years prior to May 1990 he was a partner in the public accounting firm of McGladrey & Pullen.

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 three years prior thereto he was publisher of the Globe-Gazette in Mason City, Iowa.

COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Section 16(a) of the Securities Exchange Act of 1934 (the "Act") requires the Company's directors and executive officers and persons who own more than ten percent of the Company's Common Stock or Class B Common Stock to file initial reports of ownership and reports of changes in that ownership with the Securities and Exchange Commission (the "SEC") and the New York Stock Exchange. Specific due dates for these reports have been established, and the Company is required to disclose in its proxy statement any failure to file by these dates during the Company's 1994 fiscal year.

Based solely on review of the copies of such reports furnished to the Company and written representations that no other reports were required, the Company believes that all filing requirements applicable to its executive officers and directors were satisfied, except that a benefit trust of which Mr. Rickershauser is trustee reported late the acquisition of certain shares as to which Mr. Rickershauser has beneficial ownership.

Item 11. Executive Compensation

<TABLE>
<CAPTION>

The following tables and discussion summarize the compensation which the Company paid for services rendered in all capacities for the fiscal year ended September 30, 1994 to the chief executive officer of the Company and to each of the four other most highly compensated executive officers of the Company.

Summary Compensation Table

		Annual Compensation			Long Term Compensation <F1>			
					Awards		Payouts	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Principal Position	Year	Salary($)	Bonus($)	Other Annual Comp-ensa-tion($)	Re-stricted Stock Awards($) <F3>	Stock Options (#)	LTIP Payouts($) <F5>	All Other Comp-ensa-tion($) <F6>
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Richard D. Gottlieb	1994	$421,000	$315,750	$ 0	$ 96,600	20,000	$478,827	$165,302
President and	1993	390,000	240,000	0	83,200	17,800	98,410	211,681
Chief Executive Officer	1992	378,750	386,100	0	183,329	30,000	754,816	130,765
Ronald L. Rickman	1994	289,920	176,851	0	51,750	10,000	341,750	100,994
Vice-President-Newspapers	1993	270,400	170,352	0	56,800	15,600<F4>	64,077	154,962
	1992	262,600	262,288	0	97,202	15,000	627,469	88,823
Gary N. Schmedding	1994	220,240	165,180	0	51,750	10,000	242,098	107,623
Vice-President-Broadcast	1993	206,000	119,975	0	36,000	10,400<F4>	43,509	78,539
	1992	200,000	197,760	0	74,394	12,000	172,975	66,107
Floyd Whellan	1994	166,200	66,480	0	17,250	3,000	170,308	51,010
Vice-President - Human	1993	160,200	52,800	0	16,000	3,400	37,972	77,005
Resources and Corporate	1992	154,517	158,598	0	58,383	9,500	327,024	51,734

Planning								
Larry L. Bloom <F2>	1994	206,000	136,240	$72,087	34,500	7,500	0	31,728
Vice President - Finance	1993	73,790	65,256	0	11,200	3,200	0	0
and Chief Financial Officer								

</TABLE>

[FN]

<F1> The Executive Compensation Committee of the Company meets each November following the conclusion of the Company's fiscal year to determine among other things, the amount of the annual bonus to be awarded and the long term compensation grants to be made, if any, for the fiscal year just concluded.

The Summary Compensation Table includes the value of shares of restricted stock and the number of stock option shares granted by the Executive Compensation Committee under the Company's 1990 Long Term Incentive Plan in each of the years indicated for the corresponding fiscal year.

<F2> Mr. Bloom joined the Company in May, 1993. Mr. Bloom was paid additional compensation in 1994 in accordance with the Company's Relocation Policy to compensate him for certain costs and expenses incurred in connection with his relocation to the Company's corporate office.

<F3> The amounts shown represent shares of restricted stock in the following amounts granted to the named individuals in 1992, 1993 and 1994, respectively: Mr. Gottlieb, 5,803, 2,600, and 2,800 shares; Mr. Rickman, 3,062, 1,775 and 1,500 shares; Mr. Schmedding, 2,352, 1,125 and 1,500 shares; Mr. Whellan, 1,839, 500 and 500 shares; and Mr. Bloom, 350 and 1,000 shares. The restricted stock awarded in 1992, 1993 and 1994 will vest on the third anniversary of the grant date. Holders of restricted stock are entitled to receive all cash dividends paid in respect thereof during the restricted period. At September 30, 1994, the number and market value of shares of restricted stock (including those awarded in November, 1994) held by each of the named executive officers were as follows: Mr. Gottlieb, 11,203 shares ($386,504); Mr. Rickman, 6,337 shares ($218,627); Mr. Schmedding, 4,977 shares ($171,707); Mr. Whellan, 2,839 shares ($97,946); and Mr. Bloom, 1,350 shares ($46,575).

<F4> Includes replacement (reload) options awarded at exercise of non-qualified options with payment made with restricted stock; the 1993 replacement options were awarded to the following executive officers: Mr. Rickman, 3,500 shares; and Mr. Schmedding, 2,700 shares.

<F5> The amounts shown represent the aggregate of (a) cash distributions to the named individuals under the Company's 1990 Long Term Incentive Plan in 1992, 1993, and 1994 for the three year performance cycles ending in those years; (b) the value at September 30, 1994 of restricted stock awarded in November, 1991 and vesting in November, 1994 for Mr. Gottlieb ($201,750), Mr. Rickman ($164,494), Mr. Schmedding ($126,901), and Mr. Whellan ($70,613); and (c) payments in 1992 and 1994 to distribute accrued deferred compensation account balances at September 30, 1992 and 1994 payable under the phaseout of the 1962 Deferred Compensation Unit Plan (discontinued in 1989). The 1992 and 1994 deferred compensation

distributions, respectively, to the named executive officers and included in column (h) were as follows: Mr. Gottlieb, $727,190 and $15,270; Mr. Rickman, $608,059 and $25,991; Mr. Schmedding, $160,848 and none; and Mr. Whellan, $315,303 and $10,100.

<F6> The amounts shown include (a) contributions by the Company on behalf of the named individuals to the Company's Retirement Account Plan and Supplemental Retirement Account, which as to the named executive officers in 1994 were as follows: Mr. Gottlieb, $165,302; Mr. Rickman, $100,994; Mr. Schmedding, $81,150; Mr. Whellan, $51,010; and Mr. Bloom, $27,503; and (b) accrued compensation in 1994 of $26,473 to the account of Mr. Schmedding in connection with the phaseout of the 1962 Deferred Compensation Unit Plan.

Option Grants In Last Fiscal Year

Individual Grants

(a) Name	(b) Options Granted <F1>	(c) % of Total Options Granted to Employees In Fiscal Year	(d) Exercise Price ($/Sh)	(e) Expiration Date	(f) Grant Date Present Value($) <F2>
Richard D. Gottlieb	20,000	21.1%	$ 33.25	31-Oct-04	$234,000
Ronald L. Rickman	10,000	10.6%	33.25	31-Oct-04	117,000
Gary N. Schmedding	10,000	10.6%	33.25	31-Oct-04	117,000
Floyd Whellan	3,000	3.2%	33.25	31-Oct-04	35,100
Larry L. Bloom	7,500	7.9%	33.25	31-Oct-04	87,750

[FN]
<F1> The options granted to the named individuals were determined by the Executive Compensation Committee in November, 1994 following review of each individual's performance in fiscal year 1994, and become exercisable in installments of 30% of the original grant on each of the first and second anniversaries of the grant date and 40% on the third anniversary. All options are for Common Stock and have an exercise price equal to the closing market price of the stock on the grant date. The lesser of 25% or the maximum number of shares permitted by law are designated as incentive stock options, and the balance are non-qualified options. All options were granted under the Company's 1990 Long Term Incentive Plan, the provisions of which, among other things, allow an optionee exercising an option to satisfy the exercise price and withholding tax obligations by electing to have the Company withhold shares of stock otherwise issuable under the option with a fair market value equal to such obligations. The Plan also permits an optionee exercising an option to satisfy the exercise price by delivering previously awarded restricted stock or previously owned Common Stock. The limitations accompanying the restricted stock remain in effect and apply to the corresponding number of shares issued upon the stock option exercise until they lapse according to their original terms.

<F2> The "grant date present value" is a hypothetical value determined under the Black-Scholes Option Pricing Model. It is one of the methods permitted by the Securities and Exchange Commission for estimating the present value of options. The Company's stock options are not transferrable, and the actual value of the stock options that an executive officer may realize, if any, will depend

on the excess of the market price on the date of exercise over the exercise price. The Black-Scholes Option Pricing Model is based on assumptions as to certain variables such as the volatility of the Company's stock price and prevailing interest rates, so there is no assurance that an individual will actually realize the option values presented in this table.

Aggregated Option Exercises In Last Fiscal Year
and Fiscal Year End Option Values

(a) Name	(b) Shares Acquired On Exercise (#) <F1>	(c) Value Realized ($) <F2>	(d) Number of Unexercised Options at FY End (#) Exercisable/ Unexercisable <F3>	(e) Value of Unexercised In-the-Money Options at FY End ($) Exercisable/ Unexercisable <F4>
Richard D. Gottlieb	0	$ 0	213,340	$1,924,725
			44,460	96,650
Ronald L. Rickman	0	0	127,238	1,176,800
			24,470	53,925
Gary N. Schmedding	0	0	68,436	573,775
			20,190	42,175
Floyd Whellan	16,381	253,906	59,819	464,025
			9,180	22,525
Larry L. Bloom	0	0	960	3,600
			9,740	17,775

[FN]

<F1> All options are for Common Stock or Class B Common Stock and were granted under the Company's 1982 Incentive Stock Option Plan or the 1990 Long Term Incentive Plan.

<F2> Market value of underlying securities at exercise date minus the exercise price.

<F3> Options granted under the Company's 1990 Long Term Incentive Plan become exercisable in three installments over a period of three years from the date of grant. The number of unexercisable options shown includes those granted by the Executive Compensation Committee in November, 1994 for the fiscal year just concluded.

<F4> Market value of underlying securities at September 30, 1994 ($34.50), minus the exercise price.

Long Term Incentive Plans - Awards in Last Fiscal Year

The Executive Compensation Committee decided in January, 1993 to cancel, as to executive officers of the Company, outstanding performance units awarded for three year performance cycles ending in 1993 and 1994. The Committee recognized that such termination would have an adverse financial impact for the Company's executive officers, and determined in November, 1993 and 1994 to pay each executive officer, in cash, a discretionary amount equal to one-half of the value of performance units earned at the end of the 1993 and 1994 cycles. Each executive officer named in the Summary Compensation Table (except Mr. Bloom, who was not affected by the Committee's decision) received payment in cash, the amount of which is shown in column (h) of the Table.

The Committee further determined in November, 1992 not to make any performance unit awards in future fiscal years under the Company's Long Term Incentive Plan. The Committee made its decisions after careful examination of the Plan, the award of performance units thereunder, and the relationship between award performance and the compensation objectives of the Committee for executive officers of the Company. The Committee does not intend to make performance unit awards during fiscal year 1995.

Pension Plans

Under the Company's Retirement Account and Supplementary Benefit Plans, the Company matches employee contributions up to 5% of employee compensation and, in addition, contributes 6.2% of a participant's total compensation plus an additional 5.7% of such compensation in excess of $60,600. These retirement plans are defined contribution plans and were adopted in 1980 to replace the Company's Pension Plan, a defined benefit plan. The Company and employee contributions are invested and the total amount standing to each employee's credit is paid following his or her retirement. The amounts credited in fiscal 1994 under the Retirement Account and Supplementary Benefit Plans to the accounts of the persons listed in the Summary Compensation Table were as follows: Mr. Gottlieb, $165,302; Mr. Rickman, $100,994; Mr. Schmedding, $107,623; Mr. Whellan, $51,010; and Mr. Bloom, $27,503.

The Company's Pension Plan was superseded in 1980 by the Retirement Account Plan. Annual benefits under the Pension Plan payable upon retirement at age 65 to the individuals listed in the Summary Compensation Table are as follows: Mr. Gottlieb, none; Mr. Rickman, $11,574; Mr. Schmedding, $1,376; Mr. Whellan, none; and Mr. Bloom, none.

Executive Agreements

The Company is obliged under written agreements to pay to Messrs. Gottlieb, Rickman, Schmedding and Whellan a multiple of three times the executive officer's base salary in the event of termination of his employment without cause. The Company determined in 1991 not to enter into such agreements in the future with its executive officers.

PERFORMANCE PRESENTATION

The graphical presentation omitted herein compares the yearly percentage change in the cumulative total shareholder return of the Company, the Standard & Poor's (S & P) 500 Stock Index, and the S & P Publishing/Newspapers Index, in each case for the five years ending September 30, 1994. Total shareholder return is measured by dividing (a) the sum of (i) the cumulative amount of dividends declared for the measurement period, assuming dividend reinvestment and (ii) the difference between the issuer's share price at the end and the beginning of the measurement period, by (b) the share price at the beginning of the measurement period.

The following data points were utilized in preparation of the omitted graph.

	1989	1990	1991	1992	1993	1994
Lee	$100.00	$ 64.83	$ 75.08	$108.65	$109.43	$123.32
S&P Publishing/ Newspapers- Index	100.00	66.50	83.85	99.66	101.86	102.48
S&P 500	100.00	90.76	119.20	132.20	149.39	154.89

The (S & P) 500 Stock Index includes 500 U.S. companies in the industrial, transportation, utilities and financial sectors and is weighted by market capitalization. The S & P Publishing/Newspapers Index, which is also weighted by market capitalization, includes the following six publishing companies: Gannett Co., Inc., Knight-Ridder, Inc., The New York Times Company, The Times Mirror Company, Dow Jones & Company, Inc. and Tribune Company.

Report of the Executive Compensation Committee of the Board of Directors on Executive Compensation

The Committee

The Executive Compensation Committee of the Board of Directors (the "Committee") is composed of four independent outside directors. No executive officer of the Company is a member of the Board of Directors of any company with which a member of the Committee is affiliated. The Board of Directors has delegated to the Committee the authority to review, consider and determine the compensation of the Company's executive officers and other key executive employees and, in accordance with Rule 16b-3 of the Exchange Act, make the final determination regarding awards of stock options, restricted stock, and other stock-based awards to such persons.

Compensation Policies

The Committee operates on the principle that the compensation of the Company's executive management, including its Chief Executive Officer and the other executive officers named in the Summary Compensation Table, should be competitive with compensation of executive management at comparable companies but should not be at the top of any range derived from such comparisons. The Committee also follows a policy of basing a significant portion of the cash compensation of senior executive officers on the operating performance of the Company, and of other members of the executive management team on the performance of the enterprises units or functions over which they exercise significant management responsibility. The Committee's policies are designed to assist the Company in attracting and retaining qualified executive management by providing competitive levels of compensation that integrate the Company's annual and long term performance goals, reward strong corporate performance, and recognize individual initiative and achievements. The Committee also believes that stock ownership by management and stock-based performance compensation arrangements are beneficial in the linking management's and stockholders' interests in the enhancement of stockholder value.

The Company's executive compensation program is comprised of three elements: (1) base salary; (2) annual incentive bonus; and (3) long term incentive compensation.

Base Salary

Salary levels for executive management are set so as to reflect the duties and level of responsibilities inherent in the position, and to reflect competitive conditions in the lines of business in which the Company is engaged in the geographic areas where services are being performed. Comparative salaries paid by other companies in the industries and locations where the Company does business are considered in establishing the salary for a given position. The Company participates annually in the Towers Perrin Media Industry Compensation Survey, which is widely used in its industry and gives relevant compensation information on executive positions. The Company strives to place fully competent and highly performing executives at or above the median level of compensation, as reported annually in the Towers Survey.

The Towers Survey provides annual compensation analyses for executives in the media industry based on revenues, industry segments including publishing and broadcasting, and market type and size. The statistical information, including revenues and compensation levels, provided by Survey participants is utilized by the Towers Survey to develop statistical equations based on revenues, industry segments and markets. These equations, along with other data, are used by the Company to determine the median and other levels of compensation of the executive management of media companies with profiles comparable to that of the Company. Base salaries for executives named in the Summary Compensation Table are reviewed annually by the Committee taking into account the competitive level of pay as reflected in the Towers Survey. In setting base salaries, the Committee also considers a number of factors relating to the particular executive, including individual performance, level of experience, ability and knowledge of the job. Base salaries were increased in 1994 for executive management by 5.29% on a composite basis. The Committee believes the base salary levels are reasonable and necessary to retain these key employees.

Annual Incentive Bonus Plan

The purpose of the annual incentive bonus plan is to motivate and reward executive management so that they consistently achieve specific financial targets, and are compensated for the accomplishment of certain non-financial objectives. These targets and objectives are reviewed and approved by the Committee annually in conjunction with its review of the Company's strategic and operating plans. A target bonus level, stated as a percent of year end salary, is established for each member of the executive management team, other than executive officers, by the executive officer exercising responsibility over an enterprise unit or function. For executive officers other than the Chief Executive Officer, the bonus level and achievement targets are determined by the Chief Executive Officer and approved by the Committee. Similarly, the Committee determines the annual bonus opportunity and performance objectives of the Chief Executive Officer. While the annual incentive bonus awards for executives other than the Chief Executive Officer are generally approved upon the recommendation of the Chief Executive Officer, the Committee retains the right to adjust the recommended bonus awards to reflect its evaluation of the Company's overall performance.

Long Term Incentive Plan

Under the Company's Long Term Incentive Plan, the Committee is authorized, in its discretion, to grant stock options, restricted stock awards, and performance units payable in cash or restricted stock of the Company, in such proportions and upon such terms and conditions as the Committee may determine. The Committee meets in November of each year to evaluate the performance of the Company for the preceding fiscal year and determine the annual incentive bonus and long term incentive awards of executive management of the Company, for the fiscal year just ended. In November, 1994 the Committee made the following determinations with respect to long term compensation for the Company's executive management.

Performance Unit Awards

As noted above, performance unit awards made in 1990 and 1991 for the three year cycles ending in 1993 and 1994 were cancelled, as to executive officers, by the Committee in January, 1993. The Committee agreed to permit completion of the three year cycles and related performance unit awards previously made for persons other than executive officers, but made no performance unit awards for the three year cycles commencing in fiscal years 1993 and 1994. The Committee has considered and will continue to consider, in addition to objective performance criteria, certain non-quantitative factors including the accomplishment of specific goals established by the Board of Directors and the Committee in connection with long term compensation to executive officers for 1994 and succeeding years, and for other executive management employees of the Company following the conclusion of the performance unit cycles presently outstanding. The Summary Compensation Table includes payments to executive officers for performance unit awards made in 1989 based upon cumulative earnings per share and revenue growth targets established for the three year cycle ending in 1992. The cumulative targets were only partially achieved, and therefore, consistent with the Company's philosophy of relating compensation to performance, performance unit awards paid to participants in the Long Term Incentive Plan, including executive officers, reflected less than targeted achievement. The performance unit awards were paid equally in restricted stock and cash at the completion of the performance cycle. As noted previously, the Committee determined to make discretionary payments to executive officers in lieu of performance unit awards made in 1990 and 1991 for the three year cycles ending in 1993 and 1994 of one-half of the amount that would have been earned.

Stock Option Grants

The number of stock options granted to each executive officer in 1994 was determined by dividing a specified dollar amount for the grant by a hypothetical fair market value of the stock option as of the grant date, based upon the Black-Scholes Option Pricing Model. The more responsible the executive officer's position, the greater the dollar amount of the grant. All stock options granted have an exercise price equal to the fair market value of the Common Stock at time of grant. In order to assure the retention of high level executives and to tie the compensation of those executives to the creation of long-term value for shareholders, the Committee provided that these stock options generally vest in specified portions over a three year period.

Restricted Stock Awards

In November, 1994, the Committee granted to executive officers and other key employees awards of restricted stock, which represent shares of the Common Stock of the Company and which the recipient cannot sell or otherwise transfer until the applicable restriction period lapses. The number of shares of restricted stock awarded is generally determined by dividing a specified dollar amount for the target award by the fair market value of the Company's Common Stock on the date such awards are approved. The number of shares then determined is reviewed by the Committee and may be increased or decreased to reflect a number of criteria including, but not limited to, the Company's past operating performance, the individual executive's role in accomplishment of the Company's operating objectives, and that individual's potential for long term growth and contribution to the Company's strategic objectives. Restricted stock awards are also intended to increase the ownership of executives in the Company, through which the value of long term stockholder ownership and growth can be enhanced.

Compensation of Chief Executive Officer

The Committee determined the 1994 base salary for the Company's Chief Executive Officer, Richard D. Gottlieb, in a manner consistent with the base salary guidelines applied to executive officers of the Company as described above. The annual bonus paid to Mr. Gottlieb for 1994 was based upon a subjective evaluation of the performance of the Company in relation to past years and the performance of comparable media companies, and to a lesser extent, his accomplishment of certain non-financial perforamnce objectives. In making that evaluation, the Committee gave particular weight to the consistently high performance of the Company in relation to its peers in revenue growth, operating income growth, and operating cash flow growth, which contributed in 1994 to record levels of revenue, operating income and operating cash flow. When examining the performance of peer group companies for the past three years, the Committee found the Company's performance, overall and in its primary business segments of newspaper publishing and broadcasting, to be well above the median performance of its peer group in all categories.

The Committee made long term compensation awards of stock options and restricted stock to Mr. Gottlieb in 1994 by applying the same criteria described for the determination of such awards to other executive officers of the Company. The Committee did not consider past stock options and restricted stock grants to Mr. Gottlieb in determining the amount of his 1994 grants. The Committee did consider the consistently exceptional performance of the Company, as more particularly described above, in the final determination of such grants.

Executive Compensation Committee Participation

The current members of the Executive Compensation Committee are Phyllis Sewell, Chairman, Mark Vittert, Rance E. Crain and Andrew E. Newman.

COMPENSATION OF DIRECTORS

No Company employee receives any remuneration for acting as a director. In fiscal 1994 Messrs. Fischer, Newman, Vittert, Crain, Rickershauser, Guerin, Schermer and Sonnenfeldt and Mrs. Sewell were paid a $24,400 annual retainer, $1,000 for each Board meeting attended and $700 for each Committee meeting attended. Committee chairmen were also paid $3,000 extra as an annual retainer for acting as such. Mr. Schermer received an additional stipend of $60,000 for his services as Chairman of the Board. Directors engaged to provide consultative services are compensated at the rate of $1,500 per diem. The Company in fiscal 1994 also paid to or accrued deferred compensation for Mr. Sonnenfeldt in the amount of $40,000 for consultative services rendered to the Company and its subsidiary, NAPP Systems Inc.

In 1984 the Board of Directors authorized "outside" directors prior to the beginning of any Company fiscal year to elect to defer receipt of all or any part of compensation such director might earn during such year. Amounts so deferred will be paid to the director upon his or her ceasing to be a director or upon attaining any specified age between 60 and 70, together with interest thereon at the average rate of interest earned by the Company on its invested funds during each year. Alternatively, directors may elect to have deferred compensation credited to a "rabbi trust" established by the Company with an independent trustee, which administers the investment of amounts so credited for the benefit and at the direction of the trust beneficiaries until their accounts are distributed under the deferred compensation plan.

In 1991 the Company adopted a plan whereby it would match, on a dollar-for-dollar basis up to $5,000 annually, charitable contributions made by outside directors.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information as of December 9, 1994 as to each person known by the Company to own beneficially more than five (5%) percent of the Common Stock or Class B Common Stock of the Company.

Beneficial Owner	Common Stock	Percent of Class	Class B Common Stock	Percent of Class
New England Investment Co. c/o Reich & Tang Asset Management, L.P. 600 Fifth Avenue 8th Floor New York, NY 10020	991,000	6.29%	---	---
Lloyd G. Schermer <F1> c/o Lee Enterprises, Incorporated 215 N. Main Street Davenport, IA 52801	333,381	2.12%	596,293	8.94%
Betty A. Schermer <F2> c/o Lee Enterprises, Incorporated 215 N. Main Street Davenport, IA 52801	257,803	1.64%	534,677	8.02%

[FN]

<F1> Includes (i) 46,828 Common and 232,514 Class B Common shares owned by a trust as to which Lloyd G. Schermer retains sole voting and investment powers; (ii) 138,627 Common shares subject to acquisition within 60 days by the exercise of outstanding stock options; (iii) 4,962 Common and 15,105 Class B Common shares held by a charitable foundation as to which Lloyd G. Schermer has shared voting and investment power; (iv) 174,419 Class B Common shares held by a charitable trust as to which Lloyd G. Schermer has sole voting and shared investment power; and (v) 55,010 Common and 55,010 Class B Common shares held by a trust and 87,954 Common and 119,245 Class B Common shares held by a charitable trust as to

which Lloyd G. Schermer shares voting and investment powers. Lloyd G. Schermer disclaims beneficial ownership of 147,926 Common and 363,779 Class B Common shares listed above, and of the Common and Class B Common shares beneficially owned by Betty A. Schermer listed above and described in footnote (2) below.

<F2> Includes (i) 164,887 Common and 375,669 Class B Common shares owned by trusts under which Betty A. Schermer has sole voting and investment powers; (ii) 87,954 Common and 119,245 Class B Common shares owned by a charitable trust as to which Betty A. Schermer shares voting and investment powers, but disclaims all beneficial ownership; and (iii) 4,962 Common and 15,105 Class B Common shares held by a charitable foundation as to which Betty A. Schermer has shared voting and investment power, but disclaims all beneficial ownership. Betty A. Schermer also disclaims beneficial ownership of all Common and Class B Common shares beneficially owned by Lloyd G. Schermer listed and described in footnote (1) above.

The following table sets forth information as to the Common Stock and Class B Common Stock of the Company beneficially owned as of December 9, 1994 by each director, each of the named executive officers listed in the Summary Compensation Table below, and by all directors and executive officers as a group:

<TABLE>

Name and Address of Beneficial Owner	Common Stock	Percent of class	Class B Common Stock	Percent of class
<S>	<C>	<C>	<C>	<C>
Larry L. Bloom <F2> 1021 Carriage Place Drive Bettendorf, IA 52722	2,310	*	---	---
Rance E. Crain 220 E. 42nd Street Room 930 New York, NY 10017	1,000	*	---	---
Harry A. Fischer, Jr. One Westbrook Corp. Cntr. Suite 100 Westchester, IL 60153	---	*	100	*
Richard D. <F1><F2> Gottlieb 11 Deer Hill Road Pleasant Valley, IA 52767	243,612	1.55%	66,818	1.00%
J. P. Guerin <F1> 355 S. Grand Ave. 34th Floor Los Angeles, CA 90024	---	---	53,407	*
Andrew E. Newman 501 N. Broadway St. Louis, MO 63102	1,000	*	---	---
Charles E. Rickershauser, Jr. 355 S. Grand Ave. 34th Floor Los Angeles, CA 90071	1,000	*	---	---

Ronald L. Rickman <F2> 3265 Woodcrest Drive Bettendorf, IA 52722	142,109	*	43,678	*
Lloyd G. Schermer <F1><F2> c/o Lee Enterprises, Incorporated 400 Putnam Building 215 N. Main Street Davenport, IA 52801	498,268	3.16%	996,620	14.95%
Gary N. Schmedding <F1><F2> 5743 Lewis Court Bettendorf, IA 52722	80,626	*	4,532	---
Phyllis Sewell 7716 Pinemeadow Cincinnati, OH 45224	950	*	1,450	*
Richard W. Sonnenfeldt 4 Secor Drive Port Washington, NY 11050	100	*	100	*
Mark Vittert 750 S. Price Road Ladue, MO 63124	1,000	*	---	---
Floyd Whellan <F1><F2> 6401 Utica Ridge Road Bettendorf, IA 52722	64,758	*	---	---
All present executive officers and directors as a group (18).	1,061,697	6.67%	1,166,907	17.50%

</TABLE>
* Less than one (1%) percent of the class.

[FN]
<F1> The following directors and officers disclaim beneficial ownership of the following shares, included above, not owned personally by them or held for their benefit: Schermer, 312,813 Common Stock, 764,106 Class B Common Stock; Gottlieb, 10,502 Common Stock, 16,292 Class B Common Stock; Guerin, 1,425 Class B Common Stock; and Schmedding, 20 Common Stock.

<F2> This table includes the following shares subject to acquisition within 60 days by the exercise of outstanding stock options: Schermer, 138,627 Common Stock; Gottlieb, 203,340 Common Stock, 10,000 Class B Common Stock; Rickman, 117,238 Common Stock, 10,000 Class B Common Stock; Schmedding, 68,436 Common Stock; Whellan, 59,819 Common Stock; and Bloom, 960 Common Stock.

Item 13. Certain Relationships and Related Transactions

For more than 10 years, the Company has been engaged, through its wholly owned subsidiary, Voice Response, Inc. ("VRI"), in various research and development activities and commercial ventures in the emerging telephone services industry. In January, 1992, the Company limited VRI's external business activities to licensing of certain patent rights and servicing existing customers, because of the absence of immediate business opportunities and the need for substantial additional investment to develop VRI's patent rights for commercial use.

In April, 1993, the Company decided to discontinue the operations as of September 30, 1993, and to discontinue patent licensing efforts after that date. VRI had no significant tangible assets, but retained certain intangible patents, patent rights and associated "know-how" (the "VRI Technology"). VRI's fiscal 1993 revenues were insignificant, while the venture continued to have significant costs, which included the costs of developing voice response applications for the Company's use.

The Board of Directors' decision to cease operations was reached after careful review of VRI's business operations and was based on the following factors: the immediate prospects for successful consummation of a license agreement with a significant potential licensing customer were highly speculative; continued efforts to secure such a license would require considerable additional expense to the Company, the recovery of which is not assured in any such licensing arrangement; and there was no other prospect for such a licensing arrangement known to the Company's management which could be secured without significant further commitment of the Company's management efforts and financial resources, which could be more profitably directed toward the Company's continuing business operations.

Subsequently, Lloyd G. Schermer, Chairman of the Company's Board of Directors, expressed a desire to acquire the VRI Technology from the Company. In July, 1993 a special committee of independent directors was appointed by the Board of Directors to review the Company's proposed agreement with Voice Capture, Inc., a company to be formed by Mr. Schermer to acquire the VRI Technology, and after consultation with persons with experience in matters pertaining to telephone technology and patent licensing, concluded that the proposed Agreement was fair to the Company. The Company's Board of Directors (excluding Mr. Schermer), after full consideration of the proposed Agreement and the advice of the special committee, determined that the proposed Agreement with Voice Capture, Inc. was fair to the Company, and approved the transactions described therein.

On October 1, 1993, Voice Capture, Inc. and the Company entered into the Agreement, which provided, among other things, that Voice Capture, Inc. acquire from the Company the exclusive title to the VRI Technology, assume certain contracts, liabilities and obligations which are not significant in the aggregate, with respect to the VRI Technology (except monetary obligations associated with the VRI Technology incurred before October 1, 1993), and assume the associated patent licensing activities previously conducted by the Company.

As consideration for the transfer of the VRI Technology to Voice Capture, Inc., the Company will receive an annual royalty from Voice Capture, Inc. equal to fifty (50%) percent of the gross revenues from licensing of the VRI Technology to third parties and has retained, at no cost, a non-exclusive world-wide license to use the VRI Technology in its continuing business or future operations. In the event the Company does not receive from Voice Capture, Inc. aggregate royalties of $100,000 prior to September 30, 1996, the Company has the right to reacquire the VRI Technology and dispose of such rights as its management determines. Mr. Schermer has personally guaranteed the payment of all royalties and the performance of certain obligations by Voice Capture, Inc. During fiscal 1994 Voice Capture, Inc. derived no revenues from licensing activities and, accordingly, no royalties were due or paid to the Company.

PART IV

	Page Number
Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K	
(a) 1. Financial Statements	
Independent Auditor's Report and Consent	
Financial Statements	
Consolidated balance sheets as of September 30, 1994, 1993 and 1992	
Consolidated statements of income years ended September 30, 1994, 1993 and 1992	
Consolidated statements of cash flows years ended September 30, 1994, 1993 and 1992	
Consolidated statements of stockholders' equity years ended September 30, 1994, 1993 and 1992	
Notes to consolidated financial statements	
(a) 2. Financial statements schedule	
Schedule	
VIII - Valuation and qualifying accounts years ended September 30, 1994, 1993 and 1992	

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).

3(ii) By-laws
11 Computation of earnings per share years ended September 30, 1994, 1993 and 1992
21 Subsidiaries
24 Power of Attorney

(b) No reports on Form 8-K were filed for the three months ended September 30, 1994.

* * * * *

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), and 33-46708 (filed March 31, 1992).

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, 1994, 1993 and 1992 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, 1994, 1993 and 1992 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, 1994, 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, and No. 33-46708 (filed March 31, 1992) and in the related Prospectuses of our report dated October 26, 1994 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, 1994 and to the reference to us under the heading "Experts" in such Prospectuses.

/s/ McGladrey & Pullen

Davenport, Iowa
October 26, 1994

<TABLE>

LEE ENTERPRISES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES

SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS
(In Thousands)

<CAPTION>

	Column A	Column B	Column C	Column D<F1>	Column E
Description	Balance At Beginning Of Period	Additions Charged To Income	Charged To Other Accounts	Deduction From Reserves	Balance At Close Of Period
<S>	<C>	<C>	<C>	<C>	<C>
Allowance for doubtful accounts:					
For the year ended September 30, 1994	$ 3,400	$ 2,200	$ - -	$ 1,500	$ 4,100
For the year ended September 30, 1993	$ 3,500	$ 1,500	$ - -	$ 1,600	$ 3,400
For the year ended September 30, 1992	$ 3,200	$ 2,500	$ - -	$ 2,200	$ 3,500

<FN>

<F1> Represents accounts written off as uncollectible, net of recoveries which are immaterial.

</TABLE>

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, 1994	LEE ENTERPRISES, INCORPORATED
/s/ Richard D. Gottlieb Richard D. Gottlieb, President Chief Executive Officer, and Director	/s/ Larry L. Bloom 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, 1994 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 17, 1994
/s/ J. P. Guerin J. P. Guerin	Director	November 17, 1994
/s/ Phyllis Sewell Phyllis Sewell	Director	November 17, 1994
/s/ Mark Vittert Mark Vittert	Director	November 17, 1994
/s/ Harry A. Fischer, Jr. Harry A. Fischer, Jr.	Director	November 17, 1994
/s/ Ronald L. Rickman Ronald L. Rickman	Director	November 17, 1994
/s/ Richard W. Sonnenfeldt Richard W. Sonnenfeldt	Director	November 17, 1994
/s/ Rance E. Crain Rance E. Crain	Director	November 17, 1994
/s/ Charles E. Rickershauser, Jr. Charles E. Rickershauser, Jr.	Director	November 17, 1994
/s/ Andrew E. Newman Andrew E. Newman	Director	November 17, 1994

LEE ENTERPRISES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES

EXHIBIT 3(ii)

BY-LAWS

OF

LEE ENTERPRISES, INCORPORATED

(A Delaware corporation)

Effective January 28, 1994

ARTICLE I

OFFICES

SECTION 1. Principal Office. The principal office shall be at 229 South State Street, in the City of Dover, County of Kent, State of Delaware, and the name of the resident agent in charge thereof is THE PRENTICE-HALL CORPORATION SYSTEM, INC.

SECTION 2. Other Offices. The corporation may also have an office or offices at such other place or places, within or without the State of Delaware, as the Board of Directors may from time to time designate or the business of the corporation require.

ARTICLE II

STOCKHOLDERS' MEETINGS

SECTION 1. Annual Meetings. An annual meeting of the stockholders of the corporation shall be held at such time and place within or without the State of Delaware as may be determined by the Board of Directors, and as shall be designated in the notice of said meeting, for the purpose of electing directors and for the transaction of such other proper business, notice of which was given in the notice of the meeting.

SECTION 2. Special Meetings. Special meetings of the stockholders may be held at such time and place within or without the State of Delaware as may be designated in the notice of said meeting, upon call of the Board of Directors, the Chairman of the Board, or the President.

SECTION 3. Notice of Meetings and Adjourned Meetings. Unless otherwise provided by law, written notice of any meeting of the stockholders stating the place, date, hour and purpose or purposes of the meeting shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, notice shall be deemed for all purposes to have been given when deposited in the United States mail, postage prepaid, directed to the stockholder at the address of the stockholder as it appears on the records of the corporation. An affidavit of the Secretary or an Assistant Secretary or of the transfer agent of the corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, provided that if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 4. Quorum. Except as otherwise provided by law or the Certificate of Incorporation a quorum of all meetings of stockholders shall consist of the holders of record of stock representing a majority of the voting power of all classes of the Corporation, issued and outstanding, entitled to vote at the meeting, present in person or by proxy. For purposes of the foregoing, two or more classes or series of stock shall be considered a single class if the holders thereof are entitled to vote together as a single class at the meeting. In the absence of a quorum at any meeting or any adjournment thereof, a majority of the voting power of those present in person or by proxy and entitled to vote may adjourn such meeting from time to time. At any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 5. Organization. Meetings of the stockholders shall be presided over by the President, or if he is not present, by the Chairman of the Board, or if neither the Chairman of the Board nor the President is present, by a chairman to be chosen by a majority of the stockholders entitled to vote, who are present in person or by proxy, at the meeting. The Secretary of the corporation, or an Assistant Secretary, shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, the meeting shall choose any person present to act as secretary of the meeting.

SECTION 6. Voting. Except as provided in Section 6(a) or as otherwise provided by law, each stockholder entitled to vote at any meeting of Stockholders shall be entitled to such number of votes as is specified, in respect of the class or series of capital stock held by such stockholder, in the corporation's Restated Certificate of Incorporation. Any vote on stock of the corporation may be given by the stockholder entitled thereto in person or by his proxy appointed by an instrument in writing, subscribed by such stockholder or his attorney thereto authorized and delivered to the Secretary of the meeting; provided, however, that no proxy shall be voted on after three (3) years from its date unless said proxy provides for a longer period. Except as otherwise required by law or the Restated Certificate of Incorporation or these By-Laws, or in electing directors, all matters coming before any meeting of the Stockholders shall be decided by the vote of a majority of the voting power of all classes of stock of the corporation present in person or by proxy at such meeting and entitled to vote thereat, a quorum being present. At all elections of directors the voting may, but need not be, by ballot and a plurality of the votes cast thereat shall elect.

SECTION 6(a). Voting of Shares by Aliens. No more than twenty percent (20%) of the outstanding shares of stock of the corporation entitled to vote on any matter submitted to stockholders (including the election of directors) shall be voted, directly or indirectly, by or for the account of all aliens as a group. All references herein to "alien" shall include the representatives, associates and affiliates of such alien. The term "alien", "representative", "associate", and "affiliate" shall be defined as set forth in Subdivision (J) to Article FOURTH of the Restated Certificate of Incorporation of the corporation.

SECTION 7. List of Stockholders. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

ARTICLE III

DIRECTORS

SECTION 1. Powers, Number, Qualification, Term, Quorum and Vacancies. The property, affairs and business of the corporation shall be managed by its Board of Directors, consisting of such number as shall be fixed from time to time by resolution adopted at a meeting of the stockholders or as may be determined by the Board of Directors as hereinafter provided. The number of directors shall never be less than three (3). The directors shall be divided into three classes as nearly equal in number as possible, with the term of office of one class expiring each year. Following expiration of terms for which they were elected, each class of directors shall thereafter be elected for a three-year term. The directors shall have power from time to time, and at any time, when the stockholders as such are not assembled in a meeting, regular or special, to increase or decrease their own number. During the intervals between annual meetings of stockholders, any vacancy occurring in the Board of Directors caused by resignation, removal, death or incapacity, and any newly created directorships resulting from an increase in the number of directors, shall be filled by a majority vote of the directors then in office, whether or not a quorum. Each director chosen to fill a vacancy shall hold office for the unexpired term in respect of which such vacancy occurred. Each director chosen to fill a newly created directorship shall hold office until the next election of the class for which such director shall have been chosen. When the number of directors is changed, any newly created directorships or any decrease in directorships shall be so apportioned among the classes as to make all classes as nearly equal in number as possible. Each director shall serve until a successor shall have been duly elected and qualified, except in the event of resignation, removal, death or other incapacity.

Directors need not be stockholders. No alien (including the representatives, associates and affiliates thereof) shall be eligible to serve as a director of the corporation. The terms "alien", "representative", "associate", and "affiliate", shall be defined as set forth in Subparagraph (J) to Article FOURTH of the Restated Certificate of Incorporation of the corporation.

A majority of the members of the Board of Directors then acting, but in no event less than one-third nor less than two (2) of the number of directors authorized, acting at a meeting duly assembled, shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time until a quorum shall have been obtained.

SECTION 2. Meetings. Meetings of the Board of Directors shall be held at such place within or outside the State of Delaware as may from time to time be fixed by resolution of the Board of Directors, or as may be specified in the notice of the meeting. Regular meetings of the Board of Directors shall be held at such times as may from time to time be fixed by resolution of the Board of Directors, and special meetings may be held at any time upon the call of the President or any two (2) directors by oral, telegraphic, facsimile or other written notice duly communicated to, served on, sent, or mailed to each director at his or her principal address as recorded in the records of the Corporation not less than twenty-four (24) hours before such meeting. A meeting of the Board of Directors shall be held without notice immediately after the annual meeting of stockholders. Notice need not be given of regular meetings of the Board of Directors held at times fixed by resolution of the Board of Directors. Meetings may be held at any time without notice if all the directors are present, or if at any time before or after the meeting those not present waive notice of the meeting in writing.

SECTION 3. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the Board or committee.

SECTION 4. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of two (2) or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; provided, however, that in the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

SECTION 5. Dividends. Subject always to the provisions of the law and the Certificate of Incorporation, the Board of Directors shall have full power to determine whether any, and if any, what part of any, funds legally available for the payment of dividends shall be declared in dividends and paid to stockholders; the division of the whole or any part of such funds of the corporation shall rest wholly within the lawful discretion of the Board of Directors, and it shall not be required at any time, against such discretion, to divide or pay any part of such funds among or to the stockholders as dividends or otherwise; and the Board of Directors may fix a sum which may be set aside or reserved over and above the capital paid in of the corporation as working capital for the corporation or as a reserve for any proper purpose, and from time to time may increase, diminish, and vary the same in its absolute judgment and discretion.

SECTION 6. Removal of Directors. A director may be removed from office at any time, but only for cause, by the affirmative vote of the holders of a majority of the outstanding shares of stock entitled to vote for the election of directors at a meeting of the stockholders called for that purpose.

SECTION 7. Indemnification of officers, directors, employees and aliens.

(a) Each officer, director, employee and agent of the corporation and each person serving at the request of the corporation as an officer, director, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified (including payment of expenses in advance) by the corporation to the full extent from time to time provided or authorized by the General Corporation Law of the State of Delaware. This right of indemnification shall not be exclusive of other indemnification rights to which any such person may be entitled under contract, by-law, vote of stockholders or disinterested directors, policy of insurance or otherwise. The subsequent provisions of this By-law shall not limit or otherwise modify the foregoing provision.

(b) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(c) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such persons shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(d) To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (b) and (c), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(e) Any indemnification under subsections (b) and (c) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (b) and (c). Such determination shall be made (1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders.

(f) Expenses incurred by an officer or director in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in this Section. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

(g) The indemnification and advance of expenses provided by or granted pursuant to, the other subsections of this section shall not be deemed exclusive of any other rights to which those seeking indemnification and advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The corporation shall have authority to enter into indemnification agreements with its officers and directors, the terms of which shall be approved by the board of directors.

(h) The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section.

(i) For purposes of this Section, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officer, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(j) For purposes of this Section, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Section. References to "actions" or "proceedings" shall include administrative or investigative inquiries as well as suits at law or in equity.

(k) The indemnification and advancement of expenses provided by, or granted pursuant to, this section shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE IV

OFFICERS

SECTION I. Number. The Board of Directors at its first meeting after each annual meeting of the stockholders, or at any time thereafter, shall elect a Chairman of the Board, a President (acting as Chief Executive Officer), one or more Vice Presidents (the number to be determined by the Board of Directors), a Secretary and a Treasurer. The Board of Directors may appoint from time to time one or more Assistant Secretaries and Assistant Treasurers and such other officers and agents as it shall deem necessary. Two or more offices, other than that of Chairman of the Board, President and Secretary, may be held by the same person. None of the officers need be a director or a stockholder of the corporation.

SECTION 2. Term and Removal. Each elective officer shall hold office until the next annual meeting of the Board of Directors, or until his successor is elected and qualifies. Each appointive officer shall hold office at the will of the Board of Directors. Any officer elected or appointed by the Board of Directors may be removed, either with or without cause, at any time, by the affirmative vote of a majority of the members of the Board of Directors then in office. A vacancy in any office arising from any cause may be filled by the Board of Directors.

SECTION 3. Chairman of the Board. The Chairman of the Board, in the absence of the President, shall preside at all meetings of the Board of Directors, and shall have such powers and perform such duties as may be assigned to him by the President or the Board of Directors.

SECTION 4. President. The President shall be Chief Executive Officer of the corporation, shall preside at all meetings of the Board of Directors, and shall have general supervision of the business, affairs and property of the corporation and over its several officers, subject to the control of the Board of Directors. He shall be ex officio a member of all standing committees, other than the Audit and Executive Compensation Committees, and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall make recommendations to the Board of Directors with respect to corporate policies and other matters of importance which he believes should be submitted for Board consideration. He shall have all the powers usually vested in the office of a general manager and chief executive officer of a corporation. He shall have power to execute contracts and other documents on behalf of the corporation, under seal or otherwise.

SECTION 5. Vice Presidents. Each Vice President shall have such powers and perform such duties as may be assigned to him by the President or the Board of Directors.

SECTION 6. Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors and shall perform such other duties as may be prescribed by the President or the Board of Directors. He shall keep in safe custody the seal of the corporation and, when authorized to do so, affix the same to any instrument requiring it, and when so affixed it shall be attested by his signature or by the signature of the Treasurer or an Assistant Secretary.

SECTION 7. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever and deposit all such monies in the name of the corporation in such banks, trust companies or other depositaries as shall be selected in accordance with the provisions of Article VI of these By-Laws; and, in general, perform all of the duties incident to the office of Treasurer and such other duties as shall from time to time be assigned to him by the President or the Board of Directors.

SECTION 8. Assistant Secretaries and Assistant Treasurers. Assistant Secretaries and Assistant Treasurers, if any, shall be appointed by the Board of Directors and shall have such powers and shall perform such duties as shall be assigned to them by the President or the Board of Directors.

ARTICLE V

CERTIFICATES OF STOCK AND UNCERTIFICATED STOCK

SECTION 1. Certificates of Shares and Uncertificated Shares. The Board of Directors may authorize the issuance of some or all of the shares of its common stock without certificates. The authorization does not affect shares already represented by certificates until they are surrendered to the corporation. Shares of stock held by or for the account of aliens (including the representatives, associates, and affiliates thereof) shall be represented by "Foreign Share Certificates". The terms "alien", "representative", "associate" and "affiliate" shall be defined as set forth in Subparagraph (J) of Article FOURTH of the Restated Certificate of Incorporation of the corporation. All such other shares of stock shall be represented by either "Domestic Share Certificates" or, in the case of uncertificated stock, by such written statements issued by the corporation in respect of uncertificated shares. All such certificates or written statements shall be in such form and design as the Board of Directors may approve and each certificate or written statement shall be signed by the Chairman of the Board, the President or a Vice President and the Secretary or Assistant Secretary, and shall express on its face its number, date of issuance, the number of shares for which and the person to whom issued.

SECTION 1(a) Ownership, Control and Transfer of Shares. Not more than twenty percent (20%) of the outstanding shares of stock of the corporation shall at any time be owned or controlled, directly or indirectly, by or for the account of all aliens as a group. Shares of stock shall be transferable on the books of the corporation by the holder thereof in person or by duly authorized attorney upon the surrender of the certificate representing shares to be transferred, properly endorsed, or, in the case of uncertificated stock, by the registration of the transfer of the uncertificated shares on the books of the corporation by the holder thereof; provided, however, that shares of stock other than shares represented by foreign share certificates shall be transferable to aliens or any person holding for the account thereof only when the aggregate number of shares of stock owned by or for the account of all aliens as a group will not then be more than twenty percent (20%) of the number of shares outstanding. The Board of Directors may direct that, before shares of stock shall be transferred on the books of the corporation, the corporation may require information as to whether the proposed transferee is an alien or will own the stock for the account of an alien. The issuance or transfer of any of the shares of stock at any time outstanding to an alien contrary to the provisions of this Section shall be void. All references herein to "alien" shall include the representatives, associates and affiliates of such alien. The terms "alien", "representative", "affiliate", "associate", "control" and "person" shall be defined as set forth in Subparagraph (J) to Article FOURTH of the Restated Certificate of Incorporation of the corporation.

Transfers of shares of the capital stock of the corporation shall be made only on the books of the corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation, or with a transfer clerk or a transfer agent appointed as in Section 4 of this Article provided, and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon, or, in the case of uncertificated stock, by the registration of the transfer of the uncertificated shares and the payment of all taxes thereon. The person in whose name shares of stock stand on the books of the corporation shall be deemed the owner thereof for all purposes as regards the corporation; provided that whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact, if known to the Secretary of the corporation, shall be so expressed in the entry of transfer. The Board may, from time to time, make such additional rules and regulations as it may deem expedient, not inconsistent with these By-Laws, concerning the issue, transfer, and registration of certificates for shares or uncertificated shares of the capital stock of the corporation.

The certificates of stock or written statement in respect of uncertificated shares shall be signed by the Chairman of the Board, the President or a Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and sealed with the seal of the corporation. If a certificate of stock or written statement is countersigned (1) by a transfer agent other than the corporation or its employee, or (2) by a registrar other than the corporation or its employee, any other signature on the certificate or written statement may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate of stock or written statement shall have ceased to be such officer, transfer agent or registrar before such certificate of stock or written statement is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

SECTION 2. Record Date for Determination of Stockholders. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the stock record books of the corporation shall not be closed, but the Board of Directors shall fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 3. Lost, Stolen, Destroyed, or Mutilated Certificates. No certificate for shares of stock in the corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the corporation, if the Board of Directors shall so require, of a bond of indemnity in such amount (not exceeding twice the value of the shares represented by such certificate), upon such terms and secured by such surety as the Board of Directors may in its discretion require.

SECTION 4. Transfer Agent and Registrar. The Board of Directors may appoint one or more Transfer Clerks or one or more Transfer Agents and one or more Registrars, and may require all certificates of stock to bear the signature or signatures of any of them.

SECTION 5. Rules and Regulations. The Board of Directors shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates for shares of the capital stock of the corporation.

ARTICLE VI

BANK ACCOUNTS, CHECKS, LOANS, ETC.

SECTION 1. Bank Accounts and Checks. Such officers or agents of the corporation as from time to time shall be designated by the Board of Directors shall have authority to deposit any funds of the corporation in such banks or trust companies as shall from time to time be designated by the Board of Directors; and such officers or agents as from time to time shall be designated by the Board of Directors shall have authority to withdraw from time to time any or all of the funds of the corporation so deposited in any bank or trust company, upon checks, drafts or other instruments or orders for the payment of money, drawn against the account or in the name or behalf of the corporation, and made or signed by such officers or agents; and each bank or trust company with which funds of the corporation are so deposited is authorized to accept, honor, cash and pay, without limit as to amount, all checks, drafts or other instruments or orders for the payment of money, when drawn, made or signed by officers or agents so designated by the Board of Directors, regardless of whether the same are payable to the order of any officer or agent signing the same, until written notice of the revocation by the Board of Directors of the authority of such officers or agents shall have been received by such bank or trust company. The officers of the corporation or any of them shall from time to time certify to the banks or trust companies in which funds of the corporation are deposited, the signatures of the officers or agents of the corporation so authorized to draw against the same, and such signatures may include the signature of such certifying officer or officers.

SECTION 2. Loans. Such officers or agents of the corporation as from time to time shall be designated by the Board of Directors shall have authority to effect loans, advances or other forms of credit at any time or times for the corporation from such banks or trust companies as the Board of Directors shall from time to time designate, and as security for the repayment of such loans, advances or other forms of credit to assign, transfer, endorse and deliver, either originally or in addition or substitution, any or all stocks, bonds, rights and interests of any kind in or to stocks or bonds, certificates of such rights or interests, deposits, accounts, documents covering merchandise, bills receivable and other commercial paper and evidences of debt, at any time held by the corporation; and for such loans, advances, or other forms of credit to make, execute and deliver one or more notes, acceptances or other written obligations of the corporation on such terms, and with such provisions as to the securities including the sale or disposition thereof, as such officers or agents shall deem proper; and also to sell to, or discount or rediscount with, such banks or trust companies any and all commercial paper, bills receivable, acceptances and other instruments and evidences of debt at any time held by the corporation, and to that end to endorse, transfer and deliver the same. The officers of the corporation or any of them shall from time to time certify the signatures of the officers or agents so authorized, which may include the signature of such certifying officer or officers, to each bank or trust company so designated by the Board of Directors; and each such bank or trust company is authorized to rely upon such certification until written notice of the revocation by the Board of Directors of the authority of such officers or agents shall have been received by such bank or trust company.

ARTICLE VII

FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of October in each year and shall end on the thirtieth day of September next following, unless otherwise determined by the Board of Directors.

ARTICLE VIII

CORPORATE SEAL

The corporate seal of the corporation shall consist of two concentric circles, between which shall be the name of the corporation, and in the center shall be inscribed the year of its incorporation and the words, "Corporate Seal, Delaware".

ARTICLE IX

AMENDMENTS

The By-Laws of the Corporation shall be subject to alteration, amendment or repeal and new By-Laws not inconsistent with any provision of the Restated Certificate of Incorporation or statute may be made, either by the affirmative vote of the holders of record of stock representing a majority of the voting power of all classes of stock of the Corporation present in person or by proxy at any annual or special meeting of the Stockholders and entitled to vote thereat, a quorum being present, or by the affirmative vote of a majority of the whole Board, given at any regular or special meeting of the Board, provided that notice of the proposal to so make, alter, amend or repeal such By-Laws be included in the notice of such meeting of the Board or the Stockholders, as the case may be. By-Laws made, altered or amended by the Board may be altered, amended or repealed by the Stockholders at any annual or special meeting thereof.

LEE ENTERPRISES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES

EXHIBIT 11 - COMPUTATION OF EARNINGS PER SHARE

	Year Ended September 30,		
	1994	1993	1992
	Amounts In Thousands, Except Per Share Data		
Number of shares of common stock outstanding at beginning of the period	23,127	23,128	23,070
Weighted average number of shares of common stock issued (reacquired) during the period	(28)	40	36
Weighted average number of common stock equivalents	326	292	235
Weighted average number of shares of common stock outstanding during each period	23,425	23,460	23,341
Net income	$ 50,854	$ 41,236	$ 38,492
Earnings per share of common stock	$ 2.17	$ 1.76	$ 1.65

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%
Madison Newspapers, Inc.	Wisconsin	50%
Journal-Star Printing Co.	Nebraska	49.75%

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, in the capacities indicated below, the Annual Report on Form 10-K of Lee Enterprises, Incorporated for the fiscal year ended September 30, 1994 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.

Dated this 17th day of November 1994.

/s/ Rance E. Crain
Rance E. Crain, Director

/s/ Harry A. Fischer, Jr.
Harry A. Fischer, Jr., Director

/s/ J. P. Guerin
J. P. Guerin, Director

/s/ Andrew E. Newman
Andrew E. Newman, Director

/s/ Charles E. Rickershauser, Jr.
Charles E. Rickershauser, Jr., Director

/s/ Ronald L. Rickman
Ronald L. Rickman

/s/ Lloyd G. Schermer
Lloyd G. Schermer, Chairman of the Board and Director

/s/ Phyllis Sewell
Phyllis Sewell, Director

/s/ Richard W. Sonnenfeldt
Richard W. Sonnenfeldt

/s/ Mark Vittert
Mark Vittert, Director

```
<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
SEPTEMBER 30, 1994 FINANCIAL STATEMENTS OF LEE ENTERPRISES INCORPORATED AND IS
QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
</LEGEND>
<MULTIPLIER> 1,000

<S>                               <C>
<PERIOD-TYPE>                     YEAR
<FISCAL-YEAR-END>                            SEP-30-1994
<PERIOD-END>                                 SEP-30-1994
<CASH>                                            57,643
<SECURITIES>                                           0
<RECEIVABLES>                                     52,439
<ALLOWANCES>                                       4,100
<INVENTORY>                                       13,147
<CURRENT-ASSETS>                                 135,707
<PP&E>                                           220,614
<DEPRECIATION>                                   138,450
<TOTAL-ASSETS>                                   474,701
<CURRENT-LIABILITIES>                             99,730
<BONDS>                                           98,641
<COMMON>                                          45,520
<PREFERRED-MANDATORY>                                  0
<PREFERRED>                                            0
<OTHER-SE>                                       196,410
<TOTAL-LIABILITY-AND-EQUITY>                     474,701
<SALES>                                          392,389
<TOTAL-REVENUES>                                 402,551
<CGS>                                                  0
<TOTAL-COSTS>                                          0
<OTHER-EXPENSES>                                 307,074
<LOSS-PROVISION>                                   2,200
<INTEREST-EXPENSE>                                13,576
<INCOME-PRETAX>                                   84,885
<INCOME-TAX>                                      34,031
<INCOME-CONTINUING>                               50,854
<DISCONTINUED>                                         0
<EXTRAORDINARY>                                        0
<CHANGES>                                              0
<NET-INCOME>                                      50,854
<EPS-PRIMARY>                                       2.17
<EPS-DILUTED>                                       2.17


</TABLE>
```