

# INDEPENDENT AUDITOR'S REPORT


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, 2000, 1999, and 1998, 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, 2000, 1999, and 1998, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

  
Davenport, Iowa  
November 10, 2000

## QUARTERLY RESULTS (UNAUDITED)

Lee Enterprises, Incorporated and Subsidiaries  
(In Thousands Except Per Share Data)

	4th	3rd	2nd	1st
<b>2000 Quarter:</b>				
Operating revenue	\$ 111,928	\$ 109,925	\$ 100,973	\$ 108,687
Income from continuing operations	\$ 15,787	\$ 15,955	\$ 11,737	\$ 26,396
Income from discontinued operations	3,558	4,218	1,864	4,148
<b>Net income</b>	<b>\$ 19,345</b>	<b>\$ 20,173</b>	<b>\$ 13,601</b>	<b>\$ 30,544</b>
Earnings per share:				
Basic:				
Income from continuing operations	\$ .36	\$ .36	\$ .27	\$ .60
Income from discontinued operations	.08	.10	.04	.09
<b>Net income</b>	<b>\$ .44</b>	<b>\$ .46</b>	<b>\$ .31</b>	<b>\$ .69</b>
Diluted:				
Income from continuing operations	\$ .36	\$ .36	\$ .27	\$ .59
Income from discontinued operations	.08	.10	.04	.09
<b>Net income</b>	<b>\$ .44</b>	<b>\$ .46</b>	<b>\$ .31</b>	<b>\$ .68</b>
<b>1999 Quarter:</b>				
Operating revenue	\$ 105,622	\$ 105,163	\$ 96,524	\$ 106,537
Income from continuing operations	\$ 15,556	\$ 16,436	\$ 11,007	\$ 13,822
Income from discontinued operations	1,366	3,008	961	5,817
<b>Net income</b>	<b>\$ 16,922</b>	<b>\$ 19,444</b>	<b>\$ 11,968</b>	<b>\$ 19,639</b>
Earnings per share:				
Basic:				
Income from continuing operations	\$ .35	\$ .37	\$ .25	\$ .31
Income from discontinued operations	.03	.07	.02	.13
<b>Net income</b>	<b>\$ .38</b>	<b>\$ .44</b>	<b>\$ .27</b>	<b>\$ .44</b>
Diluted:				
Income from continuing operations	\$ .35	\$ .36	\$ .25	\$ .31
Income from discontinued operations	.03	.07	.02	.13
<b>Net income</b>	<b>\$ .38</b>	<b>\$ .43</b>	<b>\$ .27</b>	<b>\$ .44</b>
<b>1998 Quarter:</b>				
Operating revenue	\$ 100,315	\$ 100,544	\$ 90,398	\$ 100,004
Income from continuing operations	\$ 12,209	\$ 12,808	\$ 9,373	\$ 13,284
Income from discontinued operations	2,738	5,283	3,238	3,300
<b>Net income</b>	<b>\$ 14,947</b>	<b>\$ 18,091</b>	<b>\$ 12,611</b>	<b>\$ 16,584</b>
Earnings per share:				
Basic:				
Income from continuing operations	\$ .27	\$ .29	\$ .21	\$ .30
Income from discontinued operations	.06	.12	.07	.07
<b>Net income</b>	<b>\$ .33</b>	<b>\$ .41</b>	<b>\$ .28</b>	<b>\$ .37</b>
Diluted:				
Income from continuing operations	\$ .27	\$ .28	\$ .21	\$ .29
Income from discontinued operations	.06	.12	.07	.07
<b>Net income</b>	<b>\$ .33</b>	<b>\$ .40</b>	<b>\$ .28</b>	<b>\$ .36</b>