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, 1995

[ ] 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 8, 1995. Common Stock and Class B Common Stock, $2.00 par value: $933,750,000.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of December 8, 1995. Common Stock, $2.00 par value, 34,249,246 shares; and Class B Common Stock, $2.00 par value, 13,157,547 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Lee Enterprises, Incorporated Definitive Proxy Statement dated December 27, 1995 are incorporated by reference in Part III of this Form 10-K.

PART I

Item 1. Business

Item 1(a) Recent business developments. On March 31, 1995 Lee acquired the 50.25% interest in Journal-Star Printing Co. (JSPC) not previously owned, making JSPC a wholly-owned subsidiary. On August 28, 1995, Lee acquired the stock of SJL of Kansas Corp. (SJL) which operates NBC affiliates KSNW-TV and KSNT-TV in Wichita and Topeka, Kansas. For additional information related to the acquisitions, see Note 3 to the Notes to Financial Statements under Item 8, herein.

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

Item 1(c) Narrative description of business.

NEWSPAPERS

The Company and its subsidiaries publish the following daily newspapers:

Quad-City Times - Davenport, Iowa
The Wisconsin State Journal - Madison, Wisconsin
The Lincoln Journal-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 also publishes 39 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	Nielsen DMA Market Ranking
ABC Affiliate, KGUN-TV - Tucson, Arizona	80
CBS Affiliates:	
KOIN-TV - Portland, Oregon	24
KRQE-TV - Albuquerque, New Mexico	48
KGMB-TV - Honolulu, Hawaii	70
KMTV - Omaha, Nebraska	75
NBC Affiliates:	
WSAZ-TV - Huntington-Charleston, West Virginia	57
KSNW-TV - Wichita, Kansas	63
KSNT-TV - Topeka, Kansas	140
Paramount Affiliate, KZIA-TV - El Paso, Texas	99

[FN]
Combined DMA rank. KRQE-TV also operates satellite stations KBIM-TV Roswell, New Mexico and KREZ-TV, Durango, Colorado.
KGMB-TV also operates satellite stations KGMD-TV, Hilo, Hawaii and KGMV-TV, Maui, Hawaii.
KSNW-TV also operates satellite stations KSNG-TV Garden City, Kansas; KSNC-TV Great Bend, Kansas; and KSNK-TV Oberlin, Kansas/McCook, Nebraska

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

The Company's television stations are in competition with other over-the-air broadcast, direct broadcast satellite ("DBS") and cable television, 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.

GRAPHIC ARTS

NAPP Systems Inc. ("NAPP") 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 also distributes commercial flexographic printing plates and related plate processing equipment manufactured by others.

NAPP is subject to competition in the printing 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 a License Agreement dated April 1, 1995 with Nippon Paint Co., Ltd. ("Nippon"), former owner of 50% of the outstanding capital stock of NAPP, NAPP acquired a fully paid-up license on a worldwide, nonassignable and sublicensable basis to exclusive use of Nippon's NAPPflex patent rights in development, design, manufacture, marketing, sale, and distribution of NAPPflex printing plates for use by newsprint, preprint, and telephone directory printing businesses.

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 1995, the Company, its subsidiaries and associated companies had approximately 5,600 employees, including approximately 1,900 part-time employees.

Item 2. Properties

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

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

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

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.

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	53	32 years	4 years	President and Chief Executive Officer
Larry L. Bloom	48	2 1/2 Years	2 1/2 Years	Vice-President & Treasurer
Ronald L. Rickman	57	36 years	12 years	Vice-President
Gary N. Schmedding	57	23 years	7 years	Vice-President
Greg R. Veon	43	19 years	1 month	Vice-President
Floyd Whellan	58	9 years	9 years	Vice-President
Charles D. Waterman, III	49	6 years	6 years	Secretary
George C. Wahlig	48	6 years	3 years	Principal Accounting Officer
John VanStrydonck	42	14 years	4 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.

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

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

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

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, after giving retroactive effect for the two-for-one stock split.

	Quarter			
	4th	3rd	2nd	1st
STOCK PRICES				
1995:				
High	$21-11/16	$19-5/16	$18-3/8	$17-3/8
Low	18-1/8	17-7/16	16-13/16	15-7/8
Closing	21-11/16	19-1/16	17-3/4	17-1/4
1994:				
High	$17-3/4	$17-3/4	$19-1/16	$17-1/2
Low	16	15-7/8	16-7/8	15-1/2
Closing	17-1/4	16	17-9/16	17-1/2
1993:				
High	$15-13/16	$15-1/8	$15-3/4	$17-1/4
Low	13-3/4	13-5/8	14-1/4	15-1/8
Closing	15-11/16	13-5/8	14-13/16	15-1/4
DIVIDENDS PAID				
1995	$ .11	$ .11	$ .11	$ .11
1994	.10-1/2	.10-1/2	.10-1/2	.10-1/2
1993	.10	.10	.10	.10

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

At September 30, 1995, the Company had 4,678 holders of Common Stock and 2,863 holders of Class B Common Stock.

Item 6. Selected Financial Data

FIVE YEAR FINANCIAL PERFORMANCE

Year Ended September 30:	1995	1994	1993	1992	1991
	(In Thousands Except Per Share Data)				
OPERATIONS					
Operating revenue	$ 443,188	$ 402,551	$ 372,907	$ 363,918	$ 346,260
Net income	$ 58,459	$ 50,854	$ 41,236	$ 38,492	$ 31,501
PER SHARE AMOUNTS					
Weighted average shares	46,962	46,850	46,920	46,682	46,584
Earnings	$1.24	$1.09	$ .88	$ .82	$ .68
Dividends	.44	.42	.40	.38-1/2	.38
OTHER DATA					
Total assets	$ 559,929	$ 474,701	$ 482,317	$ 504,985	$ 490,264
Debt, including current maturities	123,489	130,532	160,214	173,537	191,096
Stockholders' equity	311,042	241,930	223,482	203,812	183,035

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

Management Review and Discussion

Operating results are summarized below:

	1995	1994	1993
	(In Thousands)		
Operating revenue	$443,188	$402,551	$372,907
Percent change	10.1%	7.9%	2.5%
Operating income	103,432	95,477	81,139
Percent change	8.3%	17.7%	1.2%
Net income	58,459	50,854	41,236
Percent change	15.0%	23.3%	7.1%
Earnings per share	1.24	1.09	.88
Percent change	13.8%	23.9%	7.3%

The fiscal 1995 comparisons are affected by two significant acquisitions. On March 31, 1995 Lee acquired the 50.25% interest in Journal-Star Printing Co. (JSPC) not previously owned, making JSPC a wholly-owned subsidiary. On August 28, 1995, Lee acquired the stock of SJL of Kansas Corp. (SJL) which operates NBC network affiliated television stations KSNW-TV and KSNT-TV in Wichita and Topeka, Kansas and three satellite stations that comprise a network that covers all western Kansas and parts of southwest Nebraska. Fiscal 1994 and 1993 comparisons were not affected by significant acquisitions. The following unaudited proforma operating results are as if the 1995 acquisitions had occurred on October 1, 1993.

	1995	1994
	(Proforma in Thousands)	
Operating revenue	$472,048	$444,918
Percent change	6.1%	
Operating income	108,329	102,218
Percent change	6.0%	
Net income	58,231	52,648
Percent change	10.6%	
Earnings per share	1.20	1.05
Percent change	14.3%	

NEWSPAPERS

	1995	1994	1993
	(In Thousands)		
Operating revenue	$274,835	$241,032	$223,423
Percent change	14.0%	7.9%	4.6%
Operating income:			
Wholly-owned properties	68,366	65,881	58,434
Percent change	3.8%	12.7%	(1.2%)
Equity in net income	8,325	10,031	9,502
Percent change	(17.0%)	5.6%	9.6%
Operating margin, wholly-owned properties	24.9%	27.3%	26.2%

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

	1995	1994	1993
	(In Thousands)		
Daily newspaper:			
Advertising	$153,325	$134,322	$126,920
Percent change	14.1%	5.8%	3.4%
Circulation	72,863	66,302	63,285
Percent change	9.9%	4.8%	5.7%
Other	48,647	40,408	33,218
Percent change	20.4%	21.6%	7.1%

The JSPC acquisition accounted for a 9.0% increase in advertising revenue and a 6.1% increase in circulation revenue in 1995.

In the tables that follow, newspaper advertising linage, circulation volume statistics, and related revenue results are presented on a proforma basis for newspapers owned at the end of fiscal 1995.

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

ADVERTISING LINAGE, IN THOUSANDS OF INCHES (PROFORMA)

	1995	1994	1993
Classified	3,674	3,586	3,313
Percent change	2.5%	8.2%	3.0%
Local	5,422	5,481	5,533
Percent change	(1.1%)	(.9%)	(2.7%)

Classified advertising revenue increased approximately 9.1% in 1995, 13.3% in 1994, and 4.7% in 1993. The average rate realized increased 6.5% in 1995, 4.7% in 1994, and 1.6% in 1993. In 1995 growth was led by increases in employment, private party advertising and, in the first part of the year automotive.

Local "run-of-press" advertising represents advertising by merchants in the local community which is printed in the newspaper rather than "preprints" which are printed separately by the Company or others and inserted into the newspaper. Revenue increased 2.2% and 3.3% in 1995 and 1994, respectively, on higher average rates despite a 1.1% and .9% decrease in advertising inches. In 1993 revenue was flat due to the 2.7% decrease in volume.

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 $1,839,000 (5.4%) in 1995, $1,774,000 (5.5%) in 1994, and $1,787,000 (5.9%) in 1993 primarily as a result of increases in volume. The rate of growth in advertising revenues began to decline late in fiscal 1995. This decline is expected to continue into 1996.

In 1995 and 1994 circulation revenue increased 3.8% and 4.7%, respectively, as a result of higher rates which offset .9% and .6% decreases in volume. The 1993 increase in circulation revenue was a result of a 5.3% increase in price and a .3% increase in the number of subscribers.

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

Other income by category and by property is as follows:

	1995	1994	1993
	(In Thousands)		
Products delivered outside the newspaper:			
Properties owned for entire period	$ 6,347	$ 4,467	$ 2,273
Acquired since September 30, 1992	229	- -	- -
Weekly and specialty publications:			
Properties owned for entire period	15,732	15,233	13,497
Acquired since September 30, 1992	5,333	2,151	- -
Commercial printing:			
Properties owned for entire period	11,799	10,178	9,305
Acquired since September 30, 1992	781	- -	- -
Editorial service contracts	8,426	8,379	8,143
	$ 48,647	$ 40,408	$ 33,218

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

	1995	1994	1993
Revenue	100.0%	100.0%	100.0%
Compensation costs	34.4%	34.9%	34.9%
Newsprint and ink	11.6	9.0	9.8
Other operating expenses	24.5	24.4	23.9
	70.5%	68.3%	68.6%
Income before depreciation, amortization, interest and taxes	29.5%	31.7%	31.4%
Depreciation and amortization	4.6	4.4	5.2
Operating margin wholly-owned properties	24.9%	27.3%	26.2%

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

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

In 1993 costs other than depreciation and amortization 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 operating expenses increased 12.2% primarily due to costs related to non-traditional services and normal inflationary increases.

Newsprint suppliers continue to implement price increases. If newsprint prices actually increase as indicated, our costs per ton could increase in excess of 25% in 1996.

BROADCASTING

	1995	1994	1993
	(Dollars In Thousands)		
Operating revenue	$100,586	$ 90,000	$ 81,284
Percent change	11.8%	10.7%	2.7%
Operating income	26,934	21,494	16,712
Percent change	25.3%	28.6%	19.7%
Operating margin	26.8%	23.9%	20.6%

Exclusive of the effects of the SJL acquisition, operating revenue and operating income increased 10.1% and 26.7%, respectively in 1995. Local/regional revenue increased $1,400,000, national advertising increased $3,200,000, political advertising increased $1,700,000 and network compensation increased $1,900,000.

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

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. In 1995 political revenues totaled approximately $4,400,000. While we anticipate some revenues in fiscal 1996 from political campaigns, the bulk of these revenues may not be replaced due to the current softness in national spot advertising and less robust conditions in several of our local markets. Network compensation decreased $300,000 for the year, primarily at the Company's CBS-affiliated stations.

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

	1995	1994	1993
Revenue	100.0%	100.0%	100.0%
Compensation costs	37.1%	38.9%	39.1%
Programming costs	6.2	7.4	9.4
Other operating expenses	21.8	21.4	21.4
	65.1%	67.7%	69.9%
Income before depreciation, amortization, interest and taxes	34.9%	32.3%	30.1%
Depreciation and amortization	8.1	8.4	9.5
Operating margin wholly-owned properties	26.8%	23.9%	20.6%

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

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

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 operating expenses increased by 5.1% reflecting increased sales promotion costs and inflationary cost increases.

GRAPHIC ARTS

Graphic arts revenue decreased $2,046,000 in 1995 while operating income increased $658,000. Decreased unit volume from NAPP's letterpress plate business was offset by higher selling prices and growth in the flexographic printing plate business. Profit from large infrequently occurring equipment sales contributed $1,400,000 to operating income.

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 ten to fifteen 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 market for its flexographic product, increasing revenues from the commercial flexographic printing plate distribution business which NAPP established in September 1995 and 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.

INTEREST EXPENSE

Interest expense decreased by approximately $1,700,000 in 1995 and 1994 and $1,600,000 in 1993. The most significant element of the decrease was a lower debt level which reduced interest by approximately $2,000,000, $1,700,000 and $800,000, respectively. In 1993 there was a $400,000 reduction in interest expense as a result of the continuing phase-out of the Company's Deferred Compensation Unit Plan. In 1995 a $500,000 increase in interest on deferred compensation was offset by an increase in financial income earned on the invested funds.

INCOME TAXES

Income taxes were 38.6% of pretax income in 1995, 40.1% in 1994 and 39.3% in 1993. In 1995 the effective tax rate was decreased by .9% as a result of the elimination of the deferred income taxes related to the undistributed income of the 49.75% interest in JSPC. The 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 1996 is expected to be approximately 39%.

LIQUIDITY, CAPITAL RESOURCES AND COMMITMENTS

Cash provided by operations is the Company's primary source of liquidity, generating $72,571,000 in 1995. The major sources and uses of cash in 1995 were as follows:

	(In Thousands)
Sources of cash:	
Operations	$ 72,571
Maturities of temporary investments, net	38,659
New borrowings	35,000
All other	1,002
	$147,232
Uses of cash:	
Acquisitions	$ 41,609
Purchase property and equipment	17,435
Cash dividends paid	20,295
Purchase stock	30,925
Pay debt	45,069
	$155,333
Decrease in cash	$ (8,101)

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

Capital expenditures for new and improved facilities and equipment are expected to be about $20,000,000 in 1996. The Company anticipates that funds necessary for capital expenditures and other requirements will be available from internally generated funds. The Company also has $15,000,000 available pursuant to a bank line-of-credit.

DIVIDENDS AND COMMON STOCK PRICES

The current quarterly cash dividend is $.12 per share, an annual rate of $.48.

During the fiscal year ended September 30, 1995, the Company paid $20,295,000 or 34.7% 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 SHEETS

	September 30, 1995	1994	1993
	(Dollars In Thousands)		
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 10,683	$ 18,784	$ 17,072
Temporary investments	200	38,859	45,500
Trade receivables, less allowance for doubtful accounts 1995 $4,100; 1994 $4,100; 1993 $3,400	57,146	46,170	43,284
Receivables from associated companies	1,438	2,169	2,137
Inventories	18,355	13,147	11,177
Program rights and other	16,687	16,578	15,952
Total current assets	$104,509	$135,707	$135,122
INVESTMENTS			
Associated companies	$ 10,754	$ 21,969	$ 20,305
Other	8,946	7,437	6,650
	$ 19,700	$ 29,406	$ 26,955
PROPERTY AND EQUIPMENT			
Land and improvements	$ 12,053	$ 11,392	$ 11,319
Buildings and improvements	64,768	56,675	55,177
Equipment	176,642	152,547	137,917
	$253,463	$220,614	$204,413
Less accumulated depreciation	145,267	138,450	129,057
	$108,196	$ 82,164	$ 75,356
INTANGIBLES AND OTHER ASSETS			
Intangibles	$321,014	$225,633	$242,267
Other	6,510	1,791	2,617
	$327,524	$227,424	$244,884
	$559,929	$474,701	$482,317

See Notes to Consolidated Financial Statements.

	September 30, 1995	1994	1993
	(Dollars In Thousands)		
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Notes payable and current maturities of long-term debt	$ 47,978	$ 31,891	$ 32,748
Accounts payable	24,155	17,336	13,215
Compensation and other accruals	28,431	26,523	25,078
Income taxes payable	2,656	12,971	10,808
Unearned income	13,307	11,009	9,859
Total current liabilities	$116,527	$ 99,730	$ 91,708
LONG-TERM DEBT, net of current maturities	$ 75,511	$ 98,641	$127,466
DEFERRED ITEMS			
Retirement and compensation	$ 11,632	$ 13,021	$ 13,747
Income taxes	45,217	21,379	25,914
	$ 56,849	$ 34,400	$ 39,661
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 1995 34,198,000 shares	$ 68,396	$ 32,130	$ 31,826
Class B, common, $2 par value; authorized 30,000,000 shares; issued and outstanding 1995 13,168,000 shares	26,336	13,390	14,374
Additional paid-in capital	17,404	6,497	3,469
Unearned compensation	(533)	(665)	(901)
Retained earnings	199,439	190,578	174,714
	$311,042	$241,930	$223,482
	$559,929	$474,701	$482,317

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended September 30, 1995	1994	1993
	(In Thousands Except Per Share Data)		
Operating revenue:			
Newspaper:			
Advertising	$153,325	$134,322	$126,920
Circulation	72,863	66,302	63,285
Other	48,647	40,408	33,218
Broadcasting	100,586	90,000	81,284
Graphic arts	59,490	61,357	58,651
Equity in net income of associated companies	8,277	10,162	9,549
	$443,188	$402,551	$372,907
Operating expenses:			
Compensation costs	$148,894	$138,486	$128,734
Newsprint and ink	31,936	21,744	21,936
Depreciation	12,731	10,916	11,131
Amortization of intangibles	13,243	12,580	13,645
Other	132,952	123,348	116,322
	$339,756	$307,074	$291,768
Operating income	$103,432	$ 95,477	$ 81,139
Financial (income) expense:			
Interest expense	$ 11,902	$ 13,576	$ 15,312
Financial (income)	(3,704)	(2,984)	(2,103)
	$ 8,198	$ 10,592	$ 13,209
Income before taxes on income	$ 95,234	$ 84,885	$ 67,930
Income taxes	36,775	34,031	26,694
Net income	$ 58,459	$ 50,854	$ 41,236
Weighted average number of shares	46,962	46,850	46,920
Earnings per share	$ 1.24	$ 1.09	$ .88

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended September 30, 1995	1994	1993
	(In Thousands)		
CASH PROVIDED BY OPERATING ACTIVITIES			
Net income	$ 58,459	$ 50,854	$ 41,236
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	25,974	23,496	24,776
Distributions in excess of (less than) earnings of associated companies	206	(1,696)	(1,563)
Change in assets and liabilities, net of effects from business acquisitions:			
(Increase) decrease in receivables	(4,849)	(2,631)	529
(Increase) decrease in inventories, program rights and other	(4,717)	(4,013)	1,447
Increase (decrease) in accounts payable, accrued expenses and unearned income	6,619	5,038	(10,154)
Increase (decrease) in income taxes payable	(10,469)	2,163	884
Other, primarily deferred items	1,348	4,564	1,120
Net cash provided by operating activities	$ 72,571	$ 77,775	$ 58,275
CASH (REQUIRED FOR) INVESTING ACTIVITIES			
Acquisitions	$(41,609)	$ (4,132)	$ (444)
Additional investment in associated companies	- -	- -	(50)
Purchase of property and equipment	(17,435)	(17,611)	(9,988)
Purchase of temporary investments	(200)	(117,732)	(87,500)
Proceeds from maturities of temporary investments	38,859	124,373	66,800
Other	(1,509)	(787)	(95)
Net cash (required for) investing activities	$(21,894)	$(15,889)	$(31,277)
CASH (REQUIRED FOR) FINANCING ACTIVITIES			
Purchase of common stock	$(30,925)	$(16,498)	$ (8,702)
Cash dividends paid	(20,295)	(19,367)	(18,495)
Proceeds from long-term borrowings	20,000	- -	- -
Proceeds from short-term notes payable	15,000	- -	- -
Principal payments on long-term borrowings	(45,069)	(26,667)	(11,070)
Other	2,511	2,358	5,070
Net cash (required for) financing activities	$(58,778)	$(60,174)	$(33,197)
Net increase (decrease) in cash and cash equivalents	$ (8,101)	$ 1,712	$ (6,199)
Cash and cash equivalents:			
Beginning	18,784	17,072	23,271
Ending	$ 10,683	$ 18,784	$ 17,072

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Years Ended September 30,					
	Amount			Shares		
	1995	1994	1993	1995	1994	1993
	(In Thousands Except Per Share Data)					
COMMON STOCK						
Balance, beginning	$ 32,130	$ 31,826	$ 41,842	32,130	31,826	41,842
Conversion from Class B Common Stock	252	988	432	252	988	432
Stock split	34,198	- -	- -	- -	- -	- -
Cancellation of treasury stock	- -	- -	(10,480)	- -	- -	(10,480)
Shares issued	3,508	462	560	3,508	462	560
Shares reacquired	(1,692)	(1,146)	(528)	(1,692)	(1,146)	(528)
Balance, ending	$ 68,396	$ 32,130	$ 31,826	34,198	32,130	31,826
CLASS B COMMON STOCK						
Balance, beginning	$ 13,390	$ 14,374	$ 18,606	13,390	14,374	18,606
Conversion to Common Stock	(252)	(988)	(432)	(252)	(988)	(432)
Stock split	13,168	- -	- -	- -	- -	- -
Cancellation of treasury stock	- -	- -	(3,712)	- -	- -	(3,712)
Shares issued	38	14	90	38	14	90
Shares reacquired	(8)	(10)	(178)	(8)	(10)	(178)
Balance, ending	$ 26,336	$ 13,390	$ 14,374	13,168	13,390	14,374
ADDITIONAL PAID-IN CAPITAL						
Balance, beginning	$ 6,497	$ 3,469	$ - -			
Shares issued	58,273	3,028	3,469			
Common stock split (Note 2)	(47,366)	- -	- -			
Balance, ending	$ 17,404	$ 6,497	$ 3,469			
UNEARNED COMPENSATION						
Balance, beginning	$ (665)	$ (901)	$ (760)			
Restricted shares issued	(496)	(474)	(787)			
Restricted shares canceled	24	22	118			
Amortization	604	688	528			
Balance, ending	$ (533)	$ (665)	$ (901)			

	Amount 1995	Amount 1994	Amount 1993	Shares 1995	Shares 1994	Shares 1993
	Years Ended September 30, (In Thousands Except Per Share Data)					
RETAINED EARNINGS						
Balance, beginning	$190,578	$174,714	$256,519			
Net income	58,459	50,854	41,236			
Cash dividends per share 1995 $.44; 1994 $.42; 1993 $.40	(20,295)	(19,367)	(18,495)			
Treasury stock issued for less than cost or canceled	- -	- -	(98,203)			
Shares reacquired	(29,303)	(15,623)	(6,343)			
Balance, ending	$199,439	$190,578	$174,714			
TREASURY STOCK						
Balance, beginning	$ - -	$ - -	$112,395	- -	- -	7,096
Cancellation of treasury stock	- -	- -	(112,395)	- -	- -	(7,096)
Balance, ending	$ - -	$ - -	$ - -	- -	- -	- -
STOCKHOLDERS' EQUITY	$311,042	$241,930	$223,482	47,366	45,520	46,200

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS:

The Company has three principal businesses: newspaper publishing, broadcasting and sale of graphic arts products and services. As of September 30, 1995, operating divisions and associated companies publish 19 daily newspapers and operate nine television stations and seven satellite stations. Graphic arts products and services consist primarily of the operations of NAPP Systems Inc., a manufacturer and distribution of graphic arts products.

PRINCIPLES OF CONSOLIDATION:

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

TEMPORARY INVESTMENTS:

Temporary investments are carried at cost which approximates fair value.

INVENTORIES:

Newsprint inventories are priced at the lower of cost or market with cost being determined primarily by the last-in, first-out method. Newsprint inventories as of September 30, 1995, 1994 and 1993 were less than replacement cost by $4,896,000, $2,985,000, and $3,148,000, respectively.

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

PROGRAM RIGHTS:

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

INVESTMENTS:

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

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

Other investments primarily consist of various trading securities held in a Rabbi Trust and are carried at fair value.

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, broadcast licenses and agreements, newspaper subscriber lists, and the excess costs over fair value of net assets of businesses acquired.

The excess costs over fair value of net tangible assets include $21,510,000 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. Intangibles related to the graphic arts segment are being amortized over a period of 20 years. Intangibles, representing non-compete covenants, consulting agreements, customer lists, broadcast licenses and agreements and newspaper subscriber lists are being amortized over a period of 3 to 40 years. The remaining newspaper and broadcast segment costs are being amortized over a period of 40 years. All intangibles are amortized by the straight-line method.

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. COMMON STOCK SPLIT

On November 9, 1995, the Board of Directors declared a two-for-one stock split on the Company's Common Stock and Class B Common Stock effected in the form of a stock dividend to holders of record on November 20, 1995. Common Stock issued, Class B Common Stock issued, and additional paid-in capital as of September 30, 1995 have been restated to reflect this split.

The number of shares issued at September 30, 1995 after giving effect to the split was 34,198,000 common shares and 13,168,000 Class B Common shares (17,099,000 common shares and 6,584,000 Class B Common shares before the split).

All share and per share data, including stock option and stock purchase plan information, is stated to reflect the split.

NOTE 3. ACQUISITIONS

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

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

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

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

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

	Year Ended September 30, 1995	1994
	(In Thousands Except Per Share Data)	
Operating revenue	$472,048	$444,918
Net income	58,231	52,648
Earnings per share	1.20	1.05

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

The Company also acquired four alternative publications and a satellite television station in 1995, two alternative publications in 1994, and an independent television station in 1993.

The purchase price of business acquisitions was allocated as follows:

	Years Ended September 30, 1995	1994	1993
	(In Thousands)		
Noncash working capital acquired	$ 1,723	$ 161	$ 27
Property and equipment	21,484	436	505
Intangibles	108,890	3,535	67
Other long-term assets	6,370	- -	- -
Debt assumed	(1,871)	- -	- -
Issuance of note payable	(2,315)	- -	- -
Deferred items	(22,682)	- -	(155)
Common stock issued	(58,250)	- -	- -
Total cash purchase price	$ 53,349	$ 4,132	$ 444
Less equity interest in cash balance at date of acquisition	(11,740)	- -	- -
	$ 41,609	$ 4,132	$ 444

NOTE 4. INVESTMENTS IN ASSOCIATED COMPANIES

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

Summarized financial information of the associated companies is as follows:

Combined Associates	1995	1994	1993
	(In Thousands)		
Assets			
Current assets	$ 22,873	$ 35,895	$ 36,420
Investments and other assets	3,865	13,757	14,486
Property and equipment, net	6,359	13,835	8,608
	$ 33,097	$ 63,487	$ 59,514
Liabilities and Stockholders' Equity			
Current liabilities	$ 12,180	$ 17,839	$ 17,684
Long-term debt	590	615	615
Deferred items	- -	2,414	1,915
Stockholders' equity	20,327	42,619	39,300
	$ 33,097	$ 63,487	$ 59,514
Revenue	$ 85,421	$ 98,011	$ 92,097
Income before depreciation, interest and income taxes	27,159	33,454	31,333
Operating income	25,104	31,629	29,600
Net income	16,076	20,353	19,124

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

	1995	1994	1993
	(In Thousands)		
Share of:			
Stockholders' equity	$ 10,164	$ 21,265	$ 19,601
Undistributed earnings	9,946	19,508	17,844

NOTE 5. DEBT

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

	September 30, 1995	1994	1993
	(In Thousands)		
Insurance companies notes payable:			
Senior notes	$ - -	$ 20,000	$ 20,000
Senior notes, effective rate of 9.92%, $25,000,000 due January 1998 and 1999	50,000	75,000	100,000
Bank term loan, 6.17%, due January 1997	20,000	- -	- -
Program contracts, noninterest bearing, due through 1999	2,763	2,040	4,366
Other 5.0%-6.2%, due through 2010	2,748	1,601	3,100
	$ 75,511	$ 98,641	$127,466

At September 30, 1995 the Company had $15,000,000 of borrowings under unsecured line-of-credit agreements with two banks. The agreements provide for quarterly interest payments at a variable interest rate, currently 6.25%, and are due in August 1996. The Company also has $15,000,000 available under a credit agreement with a bank which terminates in July 1998. Interest rates float at rates specified in the agreement.

Aggregate maturities during the next five years are $32,978,000, $23,344,000, $25,681,000, $25,222,000, and $1,264,000. Covenants under these agreements are not considered restrictive to normal operations or anticipated stockholder dividends.

NOTE 6. RETIREMENT AND COMPENSATION PLANS

Substantially all the Company's employees are covered by a qualified defined contribution retirement plan. The Company has other retirement and compensation plans for executives and others. Retirement and compensation plan costs, including interest on deferred compensation costs, charged to operations were $9,200,000 in 1995, $10,200,000 in 1994, and $7,800,000 in 1993.

NOTE 7. COMMON STOCK AND CLASS B COMMON STOCK

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

During 1993, the Board of Directors retired 14,192,000 shares of treasury stock and adopted the policy of retiring all shares of the Company's common stock as it is repurchased.

NOTE 8. STOCK OPTION AND RESTRICTED STOCK AND STOCK PURCHASE PLANS

Stock option and restricted stock plans:

The Company has reserved 7,114,000 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. All option grants are for common stock. Other pertinent information related to the stock option plans is as follows:

	Number of Shares		
	1995	1994	1993
	(In Thousands)		
Under option, beginning of year	2,406	2,556	2,682
Granted	192	198	372
Terminated and canceled	(10)	(34)	(22)
Exercised	(368)	(314)	(476)
Under option, end of year	2,220	2,406	2,556
Options exercisable, end of year	1,778	1,856	1,738

	Average Price		
	1995	1994	1993
Granted during the year	$16.66	$16.03	$15.54
Exercised during the year	11.45	12.37	9.94
Under option, end of year	13.79	13.20	12.91

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, 1995, 156,000 shares of restricted stock were outstanding.

At September 30, 1995, 4,894,000 shares were available for granting of stock options or issuance of restricted stock.

Stock purchase plan:

The Company has 218,000 additional shares of common stock available for issuance pursuant to a non-officer employee stock purchase plan. April 30, 1996 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 1995, 1994 and 1993 employees purchased 108,000, 120,000, and 108,000 shares, respectively, at a per share price of $14.90 in 1995, $12.49 in 1994, and $12.38 in 1993.

NOTE 9. INCOME TAX MATTERS

Components of income tax expense consist of the following:

	Years Ended September 30,		
	1995	1994	1993
	(In Thousands)		
Paid or payable on currently taxable income:			
Federal	$29,031	$27,846	$21,554
State	5,948	5,535	4,311
Net increase due to deferred income taxes	1,796	650	829
	$36,775	$34,031	$26,694

Income tax expense for the years ended September 30, 1995, 1994, and 1993 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		
	1995	1994	1993
Computed "expected" income tax expense	35.0%	35.0%	34.8%
State income taxes, net of federal tax benefit	4.4	4.2	4.2
Net income of associated companies taxed at dividend rates	(2.7)	(3.7)	(4.4)
Effect of change in tax rates on deferred taxes	- -	- -	.7
Goodwill amortization	3.0	3.3	4.7
Other	(1.1)	1.3	(.7)
	38.6%	40.1%	39.3%

Foreign taxes are not material.

Net deferred tax liabilities consist of the following components as of September 30, 1995, 1994 and 1993:

	1995	1994	1993
	(In Thousands)		
Deferred tax liabilities:			
Property and equipment	$ 8,607	$ 3,429	$ 3,728
Equity in undistributed earnings of affiliates	883	1,676	1,529
Deferred gain on sale of broadcast properties	3,308	3,308	3,308
Identifiable intangible assets	36,179	19,686	23,120
Other	2,303	- -	- -
	$ 51,280	$ 28,099	$ 31,685
Deferred tax assets:			
Accrued compensation	$ 7,501	$ 7,525	$ 6,670
Receivable allowance	1,550	1,746	1,493
Loss carryforwards acquired	10,779	784	1,703
Other	2,654	3,084	3,411
	$ 22,484	$ 13,139	$ 13,277
Less, valuation allowance	10,498	- -	1,703
	11,986	$ 13,139	$ 11,574
	$ 39,294	$ 14,960	$ 20,111

The components giving rise to the net deferred tax liabilities described above have been included in the accompanying balance sheets as of September 30, 1995, 1994, and 1993 as follows:

	1995	1994	1993
	(In Thousands)		
Current assets	$ 5,923	$ 6,419	$ 5,803
Noncurrent liabilities	(45,217)	(21,379)	(25,914)
	$ 39,294	$(14,960)	$(20,111)

The Company provided a valuation allowance of $10,498,000 during 1995 at the time SJL of Kansas Corp. 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. During 1994, as a result of changes in the operations of New Mexico Broadcasting Company, Inc. management has determined that it is more likely than not that the Company's remaining net operating losses will be utilized and, accordingly, reduced the valuation allowance that it has previously established by $1,703,000 with a corresponding reduction in goodwill. As of September 30, 1995 the SJL net operating loss carryforward was approximately $27,000,000 and will expire in various amounts from 1999 to 2010.

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. In 1995 the Company settled Internal Revenue Service examinations related to the amortization of intangibles on the basis previously estimated.

NOTE 10. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The carrying amounts of cash and cash equivalents, temporary investments, and accrued expenses approximate fair value because of the short maturity of those instruments.

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

	Carrying Amount	Fair Value
	(In Thousands)	
September 30:		
1995	$123,489	$127,723
1994	130,532	134,130
1993	160,214	174,199

NOTE 11. LINE OF BUSINESS INFORMATION

	Year Ended September 30,		
	1995	1994	1993
	(In Thousands)		
Revenues:			
Newspapers:			
Wholly-owned properties	$274,835	$241,032	$223,423
Equity in net income of associated companies	8,325	10,031	9,502
Broadcasting	100,586	90,000	81,284
Graphic Arts:			
Wholly-owned properties	59,490	61,357	58,651
Equity in net income (loss) of associated companies	(48)	131	47
Total revenue	$443,188	$402,551	$372,907
Operating income:			
Newspapers	$ 76,691	$ 75,912	$ 67,936
Broadcasting	26,934	21,494	16,712
Graphic arts	11,979	11,321	8,187
Corporate and other	(12,172)	(13,250)	(11,696)
Total operating income	$103,432	$ 95,477	$ 81,139
Identifiable assets:			
Newspapers	$229,765	$174,695	$168,432
Broadcasting	211,652	139,401	147,270
Graphic arts	87,880	88,225	95,641
Corporate	30,632	72,380	70,974
Total identifiable assets	$559,929	$474,701	$482,317
Depreciation:			
Newspapers	$ 7,041	$ 5,645	$ 6,087
Broadcasting	4,388	3,917	3,635
Graphic arts	766	850	804
Corporate	536	504	605
Total depreciation	$ 12,731	$ 10,916	$ 11,131
Amortization of intangibles:			
Newspapers	$ 5,746	$ 4,927	$ 5,584
Broadcasting	3,755	3,661	4,069
Graphic arts	3,742	3,992	3,992
Total amortization of intangibles	$ 13,243	$ 12,580	$ 13,645
Capital expenditures:			
Newspapers	$ 9,875	$ 12,993	$ 2,113
Broadcasting	7,141	4,298	3,715
Graphic arts	63	170	398
Corporate	356	150	3,762
Total capital expenditures	$ 17,435	$ 17,611	$ 9,988

NOTE 12. OTHER INFORMATION

Balance sheet information:

Inventories consist of the following:

	September 30, 1995	1994	1993
	(In Thousands)		
Newsprint	$ 3,634	$ 2,343	$ 2,904
Graphic arts products:			
Raw material	7,554	5,684	4,737
Finished goods	7,167	5,120	3,536
	$ 18,355	$ 13,147	$ 11,177

Program rights and other consist of the following:

	September 30, 1995	1994	1993
	(In Thousands)		
Program rights	$ 6,793	$ 6,278	$ 7,507
Deferred income taxes	5,923	6,419	5,803
Other	3,971	3,881	2,642
	$ 16,687	$ 16,578	$ 15,952

Intangibles consist of the following:

	September 30, 1995	1994	1993
	(In Thousands)		
Goodwill	$268,945	$206,525	$212,030
Less, accumulated amortization	64,185	56,631	49,508
	$204,760	$149,894	$162,522
Covenants and consulting agreements	$ 25,739	$ 25,315	$ 23,955
Less, accumulated amortization	15,811	13,543	10,302
	$ 9,928	$ 11,772	$ 13,653
Customer lists, broadcasting licenses and agreements and newspaper subscriber lists	$124,472	$ 79,432	$ 79,332
Less, accumulated amortization	18,146	15,465	13,240
	$106,326	$ 63,967	$ 66,092
	$321,014	$225,633	$242,267

Compensation and other accruals consist of the following:

	September 30, 1995	1994	1993
	(In Thousands)		
Compensation	$ 10,355	$ 9,684	$ 10,777
Deferred compensation, current portion	1,394	1,567	173
Vacation pay	4,824	3,892	3,811
Retirement and stock purchase plans	2,941	2,769	2,192
Interest	1,834	2,365	2,831
Other	7,083	6,246	5,294
	$ 28,431	$ 26,523	$ 25,078

Cash flows information:

	Year Ended September 30, 1995	1994	1993
	(In Thousands)		
Cash payments for:			
Interest	$ 12,433	$ 14,042	$ 15,515
Income taxes	$ 45,294	$ 31,218	$ 24,743
Program rights were acquired by issuing long-term contracts as follows	$ 6,000	$ 3,600	$ 4,900
Issuance of restricted common stock, net	$ 334	$ 452	$ 669
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)			
1995 Quarter:				
Operating revenue	$114,353	$117,106	$ 98,641	$113,088
Net income	14,082	16,435	11,116	16,826
Earnings per common and common equivalent share	$ .29	$ .34	$ .25	$ .37
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	$ .29	$ .31	$ .20	$ .28
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	$ .24	$ .25	$ .14	$ .24

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

Not applicable.

PART III

The information called for by Part III of this Form 10-K is omitted in accordance with General Instruction G because the Company will file with the Commission a definitive proxy statement pursuant to Regulation 14A not later than 120 days after the close of the Company's fiscal year ended September 30, 1995.

PART IV

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, 1995, 1994 and 1993
Consolidated statements of income years ended September 30, 1995, 1994 and 1993
Consolidated statements of stockholders' equity years ended September 30, 1995, 1994 and 1993
Consolidated statements of cash flows years ended September 30, 1995, 1994 and 1993
Notes to consolidated financial statements

(a) 2. Financial statements schedule

Schedule

XII - Valuation and qualifying accounts years ended September 30, 1995, 1994 and 1993

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

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

11 Computation of earnings per share years ended September 30, 1995, 1994 and 1993
21 Subsidiaries
24 Power of Attorney
27 Financial Data Schedule

(b) The following report on Form 8-K was filed for the three months ended September 30, 1995:

Date of report: September 18, 1995
Item: 5 - Announce completion of transaction to purchase SJL of Kansas Corp.
Financial statements filed: none

* * * * *

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, 1995, 1994 and 1993 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, 1995, 1994 and 1993 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, 1995, 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, 1995 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, 1995 and to the reference to us under the heading "Experts" in such Prospectuses.

/s/ McGladrey & Pullen, LLP

Davenport, Iowa
October 26, 1995, except for Note 2 as to which the
date is November 9, 1995

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, 1995	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, 1995 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 9, 1995
/s/ J. P. Guerin J. P. Guerin	Director	November 9, 1995
/s/ Phyllis Sewell Phyllis Sewell	Director	November 9, 1995
/s/ Mark Vittert Mark Vittert	Director	November 9, 1995
/s/ Ronald L. Rickman Ronald L. Rickman	Director	November 9, 1995
/s/ Richard W. Sonnenfeldt Richard W. Sonnenfeldt	Director	December 16, 1995
/s/ Rance E. Crain Rance E. Crain	Director	November 9, 1995
/s/ Charles E. Rickershauser, Jr. Charles E. Rickershauser, Jr.	Director	November 9, 1995
/s/ Andrew E. Newman Andrew E. Newman	Director	November 9, 1995

LEE ENTERPRISES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES

SCHEDULE XII - VALUATION AND QUALIFYING ACCOUNTS
(In Thousands)

Description	Column A Balance At Beginning Of Period	Column B Additions Charged To Income	Column C Charged To Other Accounts	Column D Deduction From Reserves	Column E Balance At Close Of Period
Allowance for doubtful accounts:					
For the year ended September 30, 1995	$ 4,100	$ 1,525	$ 408 <2>	$ 1,933	$ 4,100
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

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

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

LEE ENTERPRISES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES

EXHIBIT 11 - COMPUTATION OF EARNINGS PER SHARE

	Year Ended September 30, 1995	1994	1993
	Amounts In Thousands, Except Per Share Data		
Number of shares of common stock outstanding at beginning of the period	45,520	46,254	46,256
Weighted average number of shares of common stock issued (reacquired) during the period	700	(56)	80
Weighted average number of common stock equivalents	742	652	584
Weighted average number of shares of common stock outstanding during each period	46,962	46,850	46,920
Net income	$58,459	$50,854	$41,236
Earnings per share of common stock	$ 1.24	$ 1.09	$ .88

LEE ENTERPRISES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES

EXHIBIT 21 - WHOLLY-OWNED SUBSIDIARIES
AND ASSOCIATED COMPANIES

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

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.

	Date
/s/ Rance E. Crain Rance E. Crain, Director	November 9, 1995
/s/ J. P. Guerin J. P. Guerin, Director	November 9, 1995
/s/ Andrew E. Newman Andrew E. Newman, Director	November 9, 1995
/s/ Charles E. Rickershauser, Jr. Charles E. Rickershauser, Jr., Director	November 9, 1995
/s/ Ronald L. Rickman Ronald L. Rickman	November 9, 1995
/s/ Lloyd G. Schermer Lloyd G. Schermer, Chairman of the Board and Director	November 9, 1995
/s/ Phyllis Sewell Phyllis Sewell, Director	November 9, 1995
/s/ Richard W. Sonnenfeldt Richard W. Sonnenfeldt	December 16, 1995
/s/ Mark Vittert Mark Vittert, Director	November 9, 1995

5

This schedule contains summary financial information extracted from the
September 30, 1995 Form 10-K for Lee Enterprises, Incorporated and is qualified
in its entirety by reference to such financial statements.

1,000

YEAR
SEP-30-1995
SEP-30-1995
10,883
8,946
62,684
4,100
18,355
104,509
253,463
145,267
559,929
116,527
75,511
94,732
0
0
216,310
559,929
434,911
443,188
0
0
339,756
1,525
11,902
95,234
36,775
58,459
0
0
0
58,459
1.24
1.24