

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

FORM 10-K

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

For The Fiscal Year Ended September 30, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
Commission File Number 1-6227

LEE ENTERPRISES, INCORPORATED

(Exact name of Registrant as specified in its Charter)

Delaware
(State of incorporation)

42-0823980
(I.R.S. Employer Identification No.)

201 N. Harrison Street, Suite 600, Davenport, Iowa 52801
(Address of principal executive offices)
(563) 383-2100
Registrant's telephone number, including area code

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

Title of Each Class	Name of Each Exchange On Which Registered
Common Stock - \$0.01 par value	New York Stock Exchange
Preferred Share Purchase Rights	New York Stock Exchange

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this Chapter) during the preceding 12 months (or such shorter period that the Registrant was required to submit). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (S 229.405 of this Chapter) 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.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the Registrant's most recently completed second fiscal quarter. Based on the closing price of the Registrant's Common Stock on the New York Stock Exchange on March 31, 2018, such aggregate market value was approximately \$102,433,453. For purposes of the foregoing calculation only, as required, the Registrant has included in the shares owned by affiliates the beneficial ownership of Common Stock of officers and directors of the Registrant and members of their families, and such inclusion shall not be construed as an admission that any such person is an affiliate for any purpose.

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of November 30, 2018. Common Stock, \$0.01 par value, 57,148,888 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Lee Enterprises, Incorporated Definitive Proxy Statement to be filed in January 2019 are incorporated by reference in Part III of this Form 10-K. Except as expressly incorporated by reference, the Registrant's Definitive Proxy Statement shall not be deemed to be a part of this report.

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References to "we", "our", "us" and the like throughout this document refer to Lee Enterprises, Incorporated and subsidiaries (the "Company"). References to "2018", "2017", "2016" and the like refer to the fiscal years ended the last Sunday in September.

PART I

ITEM 1. BUSINESS

Lee Enterprises, Incorporated ("Company", "we" or "our") is a leading provider of high quality, trusted, local news and information, and a major platform for advertising in the markets we serve. We operate 49 principally mid-sized local media operations (including TNI Partners ("TNI") and Madison Newspapers, Inc. ("MNI")) across 20 states.

Our products include daily newspapers, websites and mobile applications, mobile news and advertising, video products, a digital marketing agency, digital services including web hosting and content management, niche publications and community newspapers. Our local media operations range from large daily newspapers and the associated digital products, such as the *St. Louis Post-Dispatch*, to non-daily newspapers with news websites and digital platforms serving smaller communities.

Our mission is to be the leading provider of local news, information and to be a major source of advertising in our local media operations. We aim to grow our business through three main categories; consumers, local retail accounts and digital services.

- We are committed to a business strategy that drives audience growth and engagement by delivering valuable, intensely local, original news and information to consumers.
- Local, controllable retail accounts - those in which our local sales teams have direct contact with the advertising decision makers - are the core of our business. This segment represents nearly 50% of advertising revenue and our historical financial results for this revenue category are better than our overall results.
- TownNews represents a powerful opportunity for us to drive additional digital revenue by providing state-of-the-art web hosting and content management services to 1,700 other media organizations including broadcast.

Our local media operations generate revenue primarily through print and digital advertising, subscriptions to our publications and digital services, primarily through TownNews. Our operations also provide commercial printing, distribution of third party publications and marketing services.

Advertising and marketing services - Approximately 56% of our 2018 revenue was derived from advertising and marketing services. We provide advertising and marketing solutions using a multi-platform sales approach that maximizes audience reach for our customers by tailoring our print and digital advertising platforms to the individual needs of our advertisers, from small, medium sized businesses ("SMBs") to large complex businesses. The following broadly define major categories of advertising and marketing services revenue:

Retail advertising is revenue earned from sales of display advertising in the publication, or from preprinted advertising inserted in the publication, from local, regional and national businesses with local retail operations.

Classified advertising is revenue from the sale of advertising space, or from separate publications, consisting primarily of advertising categories, such as employment, automotive, real estate, legal notices, obituaries and other merchandise. Classified publications offer advertisers a cost-effective, local advertising vehicle and can be particularly effective in larger markets with higher media fragmentation.

National advertising is revenue earned from the sale of print or digital display advertising space, or from preprinted advertising inserted in the publication, from national accounts that do not have a local retailer representing the account in the market.

Digital advertising consists of display, banner, behavioral targeting, search, rich media, directories, classified or other advertising on websites or mobile applications that are integrated with our print publications, or on third party websites accessed through the extended audience network. Digital advertising is reported in combination with print advertising in the retail, classified and national categories.

Niche publications are specialty publications, such as lifestyle, business, health or home improvement publications that contain advertising.

Marketing services is comprised of a suite of custom digital marketing services that include: Search Engine Optimization, Search Engine Marketing ("SEM"), web and mobile production, social media services and reputation monitoring and management. Our marketing services also include media buying in audience extension networks outside of those owned and operated by the Company, such as Centro DSP and TradeDesk.

Our advertising revenues are subject to seasonality due primarily to fluctuations in advertising volumes. Our advertising revenues for publishing are typically highest in our first quarter due to holiday and seasonal advertising and lowest in the second quarter following the holiday season. The volume of advertising sales in any period is also impacted by other external factors such as competitors' pricing, advertisers' decisions to increase or decrease their advertising expenditures in response to anticipated consumer demand, and general economic conditions.

Subscription - Approximately 36% of our 2018 revenue was derived from subscriptions to our printed and digital products. Subscription revenue is earned primarily from our full access subscription model and digital only subscriptions. Full access subscribers receive print and digital access to our leading local news, information and advertising content.

We reach 79% of all adults in our larger markets through a combination of our print and digital content offerings.

- Our web and mobile sites are the number one digital source of local news in most of our markets, reaching more than 27 million unique visitors each month with a monthly average of 267.1 million page views. Page views per session, one metric we use to monitor engagement, increased 5.6% in 2018.
- Our printed newspapers reach more than 700,000 households daily and more than 1.1 million on Sunday, with estimated readership totaling three million.

While our print audience tends to skew to an older demographic, our digital audience skews younger, as evidenced by third party research that suggests the print and digital reach among the younger demographic (ages 18-29) totals 77%, with a 43% digital reach. Consistent within the publishing industry, print circulation volumes declined in 2018. Growing our digital only subscribers and subscription revenue is a priority.

Other Revenue - Other revenue is comprised mainly of digital services, commercial printing and delivery of third party products and represents 8.3% of our business. Digital services revenue, which is mostly TownNews, is the largest component of Other Revenue.

TownNews, operated through our 82.5% owned subsidiary INN Partners, L.C., is a leading provider of integrated digital publishing and content management solutions, and offers a state-of-the-art platform for creating, distributing and monetizing multimedia content.

- TownNews services nearly 1,700 daily and weekly newspapers as well as universities, television stations, niche publications, and Lee Enterprises properties.
- Including revenue generated from Lee Enterprises, total revenue at TownNews grew 16% in 2018.

With strong product offerings, investments in video and over the top ("OTT") technology and a diversifying customer base into broadcast, we believe TownNews is positioned to continue to be a key component to our growth strategy.

Our operating costs are primarily compensation, newsprint and delivery. Over the past several years we have adjusted our business model to create operational efficiencies and significantly reduce our cost structure.

We have centralized, or regionalized, most back office functions including the design of our newspapers. The regional design centers ("RDCs") have enabled us to more cost effectively design and layout the newspaper. The RDCs - combined with a common content management system across all of our daily newspaper markets - have created additional operating efficiencies and cost savings. We have templated designs for our printed and digital editions, and we have created a national news desk that shares high quality content across all of our markets, including national news, regional news and other special sections content. The national news desk allows our newsrooms to focus on

high quality local content. We believe we will continue to create additional operational efficiencies and continue to transform our business model.

Several of our businesses operate in geographic groups of publications, or “clusters,” which provide operational efficiencies, extend sales penetration and provide broader audiences for advertisers. A table under the caption “Daily Newspapers and Markets” in Item 1, included herein, identifies those groups of our newspapers operating in clusters.

Our local media operations compete with other media and digital companies for advertising and marketing spend as well as other news and information outlets for subscription spend. While very few of our local media operations have similar daily print competitors that are published in the same city, our local media operations compete with the following types of businesses:

- Newspapers having national, regional and smaller suburban area newspapers and free or paid publications; and
- Other media including magazines, radio, television, outdoor/billboard advertising, other classified and specialty publications, direct mail, directories, and national, regional and local advertising websites and content providers.

The number of competitors in any given market varies, however all of the forms of competition noted above exist to some degree in all of our markets.

Lee Enterprises, Incorporated was founded in 1890, incorporated in 1950, and listed on the New York Stock Exchange (“NYSE”) in 1978.

We experienced significant net losses in 2008, 2009, 2011, 2012 and 2013 primarily due to non-cash charges for impairment of intangible and other assets and reorganization costs, and as a result, we have negative equity of \$36.3 million as of September 30, 2018. Our ability to operate as a going concern is dependent on our ability to repay, refinance or amend our debt agreements as they become due, and remain in compliance with debt covenants. We are in compliance with our debt covenants as of September 30, 2018. The information included herein should be evaluated in that context. See Item 1A, “Risk Factors”, and Notes 3 and 4 of the Notes to Consolidated Financial Statements, included herein, for additional information.

STRATEGIC INITIATIVES

Key elements of our strategy are as follows:

Comprehensive Local News That Drives Frequency And Engagement

We drive frequency and engagement with our products by delivering valuable, intensely local, original news and information that we believe in many cases our audiences cannot otherwise readily obtain. Our large and talented news and editorial staff provide constant, real-time local news with significant breadth, depth and reliability. Our full access platform provides our subscribers with breaking news throughout the day on our digital platforms as well as in depth daily print and digital news and information.

We believe the strength of our local brands is the result of the quality and size of our news gathering staff. This allows us to provide the most comprehensive coverage of local news in our markets. In most of our markets, we are the leading source of print and digital news and information. As the consumption of news on digital devices has expanded, we have moved quickly to develop applications that address audience and digital advertising demands for mobile and tablet content advertising platforms. As new digital technologies emerge, we expect to move rapidly to make our content available through them and monetize the audience accessing our content.

We are focused on continually improving the functionality and design of all our news platforms, allowing us to provide greater depth of coverage and increasing reader engagement. We are providing our journalists with tools to give them real-time information about audience engagement on our digital platforms. This helps inform their decisions on both presentation and coverage.

We believe our journalists are at the forefront of gathering and producing news and information about their local community. We seek to grow our digital audience by engaging our readers with news and information that we believe stirs public awareness, advances ideas, inspires vision, creates debate and provokes action. Through our news

leadership we strive to contribute to community betterment, promote education, foster commerce and help improve the quality of life in our markets.

Become Predominately Digital Revenue Driven

Our digital businesses have experienced rapid growth since 2010. Total digital revenue, including digital advertising revenue and digital services revenue, grew 6.3% in 2018 and totaled \$112,825,000. Digital advertising revenue totaled 31.8% of total advertising and marketing services revenue for the 53 weeks ended September 30, 2018. Digital national revenue grew 13.1% in 2018, driven by our sweeps program and improved inventory management and pricing. Mobile advertising increased 3.8%, and digital retail advertising, which represents more than 62% of total digital advertising, increased 7.7% in 2018. Digital services revenue grew 16.6% in 2018 due to revenue growth at TownNews.

We are growing digital revenue by offering an expansive array of digital products including: video, behavioral targeting, audience retargeting, banner ads, social networking, and digital couponing. We provide digital marketing services to SMBs, including SEM, social media, audience extension, business profiles, and website hosting and design.

We believe that these innovative solutions will continue to drive meaningful new opportunities for us to grow our digital marketing revenue. We also continue to expand our array of digital products to address advertisers' evolving needs, react to competition while seeking to increase our share of advertising and marketing services spending from existing customers. In 2017, we introduced Digital Connect, a digital services package aimed at growing digital revenue from local businesses. Digital Connect provides local businesses a turn-key package for expanding their digital presence through enhanced search engine management. Digital Connect was a significant contributor to digital advertising revenue growth in 2018.

In 2019, we expect to continue to expand our digital marketing footprint with programs aimed at SMB's and our top local accounts, including:

- Consumer and local merchant intelligence solutions that enable marketers to more easily analyze their customers spending habits;
- SMB customer loyalty programs using email and text platforms that drive loyalty and frequency; and
- Sales channel development by expanding dedicated digital sales resources.

One key tactic to becoming predominately digital revenue driven is to acquire and retain top digital talent. As of September 30, 2018, we have 40 digital elite specialists that reside in our larger markets. The role of the digital elite specialists is to educate the local media operation's sales team on current digital product offerings, pursue new and sizable digital opportunities and serve as a company resource for anticipating future advertising needs and requirements. We expect to grow the number of digital elite specialists in 2019.

Growing digital subscribers is another key to becoming predominately digital revenue driven. As of September 30, 2018, we have 57% of all full access subscriptions digitally activated. In addition to the full access subscriptions, all of our markets offer digital only subscription packages and growing our digital only subscriber base remains a key priority. While the number of digital only subscribers is small, we grew our base by over 70% in 2018. Our primary digital subscription acquisition tactics include on-site and off-site promotion, email marketing, social media, event marketing, and direct mail.

We believe TownNews represents a powerful opportunity for us to drive additional digital revenue. In 2018, digital services revenue, which is primarily TownNews, totaled more than \$16,000,000, and since 2011 the compounded annual growth rate of TownNews revenue has been 9.7%. In 2018, TownNews expanded its broadcast and video capabilities by acquiring an acclaimed video management and streaming solution for media operations. The acquisition allows TownNews customers to have broadcast quality video available for desktop, mobile and OTT applications. The investment also allows TownNews to diversify its customer base by offering state-of-the-art product offerings to broadcast television stations.

Accelerate Local Retail Performance

Local, controllable retail accounts - those in which our local sales teams have direct contact with the advertising decision makers - are the core of our business. This revenue category represents nearly 50% of advertising revenue and is

comprised of SMBs and our top local accounts. Our historical financial results for this revenue category are better than our overall results and we believe we can accelerate financial performance in this revenue category.

- Our local sales forces are larger than any local competitor, and we believe they are the most highly trained and proficient sales force in our markets.
- We have strong relationships with businesses in our markets and offer a wide array of products to deliver our advertisers' message.
- Our sales executives pitch the power of our audiences directly to local decision makers.

To address the evolving needs of local advertisers we changed the way we sell local advertising to maximize our opportunities with SMBs by developing the Edison Project, which is directly aimed at these local advertisers. With Edison, we completely restructured our local sales teams and simplified advertising packages, providing advertisers with an expanded robust digital presence, increased frequency in print products, and longer advertising commitments.

Our Big Pitch initiative targets larger, local accounts such as a large local hardware store or regional hospital group. We pair creative advertising campaigns with our broad suite of products, including both digital and print. Because of the success of this program we've added creative resources and accelerated the number of pitches developed and made, providing greater creativity, faster speed to market, and more pitches closed.

Transforming Our Business And Managing Our Costs

We are transforming our business model and reducing our costs to maintain our margins and cash flows. We have consolidated or regionalized many common functions; consolidated or selectively outsourced printing and ad production; discontinued unprofitable publications; significantly reduced newsprint volume; and continually seek to improve the efficiencies and reduce costs of our operations. We have reduced personnel while protecting our strengths in news, sales and digital products. In 2018, on a same property basis we reduced cash costs⁽¹⁾ 6.1%. We continue to implement cost efficiencies while investing in revenue drivers.

Generate Strong Adjusted EBITDA⁽¹⁾ With A Commitment To Reduce Our Debt

Throughout the last economic downturn and ongoing recovery - at a time of unprecedented transition for our industry - we have posted strong adjusted EBITDA and consistent margins. We anticipate modest capital expenditures and pension contributions, and we expect to continue to significantly reduce our debt each year.

The principal amount of debt was reduced by \$63.5 million in 2018 and totaled \$484.9 million as of September 30, 2018. Since 2005, we have reduced debt by more than \$1 billion and we expect to continue to significantly reduce our debt in 2019. As a result of our debt reductions, interest expense was reduced by \$4.7 million in 2018 compared to 2017, providing additional free cash flow for debt service and other corporate uses.

(1) See "Non-GAAP Financial Measures: in Item 7, included herein, for additional information.

PULITZER

In 2005, we acquired Pulitzer Inc. ("Pulitzer"). We currently publish 9 daily newspapers that were acquired from Pulitzer and more than 60 weekly newspapers and specialty publications. Pulitzer also includes our 50% interest in TNI, as discussed more fully below.

Pulitzer newspapers largest operations include Bloomington, Illinois and St. Louis, Missouri, where its subsidiary, St. Louis Post-Dispatch LLC ("PD LLC"), publishes the *St. Louis Post-Dispatch*, our only major daily newspaper, which serves the greater St. Louis metropolitan area. St. Louis newspaper operations also include a variety of specialty publications, and supports its related digital products as well as the Suburban Journals of Greater St. Louis, a group of weekly newspapers and niche publications that focus on separate communities within the metropolitan area.

The 2005 acquisition was financed primarily with debt. The second lien term loan lenders have a first lien on Pulitzer assets. Excess cash flow from Pulitzer, as defined in the Second Lien Loan Agreement, and cash flow from Pulitzer asset sales are used to pay down the second lien term loan at par. On August 28, 2016 we sold substantially all of the

assets of our Provo, Utah newspaper operations, a former Pulitzer newspaper, and proceeds from the sale were used to pay down the second lien term loan.

TNI Partners

In conjunction with the Pulitzer acquisition we obtained a 50% interest in TNI, the Tucson, Arizona newspaper partnership. TNI, acting as agent for our subsidiary, Star Publishing Company ("Star Publishing") and Citizen Publishing Company ("Citizen"), the owner of the remaining 50%, a subsidiary of Gannett Co., Inc., ("Gannett"). TNI was responsible for printing, delivery, advertising and subscription activities of the *Arizona Daily Star* and the *Tucson Citizen*. In May 2009, Citizen discontinued print publication of the *Tucson Citizen* and in 2014 stopped publishing its digital product.

TNI collects all receipts and income and pays substantially all operating expenses incident to the partnership's operations and publication of the newspaper and other media. Under the amended and restated operating agreement between Star Publishing and Citizen, the *Arizona Daily Star* remains the separate property of Star Publishing. Results of TNI are accounted for using the equity method. Income or loss of TNI (before income taxes) is allocated equally to Star Publishing and Citizen. TNI makes weekly distributions to Star Publishing and Citizen of all available cash.

The TNI agency agreement ("Agency Agreement"), has governed the operation since 1940. The Agency Agreement expires in 2040, but contains an option, which may be exercised by either party, to renew the agreement for successive periods of 25 years each. Star Publishing and Citizen also have a reciprocal right of first refusal to acquire the 50% interest in TNI owned by Citizen and Star Publishing, respectively, under certain circumstances. Both the Company and Citizen incur certain administrative costs and capital expenditures that are reported by their individual companies.

MADISON NEWSPAPERS

We own 50% of the capital stock of MNI and 8.7% of the common stock of The Capital Times Company ("TCT"). TCT owns 50% of the capital stock of MNI. MNI publishes daily and Sunday newspapers, and other publications in Madison, Wisconsin, and other Wisconsin locations, and supports their related digital products. MNI conducts business under the trade name Capital Newspapers. We have a contract to furnish the editorial and news content for the *Wisconsin State Journal*, which is published by MNI, and periodically provide other services to MNI for a fee. Results of MNI are accounted for using the equity method. Net income or loss of MNI (after income taxes) is allocated equally to the Company and TCT. MNI makes quarterly dividend payments to the Company and TCT.

DAILY NEWSPAPERS AND MARKETS

The Company, TNI and MNI publish the following daily newspapers and maintain the following primary digital sites:

Newspaper	Primary Website	Location	Average Units ⁽¹⁾		2018 Monthly Average (‘000s)	
			Daily ⁽²⁾	Sunday	Unique Visitors	Page Views
<i>St. Louis Post-Dispatch</i> ⁽³⁾	stltoday.com	St. Louis, MO	95,659	353,673	6,366	71,667
<i>Arizona Daily Star</i> ^{(5) (3)}	azstarnet.com	Tucson, AZ	44,815	90,992	1,499	11,909
Capital Newspapers ⁽⁴⁾						
<i>Wisconsin State Journal</i>	madison.com	Madison, WI	51,303	64,820	1,934	10,889
<i>Daily Citizen</i>	wiscnews.com/bdc	Beaver Dam, WI	4,470	—	188	1,197
<i>Portage Daily Register</i>	wiscnews.com/pdr	Portage, WI	2,347	—	95	631
<i>Baraboo News Republic</i>	wiscnews.com/bnr	Baraboo, WI	2,041	—	82	476
<i>The Times</i>	nwitimes.com	Munster, Valparaiso, and Crown Point, IN	42,709	57,941	1,676	25,001
Quad Cities Group						
<i>Quad-City Times</i>	qctimes.com	Davenport, IA	27,948	30,690	760	6,256
<i>Dispatch-Argus</i>	qconline.com	Moline, IL	55,073	21,620	69	595
<i>Muscatine Journal</i>	muscatinejournal.com	Muscatine, IA	3,908	—	349	2,803
Central Illinois Newspaper Group						
<i>The Pantagraph</i> ⁽³⁾	pantagraph.com	Bloomington, IL	19,160	24,358	597	7,552
<i>Herald & Review</i>	herald-review.com	Decatur, IL	14,066	21,210	399	3,904
<i>Journal Gazette & Times-Courier</i>	jg-tc.com	Mattoon/Charleston, IL	7,270	—	141	1,163
Lincoln Group						
<i>Lincoln Journal Star</i>	journalstar.com	Lincoln, NE	38,465	45,112	1,759	20,906
<i>Columbus Telegram</i> ⁽⁶⁾	columbustelegram.com	Columbus, NE	3,421	—	148	1,084
<i>Fremont Tribune</i> ⁽⁶⁾	fremonttribune.com	Fremont, NE	2,750	—	117	992
<i>Beatrice Daily Sun</i> ⁽⁶⁾	beatricedailysun.com	Beatrice, NE	2,755	—	67	554
<i>The Bismarck Tribune</i>	bismarcktribune.com	Bismarck, ND	22,022	27,688	523	6,536
River Valley Newspaper Group						
<i>La Crosse Tribune</i>	lacrossetribune.com	La Crosse, WI	16,064	19,805	572	6,152
<i>Winona Daily News</i>	winonadailynews.com	Winona, MN	4,916	5,655	169	1,491
<i>The Chippewa Herald</i> ⁽⁶⁾	chippewa.com	Chippewa Falls, WI	2,134	—	141	1,055
<i>Billings Gazette</i>	billingsgazette.com	Billings, MT	22,668	25,333	1,097	10,957
<i>The Courier</i>	wfcourier.com	Waterloo and Cedar Falls, IA	30,051	25,105	525	5,003
<i>Sioux City Journal</i>	siouxcityjournal.com	Sioux City, IA	19,049	21,468	532	3,627
Missoula Group						
<i>Missoulian</i>	missoulian.com	Missoula, MT	14,117	16,850	628	4,755
<i>Ravalli Republic</i> ⁽⁶⁾	ravallinews.com	Hamilton, MT	1,683	1,417	91	412
<i>Rapid City Journal</i>	rapidcityjournal.com	Rapid City, SD	14,619	18,134	512	4,602
<i>The Post-Star</i>	poststar.com	Glens Falls, NY	14,523	18,038	533	6,865
<i>Casper Star-Tribune</i>	trib.com	Casper, WY	17,779	17,154	434	2,999
<i>The Journal Times</i>	journaltimes.com	Racine, WI	14,949	17,041	433	4,413
Helena/Butte Group						
<i>Independent Record</i>	helenair.com	Helena, MT	8,612	9,196	335	3,436
<i>The Montana Standard</i>	mtstandard.com	Butte, MT	7,277	7,504	252	2,494

Newspaper	Primary Website	Location	Average Units ⁽¹⁾		2018 Monthly Average (000)	
			Daily ⁽²⁾	Sunday	Unique Visitors	Page Views
Mid-Valley News Group						
<i>Albany Democrat-Herald</i>	democratherald.com	Albany, OR	7,460	7,887	193	1,837
<i>Corvallis Gazette-Times</i>	gazettetimes.com	Corvallis, OR	7,170	7,323	219	1,726
<i>The Southern Illinoisan</i>	thesouthern.com	Carbondale, IL	10,045	14,545	341	2,171
<i>Santa Maria Times</i> ⁽³⁾	santamariatimes.com	Santa Maria, CA	6,640	11,831	237	1,520
<i>The Daily News</i>	tdn.com	Longview, WA	13,322	11,801	254	1,809
Magic Valley Group						
<i>The Times-News</i>	magicvalley.com	Twin Falls, ID	1,730	11,146	297	2,626
<i>Elko Daily Free Press</i> ⁽⁶⁾	elkodaily.com	Elko, NV	2,296	—	160	1,320
<i>Globe Gazette</i>	globegazette.com	Mason City, IA	8,360	10,351	363	4,384
<i>Napa Valley Register</i> ⁽³⁾	napavalleyregister.com	Napa, CA	8,320	8,752	459	3,303
<i>Arizona Daily Sun</i> ^{(3) (6)}	azdailysun.com	Flagstaff, AZ	4,860	6,516	292	1,828
<i>The Times and Democrat</i>	thetandd.com	Orangeburg, SC	6,133	6,335	268	2,444
<i>The Sentinel</i> ⁽⁶⁾	cumberlink.com	Carlisle, PA	6,055	—	252	1,932
<i>The Citizen</i> ⁽⁶⁾	auburnpub.com	Auburn, NY	4,139	—	288	2,793
<i>The World</i> ⁽³⁾	theworldlink.com	Coos Bay, OR	3,905	—	113	659
<i>The Sentinel</i> ⁽³⁾	hanfordsentinel.com	Hanford, CA	3,156	—	181	1,140
<i>Daily Journal</i> ^{(3) (6)}	dailyjournalonline.com	Park Hills, MO	3,139	—	203	1,925
			725,353	1,037,291	27,143	265,793

(1) Source: AAM: September 2018 Quarterly Executive Summary Data Report, unless otherwise noted.

(2) Not all newspapers are published Monday through Saturday.

(3) Owned by Pulitzer, Inc.

(4) Owned by MNI.

(5) Owned by Star Publishing and published through TNI.

(6) Source: Company statistics.

NEWSPRINT

The raw material of newspapers, and our other print publications, is newsprint. We purchase newsprint from U.S. and Canadian producers. We believe we will continue to receive a supply of newsprint adequate for our needs and consider our relationships with newsprint producers to be good. Newsprint purchase prices can be volatile and fluctuate based upon factors that include foreign currency exchange rates, tariffs and both foreign and domestic production capacity and consumption. Price fluctuations can effect our results of operations. We have not entered into derivative contracts for newsprint. For the quantitative impacts of these fluctuations, see Item 7A, "Quantitative and Qualitative Disclosures about Market Risk", included herein.

EXECUTIVE TEAM

The following table lists our current executive team members:

Name	Age	Service With The Company	Named To Current Position	Current Position
Mary E. Junck	71	June 1999	February 2016	Executive Chairman
Kevin D. Mowbray	56	September 1986	February 2016	President and Chief Executive Officer
Nathan E. Bekke	49	January 1992	February 2015	Vice President - Consumer Sales and Marketing
Paul M. Farrell	63	October 2013	October 2015	Vice President - Sales
Ray G. Farris	62	October 2006	December 2018	Vice President - Group Publisher
Suzanna M. Frank	48	December 2003	March 2008	Vice President - Audience
Astrid J. Garcia	68	December 2006	December 2013	Vice President - Human Resources and Legal
James A. Green	52	March 2013	March 2013	Vice President - Digital
John M. Humenik	55	December 1998	February 2015	Vice President - News
Timothy R. Millage	37	March 2010	August 2018	Vice President - Chief Financial Officer and Treasurer
Michele Fennelly White	56	June 1994	June 2011	Vice President - Information Technology and Chief Information Officer

Mary E. Junck was elected Executive Chairman in February 2016. From 2002 - February 2016 she served as President and Chief Executive Officer. She was elected to the Board of Directors of the Company in 1999. Following the Company's annual shareholder's meeting in February 2019, Ms. Junck will transition to Chairman.

Kevin D. Mowbray was elected President and Chief Executive Officer in February 2016. From April 2015 - February 2016 he was Executive Vice President and Chief Operating Officer. From May 2013 to April 2015 he served as Vice President and Chief Operating Officer. From 2004 to May 2013 he served as a Vice President - Publishing and was Publisher of the *St. Louis Post-Dispatch* from 2006 until May 2013. He was elected to the Board of Directors of the Company in February 2016.

Nathan E. Bekke was appointed Vice President - Consumer Sales and Marketing in February 2015. From 2003 to February 2015, he served as Publisher of the *Casper Star-Tribune*.

Paul M. Farrell was appointed Vice President - Sales in October 2015. From October 2013 to October 2015, he served as Vice President - Digital Sales. From September 2012 to October 2013, he served as Publisher of the Connecticut Media Group of Hearst Media Services. From May 2007 to August 2012, he served as Vice President - Sales and Marketing of the Company.

Ray G. Farris was appointed Vice President - Group Publisher in December 2018. From May 2013 to December 2018, he served as President and Publisher of the *St. Louis Post-Dispatch*. From August 2010 to May 2013, he served as General Manager and Vice President of Sales of the *St. Louis Post-Dispatch*. From October 2006 to August 2010, he served as Vice President of Classified Advertising of the *St. Louis Post-Dispatch*.

Suzanna M. Frank was appointed Vice President - Research and Metrics in November 2018. From March 2008 to November 2018 she served as Vice President - Audience. From 2003 to 2008 she served as Director of Research and Marketing of the Company.

Astrid J. Garcia was appointed Vice President - Human Resources and Legal in December 2013. From 2006 to November 2013 she served as Vice President of Human Resources, Labor Relations and Operations of the *St. Louis Post-Dispatch*.

James A. Green was appointed Vice President - Digital in March 2013. From June 2011 to March 2013, he served as Executive Vice President and General Manager of Travidia, Inc., a developer of newspaper digital shopping media and marketing programs. From 2004 to June 2011 he served as Chief Marketing Officer of Travidia, Inc.

John M. Humenik was appointed Vice President - News in February 2015. He was also president and publisher of the Wisconsin State Journal and president of Madison Newspapers Inc., a position he has held since 2013. He was publisher and editor of the Arizona Daily Star from 2005 to 2010 and additionally served as president of Tucson Newspapers Inc. until 2013.

Timothy R. Millage was elected Vice President, Chief Financial Officer and Treasurer in August 2018. From 2012 to 2018 he served as the corporate controller.

Michele Fennelly White was appointed Vice President - Information Technology and Chief Information Officer in June 2011. From 1999 to June 2011, she served as Director of Technical Support.

Ms. Junck and Messrs. Mowbray, Bekke, Farrell, Farris, Green and Millage have been designated by the Board of Directors as executive officers for US Securities and Exchange Commission ("SEC") reporting purposes.

EMPLOYEES

At September 30, 2018, we had approximately 3,056 employees, including approximately 741 part-time employees, exclusive of TNI and MNI. Full-time equivalent employees in 2018 totaled approximately 3,241. We consider our relationships with our employees to be good.

Bargaining units represent 311, or 70%, of the total employees of the *St. Louis Post-Dispatch*, which has six contracts with bargaining units with expiration dates from February 2019 through September 2021.

Approximately 56 employees in six additional locations are represented by collective bargaining units.

CORPORATE GOVERNANCE AND PUBLIC INFORMATION

We have a long history of sound corporate governance practices. Our Board of Directors has a lead independent director, and has had one for many years. Currently, six of nine members of our Board of Directors are independent, as are all members of the Board's Audit, Executive Compensation and Nominating and Corporate Governance committees. The Audit Committee approves all services to be provided by our independent registered public accounting firm and its affiliates.

At www.lee.net, one may access a wide variety of information, including news releases, SEC filings, financial statistics, annual reports, investor presentations, governance documents, newspaper profiles and digital links. We make available via our website all filings made by the Company under the Securities Exchange Act of 1934 (the "Exchange Act"), including Forms 10-K, 10-Q and 8-K, and related amendments, as soon as reasonably practicable after they are filed with, or furnished to, the SEC. All such filings are available free of charge. The content of any website referred to in this Annual Report is not incorporated by reference unless expressly noted.

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. This annual report ("Annual Report") contains information that may be deemed forward-looking that is based largely on our current expectations, and is subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those anticipated. Among such risks, trends and other uncertainties, which in some instances are beyond our control, are:

- Our ability to generate cash flows and maintain liquidity sufficient to service our debt;
- Our ability to comply with the financial covenants in our credit facilities;
- Our ability to refinance our debt as it comes due;

- Our ability to manage declining print revenue;
- That the warrants issued in our refinancing will not be exercised;
- The impact and duration of adverse conditions in certain aspects of the economy affecting our business;
- Change in advertising and subscription demand;
- Changes in technology that impact our ability to deliver digital advertising;
- Potential changes in newsprint, other commodities and energy costs;
- Interest rates;
- Labor costs;
- Legislative and regulatory rulings;
- Our ability to achieve planned expense reductions;
- Our ability to maintain employee and customer relationships;
- Our ability to manage increased capital costs;
- Our ability to maintain our listing status on the NYSE;
- Competition; and
- Other risks detailed from time to time in our publicly filed documents, including this Annual Report and particularly in "Risk Factors", Part I, Item 1A herein.

Any statements that are not statements of historical fact (including statements containing the words "may", "will", "would", "could", "believes", "expects", "anticipates", "intends", "plans", "projects", "considers" and similar expressions) generally should be considered forward-looking statements. Readers are cautioned not to place undue reliance on such forward-looking statements, which are made as of the date of this Annual Report. We do not undertake to publicly update or revise our forward-looking statements, except as required by law.

ITEM 1A. RISK FACTORS

Risk exists that our past results may not be indicative of future results. In addition, a number of other factors (those identified elsewhere in this document) may cause actual results to differ materially from expectations. Potential investors should carefully consider the following risks and other information in this Annual Report in evaluating us and our common stock. See also, "Forward-Looking Statements", included herein.

Our advertising revenues may decline due to weak general economic conditions and business conditions.

A significant portion of our revenue is derived from advertising. The demand for advertising is sensitive to the overall level of economic strength, both in the markets in which we operate and nationally. Additionally, the decline in the financial or economic conditions of our advertisers could alter discretionary spending by advertisers. Certain segments of the economy have been challenged in recent years, particularly in the brick and mortar retail sector, and total advertising revenues have declined as a result. Advertising revenues may worsen if advertisers reduce their budgets, shift their spending priorities, are forced to consolidate or cease operations.

We compete with a large number of companies in the local media industry; if we are unable to compete effectively, our advertising and subscription revenues may decline.

We compete for audiences and advertising revenue with newspapers and other media such as the internet, magazines, broadcast, cable and satellite television, radio, direct mail, outdoor billboards and yellow pages. For example, as the use of the internet and mobile devices has increased, we have lost some classified advertising and subscribers to online advertising businesses and our free Internet sites that contain abbreviated versions of our publications. Some of our current and potential competitors have greater financial and other resources than we do. If we fail to compete effectively with competing newspapers and other media, our results of operations may be materially adversely affected.

Our operating revenue may be materially adversely affected if we do not successfully respond to the shift in newspaper readership and advertising expenditures away from traditional print media and towards digital media. Significant capital investments may be needed to respond to this shift.

Currently, our primary source of revenue is from advertising and marketing services, which accounts for nearly 56% of our revenue. Subscription revenue accounts for more than 36% of our revenue. The media publishing industry has experienced rapid evolution in consumer demands and expectations due to advances in technology, which have led to a proliferation of delivery methods for news and information. The number of consumers who access online services through devices other than personal computers, such as tablets and mobile devices, has increased dramatically in recent years and likely will continue to increase. The media publishing industry also continues to be affected by

demographic shifts, with older generations preferring more traditional print newspaper delivery and younger generations developing the habit of consuming news through digital media. In addition, the revenues generated by media publishing companies have been affected significantly by the shift in advertising expenditures towards digital media.

The future revenue performance of our digital business depends to a significant degree upon the growth development and management of our subscriber and advertising audiences. The growth of our digital business over the long term depends on various factors, including, among other things, the ability to:

- Continue to increase digital audiences;
- Attract advertisers to our digital platforms;
- Tailor our products to efficiently and effectively deliver content and advertising on mobile devices;
- Maintain or increase the advertising rates on our digital platforms;
- Exploit new and existing technologies to distinguish our products and services from those of competitors and develop new content, products and services;
- Attracting and retaining employees with skill sets and the knowledge base needed to successfully operate our digital business
- Invest funds and resources in digital opportunities;
- Partner with, or use services from, providers that can assist us in effectively growing our digital business;
- Protect our intellectual property rights; and
- Create digital content and platforms that attracts and engages audiences in our markets.

If we are unable to grow our digital audience, distinguish our products and services from those of our competitors or develop compelling new products and services that engage users across multiple platforms, then our business, financial condition, and results of operations may be adversely affected. Responding to the changes described above may require us to make significant capital investments and incur significant research and development costs related to building, maintaining, and evolving our technology infrastructure, and our ability to make the level of investments required may be limited.

See "Audiences" in Item 1, included herein, for additional information on about our print and digital audiences.

As digital revenues increase as a proportion of our total revenues, we will become increasingly subject to risks associated with digital media operations.

The central component to our business strategy involves transitioning from traditional print businesses to digital media businesses and, accordingly, we expect our digital revenues to increase as a percentage of our total revenues in future periods. That transition comes with additional risk of operating mainly as a digital media company, including:

- Rates we achieve in the marketplace for the advertising inventory on our digital platforms may be adversely affected by:
 - Customized news feeds and news aggregation websites, which are often free to users, may reduce our traffic levels by creating a disincentive for users to visit our websites or use our digital products;
 - Our inability to increase our digital presence and visibility, which also may reduce our traffic levels; or
 - Our inability to maintain and improve the performance of our customers' advertising on our digital properties;

- Technology developed to block the display of advertising on websites could proliferate, impairing our ability to generate digital revenues;
- Mobile devices, including smartphones and tablets, may present challenges for traditional display advertising;
- Our use of subscription models (which may require users to pay for content after accessing a limited number of pages or news articles for free on our websites each month) may cause consumers to opt out of subscription offers in greater numbers than anticipated or result in fewer page views or unique visitors to our websites than projected;
- New delivery platforms may lead to pricing restrictions, loss of distribution control, or loss of direct relationships with consumers;
- Technical or other problems could prevent us from delivering our products in a rapid and reliable manner or otherwise affect the user experience, and users could develop negative views about the quality or usefulness of our products; and
- Our inability to respond successfully to these or similar challenges could materially adversely impact our ability to maintain and grow our digital revenues.

We rely on revenue from printing and distribution of third-party publications and digital services that may be subject to many of the same business and industry risks facing us.

We generate a portion of our revenue from printing and distributing third-party publications, and our relationships with these third parties are generally pursuant to short-term contracts. Typically, these third parties are operating in the same industry and a similar geographical location as us. In addition, digital services revenue is derived primarily from third-party businesses in the same industry as us. As a result, revenue from these third parties is subject to the same macroeconomic and industry trends affecting our operations. If their businesses are adversely affected by these trends, our associated revenue would be adversely affected.

We may not be able to reduce future expenses to offset potential revenue declines.

As a result of adverse general business conditions in our industry and our operating results, we have reduced cash costs⁽¹⁾ of our operations significantly since 2011 by reducing workforce, centralizing or regionalizing operations and implementing cost-control measures. If we do not achieve expected savings from these initiatives, or if our operating costs increase, our total operating costs may be greater than anticipated and our profitability may be lower than anticipated.

(1) See Non-GAAP Financial Measures: in Item 7, included herein, for additional information.

Our business, reputation and results of operations could be negatively affected if we become subject to significant data security breaches or if our information technology systems fail to perform adequately.

In the 14-weeks ended September 30, 2018, 21.7% of our revenue was obtained from digital sources, including advertising and one of our businesses, TownNews, that provides digital infrastructure and digital publishing services for us and other companies.

We use technology in substantially all aspects of our business operations. Such uses give rise to cybersecurity risks, including the misappropriation of personally identifiable information that we store and manage and disabling or taking over our websites. The techniques used to obtain unauthorized access and to disable systems and websites change frequently and may be difficult to detect for long periods of time. There can be no assurance that we, or the security systems we implement, will protect against all of these rapidly changing risks.

In addition, attempts to compromise information technology systems occur regularly across many industries and sectors, and the techniques used to perpetrate such compromises are constantly changing. Maintaining the security of our systems is critically important both due to our reliance on those systems and because they store and process confidential subscriber, employee, and other sensitive personal data. Although we and our third-party service providers have implemented security measures and other controls designed to prevent breaches, these precautions might fail to defend against future cyber-attacks or prevent breaches or other disruptions to our systems or those of our third-

party providers. Because cyber-attacks evolve quickly and often are not recognized until after they are launched, we may be unable to anticipate them or implement adequate measures to prevent a breach. A significant breach could result in, among other things:

- Improper disclosures of personal data or confidential information;
- Expenditures of significant resources to remedy the breach and defend against further attacks;
- Diversion of management's attention and resources;
- Liability under laws that protect personal data; and
- Loss of customer trust and, as a result, revenues.

Consequences of these actions could result in harm to our reputation, loss of revenue, increased operating costs, lead to legal exposure to customers and employees as well as subject us to liability under laws and regulations that protect our customers and employees personal data. We maintain insurance coverage against certain of such risks, but cannot guarantee that such coverage will be applicable or sufficient with respect to any given incident.

We may not be able to protect our intellectual property rights, which may adversely affect our business

Our business depends on our intellectual property, including our valuable brands and content. We believe our proprietary trademarks and other intellectual property rights are important to our continued success and our competitive position.

Unauthorized parties may attempt to copy or otherwise obtain and use our content or infringe upon, dilute, reproduce, misappropriate or otherwise violate our intellectual property. There can be no assurance that the steps we have taken to protect our proprietary rights will be successful in any given case.

We may incur additional non-cash impairment charges.

We have significant amounts of goodwill and identified intangible assets. Since 2007 we have recorded impairment charges totaling almost \$1.3 billion to reflect the reduced value of these assets. Should general economic, market or business conditions decline, and cause a negative impact on our stock price or projected future cash flows, we may need to record additional impairment charges in the future. Such charges would not impact our cash flows or debt covenant compliance. See "Critical Accounting Policies" in Item 7, included herein, for additional information on the risks associated with such assets.

Sustained increases in funding requirements of our pension and postretirement obligations may reduce the cash available for our business.

Pension liabilities, net of plan assets, totaled \$26.7 million at September 30, 2018, a reduction of \$16.8 million from September 28, 2017, primarily due to favorable changes to discount rates used to determine our pension obligations and an increase in pension contributions.

Our pension and postretirement plans invest in a variety of equity and debt securities. Future volatility and disruption in the securities markets could cause declines in the asset values of our pension and postretirement plans. In addition, a decrease in the discount rates or changes to mortality estimates and other assumptions used to determine the liability could increase the benefit obligation of the plans. Unfavorable changes to the plan assets and/or the benefit obligations could increase the level of required contributions above what is currently estimated, which could reduce the cash available for our business and debt service.

Over the last several years, federal legislation has provided for pension funding relief, temporarily reducing our pension contributions. Even with funding relief, we expect to have to make additional contributions to our plans in the future.

We expect to be subject to withdrawal liability in connection with one multiemployer pension plan and may be subject to additional withdrawal liabilities in connection with other multiemployer pension plans, which may reduce the cash available for our business

Pursuant to our collective bargaining obligations, we contribute to three multiemployer pension plans on behalf of certain of our employees. Based on the most recent communications from the plans' administrators, two of these plans are currently in "critical" status, as that term is used in relation to such plans under the Pension Protection Act of 2006. For plans that are in critical status, benefit reductions may apply and/or we could be required to make additional contributions.

In 2017, one of our enterprise's bargaining units withdrew from representation, and as a result we are subject to a claim from the multiemployer pension plan for a withdrawal liability. The amount of such liability will be dependent on actions taken, or not taken, by the pension plan, as well as the future investment performance and funding status of the pension plan. The withdrawal liability is expected to be funded over a 20 year period.

If we were to withdraw from one of the remaining plans or trigger a partial withdrawal due to declines in contribution base units, and the plan had unfunded vested benefits at the time of our withdrawal or partial withdrawal, we could incur a significant plan withdrawal liability, which could reduce the cash available for our business.

A portion of our employees are members of unions, and if we experience labor unrest, our ability to produce and deliver newspapers could be impaired.

Our ability to produce and deliver newspapers could be impaired in some markets, if we experience labor unrest. In addition, the results of future labor negotiations could harm our operating results. While we have not had a history of labor strikes, we cannot ensure that a strike will not occur in one or more of our markets in the future. As of September 30, 2018, approximately 12.0% of full-time and part-time employees were represented by unions. Most of our union-represented employees are currently working under labor agreements, with expiration dates through September 2021.

We are subject to significant financial risk as a result of our \$485 million in total consolidated debt.

We have \$484.9 million of debt outstanding as of September 30, 2018, as discussed more fully below (and certain capitalized terms used below defined) in Item 7, "Liquidity" and Note 4 of the Notes to Consolidated Financial Statements, included herein.

As of September 30, 2018, our debt consists of the following:

- \$400,000,000 aggregate principal amount of 9.5% Senior Secured Notes (the "Notes") due March 2022, pursuant to an Indenture dated as of March 31, 2014 (the "Indenture"), of which \$385,000,000 is currently outstanding as of September 30, 2018;
- \$250,000,000 first lien term loan (the "1st Lien Term Loan") due March 2019 and \$40,000,000 revolving facility (the "Revolving Facility") under a First Lien Credit Agreement dated as of March 31, 2014 (together, the "1st Lien Credit Facility"), of which \$6,303,000 is outstanding as of September 30, 2018; and
- \$150,000,000 12.0% second lien term loan under a Second Lien Loan Agreement dated as of March 31, 2014 (the "2nd Lien Term Loan") due December 2022, of which \$93,556,000 is outstanding as of September 30, 2018.

We have reduced debt by \$63.5 million in 2018 and \$241.0 million over the last three fiscal years. Despite the significant reduction, our debt, net of cash, is 3.6 times our adjusted EBITDA at September 30, 2018. This level of debt increases our vulnerability to general adverse economic and industry conditions. Higher leverage ratios, our economic performance, our credit ratings, adverse financial markets or other factors could adversely affect our future ability to refinance our maturing debt on commercially acceptable terms, or at all.

We may have insufficient earnings or liquidity to meet our future debt obligations.

At September 30, 2018, after consideration of letters of credit, we had approximately \$34,235,000 available for future use under our Revolving Facility. Including cash, our liquidity at September 30, 2018 totaled \$39,615,000. This liquidity amount excludes any future cash flows. Our adjusted EBITDA has been strong and has exceeded \$135 million in each year from 2011 through 2018, but there can be no assurance that such results will continue.

At September 30, 2018, the principal amount of our outstanding debt totaled \$484,859,000. At September 30, 2018 and September 24, 2017 our debt, net of cash, was 3.6 times and 3.7 times our adjusted EBITDA, respectively.

Final maturities of our debt are March 2019 through December 2022. The 1st Lien Term Loan was paid in full in November 2018 ahead of the original due date of March 2019. Final maturities of our other debt range from March

2022 through December 2022. The Revolving Facility matures on December 28, 2018. We expect to amend and extend our Revolving Facility prior to its maturity.

There are numerous potential consequences under the Notes, 1st Lien Credit Facility, 2nd Lien Term Loan, if an event of default, as defined, occurs and is not remedied. Many of those consequences are beyond our control. The occurrence of one or more events of default would give rise to the right of the applicable lenders to exercise their remedies under the Notes, 1st Lien Credit Facility, 2nd Lien Term Loan, respectively, including, without limitation, the right to accelerate the repayment of all outstanding debt and take actions authorized in such circumstances under applicable collateral security documents.

Our ability to operate as a going concern is dependent on our ability to remain in compliance with debt covenants and to refinance or amend our debt agreements as they become due, if necessary. The Notes, 1st Lien Credit Facility and 2nd Lien Term Loan have only limited affirmative covenants with which we are required to maintain compliance. We are in compliance with our debt covenants as of September 30, 2018.

The ability to make payments on our indebtedness or refinance our indebtedness prior to when it comes due may be affected by events beyond our control, including prevailing economic, financial, competitive, business, legislative, regulatory and industry conditions.

The Notes, 1st Lien Credit Facility and 2nd Lien Term Loan each contain restrictive covenants that limit our ability to grow our business or return capital to our stockholders

The Notes, 1st Lien Credit Facility and 2nd Lien Term Loan each contain various restrictions, covenants and representations and warranties. If we fail to comply with any of these covenants or breach these representations or warranties in any material respect, such noncompliance would constitute a default, and the lenders could elect to declare all amounts outstanding under the agreements related thereto to be immediately due and payable and enforce their respective interests against collateral pledged under such agreements.

Subject to certain exceptions, these covenants limit, subject to certain exceptions, and/or restrict our ability to, among other things:

- incur or guarantee additional debt;
- make certain investments, loans or acquisitions;
- transfer or sell assets; and
- make certain restricted payments, including repurchases of outstanding common stock and dividends.

The restrictions described above may interfere with our ability to obtain new or additional financing or engage in other business activities, which may significantly limit or harm our results of operations, financial condition and liquidity.

Adverse results from litigation or governmental investigations can impact our business practices and operating results.

We are a party to litigation and regulatory, environmental, and other proceedings with governmental authorities and administrative agencies from time to time. Adverse outcomes could result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct our businesses as they presently are conducted. In addition, new laws or regulations or changes in existing laws or regulations could result in penalties for non-compliance or reduction in revenues and could limit our ability to transform our businesses in accordance with our strategic plan.

A decrease in our stock price may limit the ability to trade our stock or for the Company to raise equity capital

Under the NYSE listing standards, if our common stock fails to maintain an adequate per share price and our total market capitalization falls below \$50.0 million, our common stock could be removed from the NYSE and traded in the over-the-counter market. In July 2011, the NYSE notified us that our common stock did not meet the NYSE continued listing standards due to the failure to maintain an adequate share price. Under the NYSE rules, our common stock was allowed to continue to be listed during a cure period. In February 2012, after completing our debt refinancing, the NYSE notified us that we were again in compliance with the minimum closing price standard. In January 2013, the NYSE notified us that we had returned to full compliance with all continued listing standards. However, there can be

no assurance that we will continue to be able to meet these listing standards, and the removal of our common stock from the NYSE could adversely affect our ability to raise equity capital.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our executive offices are located in leased facilities at 201 North Harrison Street, Suite 600, Davenport, Iowa. The initial lease term expires April 30, 2019.

All of our principal printing facilities are owned, except St. Louis, Missouri and leased land for the Helena, Montana plant. Additionally, property is leased for Madison, Wisconsin (which is owned by MNI) and Tucson, Arizona (which is jointly owned by Star Publishing and Citizen). All facilities are well maintained, in good condition, suitable for existing office and publishing operations, as applicable, and adequately equipped.

More than 50% of our daily newspapers, as well as many of our nearly 300 other publications, are printed at either another one of our print locations or outsourced to a third party, to enhance operating efficiency. We are continuing to evaluate additional insourcing and outsourcing opportunities in order to more effectively manage our operating and capital costs.

Our newspapers and other publications have formal or informal backup arrangements for printing in the event of a disruption in production capability.

ITEM 3. LEGAL PROCEEDINGS

We are involved in a variety of legal actions that arise in the normal course of business. Insurance coverage mitigates potential loss for certain of these matters. While we are unable to predict the ultimate outcome of these legal actions, it is our opinion that the disposition of these matters will not have a material adverse effect on our Consolidated Financial Statements, taken as a whole.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II**ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY,
RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Our Common Stock is listed on the NYSE. In March 2011, in accordance with sunset provisions established in 1986, we effected conversion of all outstanding shares of Class B Common Stock to Common Stock. The table below includes the high and low prices of Common Stock for each calendar quarter during the past three years and the closing price at the end of each quarter.

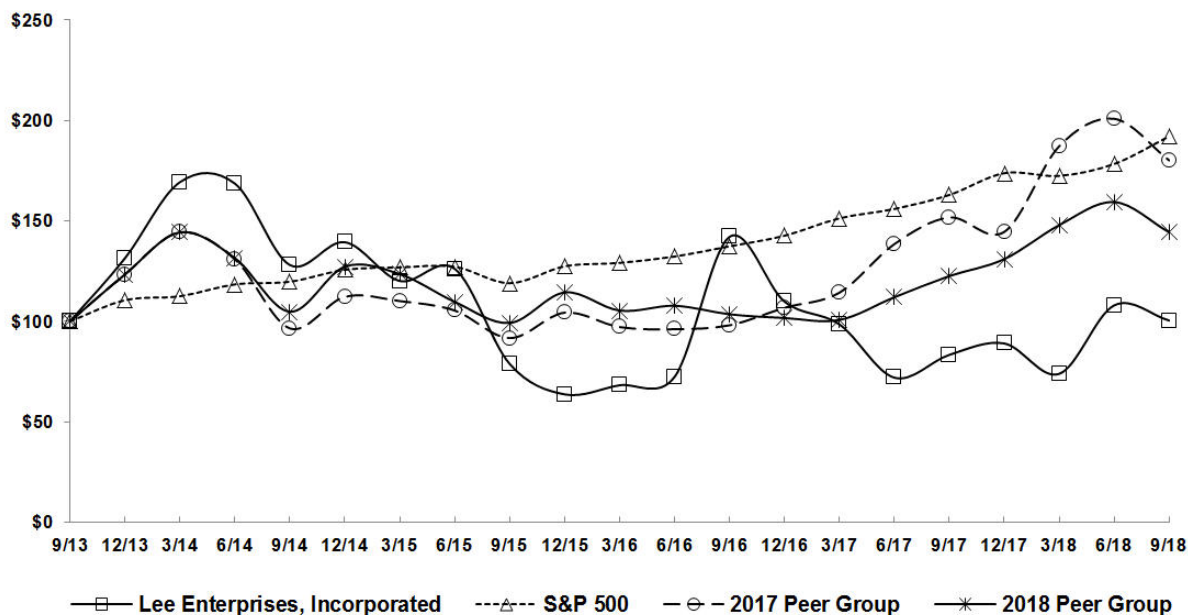
	Quarter Ended			
<i>(Dollars)</i>	December	March	June	September
2018				
High	2.50	2.70	3.30	3.30
Low	2.15	1.95	2.00	2.60
Closing	2.35	1.95	2.85	2.65
2017				
High	3.76	3.30	3.10	2.40
Low	2.40	2.40	1.75	1.80
Closing	2.90	2.60	1.90	2.20
2016				
High	2.54	2.20	2.43	3.92
Low	1.43	1.15	1.69	1.74
Closing	1.68	1.80	1.91	3.75

At September 30, 2018, we had 5,868 registered holders of record of our Common Stock.

Our debt agreements generally limit our ability to pay dividends and repurchase Common Stock unless in each case no default has occurred and we have satisfied certain financial measurements. See Note 4 of the Notes to Consolidated Financial Statements, included herein.

PERFORMANCE PRESENTATION

The following graph compares the percentage change in the cumulative total return of the Company, the Standard & Poor's ("S&P") 500 Stock Index, and a peer group index, in each case for the five years ended September 30, 2018 (with September 30, 2013 as the measurement point). Total 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.



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The value of \$100 invested on September 30, 2013 in stock of the Company, the Peer Group Index and in the S&P 500 Stock Index, including reinvestment of dividends, is summarized in the table below.

	September 30					
(Dollars)	2013	2014	2015	2016	2017	2018
Lee Enterprises, Incorporated	100.00	128.03	78.79	142.05	83.33	100.38
Old Peer Group Index	100.00	96.48	91.67	98.03	151.69	180.08
New Peer Group Index	100.00	104.78	99.21	103.51	122.53	144.32
S&P 500 Stock Index	100.00	119.73	119.00	137.36	162.92	192.10

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 New Peer Group Index is comprised of six U.S. publicly traded companies with significant newspaper publishing operations (excluding the Company) and is weighted by market capitalization. The Old Peer Group Index includes A.H. Belo Corp., The McClatchy Company and The New York Times Company. The New Peer Group Index includes A.H. Belo Corp., Gannett Co Inc, The McClatchy Company, New Media Investment Group Inc., The New York Times Company and Tribune Publishing Co.

ITEM 6. SELECTED FINANCIAL DATA

Selected financial data is as follows:

<i>(Thousands of Dollars and Shares, Except Per Share Data)</i>	2018	2017	2016	2015	2014
OPERATING RESULTS					
Operating revenue	543,955	566,943	614,364	648,543	660,877
Cash Costs ⁽¹⁾	420,936	434,350	474,588	498,456	504,557
Depreciation and amortization	31,766	41,282	43,441	45,563	48,511
Assets loss (gain) on sales, impairments and other	6,429	(1,150)	(954)	106	1,642
Restructuring costs and other	5,550	7,523	1,825	3,304	1,265
Equity in earnings of associated companies	9,249	7,609	8,533	8,254	8,297
Operating income	88,523	92,547	103,997	109,368	113,199
Interest expense	(52,842)	(57,573)	(64,233)	(72,409)	(79,724)
Debt financing and administration costs	(5,311)	(4,818)	(5,947)	(5,433)	(22,927)
Gain on insurance settlement	—	—	30,646	—	—
Other, net	450	10,060	(6,268)	6,386	3,413
Net income	47,048	28,605	36,019	24,318	7,671
Income attributable to Lee Enterprises, Incorporated	45,766	27,481	34,961	23,316	6,795
Earnings per common share:					
Basic	0.84	0.51	0.66	0.44	0.13
Diluted	0.82	0.50	0.64	0.43	0.13
Weighted average common shares:					
Basic	54,702	53,990	53,198	52,640	52,273
Diluted	55,948	55,392	54,224	53,931	53,736
Total assets	575,411	620,850	662,855	747,825	811,275
Debt, including current maturities ⁽²⁾	484,859	548,385	617,167	725,872	804,750
Debt, net of cash and restricted cash ⁽²⁾	479,479	537,764	600,183	714,738	787,605
Stockholders' deficit	(37,354)	(92,235)	(128,485)	(159,393)	(178,253)

(1) Cash costs is a non GAAP financial measure. See Item 7.

(2) Principal amount of debt. See Note 4 of the Notes to Consolidated Financial Statements, included herein.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion includes comments and analysis relating to our results of operations and financial condition as of September 30, 2018 and for 2018, 2017 and 2016. This discussion should be read in conjunction with the Consolidated Financial Statements and related Notes thereto, included herein.

NON-GAAP FINANCIAL MEASURES

We use non-GAAP financial performance measures to supplement the financial information presented on a GAAP basis. These non-GAAP financial measures should not be considered in isolation or as a substitute for the relevant GAAP measures and should be read in conjunction with information presented on a GAAP basis.

In this report, we present adjusted EBITDA, adjusted income (loss), adjusted earnings (loss) per common share (EPS), and cash costs, which are non-GAAP financial performance measures that exclude from our reported GAAP results the impact of certain items consisting primarily of restructuring charges and non-cash charges. We believe

such expenses, charges, and gains are not indicative of normal, ongoing operations, and their inclusion in results makes for more difficult comparisons between years and with peer group companies. In the future, however, we are likely to incur expenses, charges, and gains similar to the items for which the applicable GAAP financial measures have been adjusted and to report non-GAAP financial measures excluding such items. Accordingly, exclusion of those or similar items in our non-GAAP presentations should not be interpreted as implying the items are non-recurring, infrequent, or unusual.

We define our non-GAAP measures, which may not be comparable to similarly titled measures reported by other companies, as follows:

Adjusted EBITDA is a non-GAAP financial performance measure that enhances financial statement users overall understanding of the operating performance of the Company. The measure isolates unusual, infrequent or non-cash transactions from the operating performance of the business. This allows users to easily compare operating performance among various fiscal periods and how management measures the performance of the business. This measure also provides users with a benchmark that can be used when forecasting future operating performance of the Company that excludes unusual, nonrecurring or one time transactions. Adjusted EBITDA is also a component of the calculation used by stockholders and analysts to determine the value of our business when using the market approach, which applies a market multiple to financial metrics. It is also a measure used to calculate the leverage ratio of the Company, which is a key financial ratio monitored and used by the Company and its investors. Adjusted EBITDA is defined as net income (loss), plus nonoperating expenses, income tax expense (benefit), depreciation and amortization, assets loss (gain) on sales, impairments and other, restructuring costs and other, stock compensation and our 50% share of EBITDA from TNI and MNI, minus equity in earnings of TNI and MNI and curtailment gains.

Adjusted Income (Loss) and Adjusted Earnings (Loss) Per Common Share are non-GAAP financial performance measures that we believe offer a useful metric to evaluate overall performance of the Company by providing financial statement users the operating performance of the Company excluding the impact of changes in the warrant valuation, which are non-cash transactions, and the impact of the Tax Cuts and Jobs Act (the "2017 Tax Act"). It is defined as income (loss) attributable to Lee Enterprises, Incorporated and diluted earnings (loss) per common share adjusted to exclude the impact of the warrant valuation, the impact of the 2017 Tax Act, and the gain on insurance settlement.

Cash Costs represent a non-GAAP financial performance measure of operating expenses which are measured on an accrual basis and settled in cash. This measure is useful to investors in understanding the components of the Company's cash-settled operating costs. Generally, the Company provides forward-looking guidance of Cash Costs, which can be used by financial statement users to assess the Company's ability to manage and control its operating cost structure. Cash Costs are defined as compensation, newsprint and ink and other operating expenses. Depreciation and amortization, assets loss (gain) on sales, impairments and other, other non-cash operating expenses and other expenses are excluded. Cash Costs also exclude restructuring costs and other, which are typically paid in cash.

A table reconciling adjusted EBITDA to net income, the most directly comparable measure under GAAP, is set forth below under the caption "Reconciliation of Non-GAAP Financial Measures". Reconciliations of adjusted income (loss) and adjusted earnings (loss) per diluted common share to income (loss) attributable to Lee Enterprises, Incorporated and earnings (loss) per diluted common share, respectively, the most directly comparable measures under GAAP, are set forth in Item 7, included herein, under the caption "Net Income and Earnings Per Share".

The subtotals of operating expenses representing cash costs can be found in tables in Item 7, included herein, under the caption "Continuing Operations".

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(UNAUDITED)

The table below reconciles the non-GAAP financial performance measure of adjusted EBITDA to net income, the most directly comparable GAAP measure:

<i>(Thousands of Dollars)</i>	2018	2017	2016
Net Income	47,048	28,605	36,019
Adjusted to exclude			
Income tax expense (benefit)	(16,228)	11,611	22,176
Non-operating expenses, net	57,703	52,331	45,802
Equity in earnings of TNI and MNI	(9,249)	(7,609)	(8,533)
Assets loss (gain) on sales, impairments and other	6,429	(1,150)	(954)
Depreciation and amortization	31,766	41,282	43,441
Restructuring costs	5,550	7,523	1,825
Stock compensation	1,857	2,088	2,306
Add:			
Ownership share of TNI and MNI EBITDA (50%)	9,883	9,927	11,705
Adjusted EBITDA	134,759	144,608	153,787

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ significantly from those estimates. We believe the following discussion addresses our most critical accounting policies, which are those that are important to the presentation of our financial condition and results of operations and require management's most subjective and complex judgments.

Intangible Assets, Other Than Goodwill

Local mastheads (e.g., publishing periodical titles and web site domain names) are not subject to amortization. Non-amortized intangible assets are tested for impairment annually on the first day of the fourth fiscal quarter or more frequently if events or changes in circumstances suggest the asset might be impaired.

The quantitative impairment test consists of a comparison of the fair value of each masthead or domain name with its carrying amount. We use a relief from royalty approach which utilizes a discounted cash flow model to determine the fair value of each masthead, domain name, or trade name. Management's judgments and estimates of future operating results in determining the intangibles fair values are consistently applied to each underlying business in determining the fair value of each intangible asset. No impairment was recorded in 2018. In 2017 and 2016 following this testing, we recognized impairment charges of \$2.0 million and \$0.8 million, respectively. These charges were to bring the recorded indefinite lived intangibles equal to their implied fair values based on future projections.

Our amortizable intangible assets consist mainly of customer relationships including subscriber lists and advertiser relationships. These asset values are amortized systematically over their estimated useful lives. Intangible assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The carrying amount of each asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use of such asset group. There were no indicators of impairment on intangible assets subject to amortization in 2018, 2017 or 2016.

Future decreases in our market value, or significant differences in revenue, expenses or cash flows from estimates used to determine fair value, could result in additional impairment charges in the future.

Pension, Postretirement and Postemployment Benefit Plans

We, along with our subsidiaries, have various defined benefit retirement plans, postretirement plans and postemployment plans, under which substantially all of the benefits have been frozen in previous years.

We account for our pension, postretirement and postemployment plans in accordance with the applicable accounting guidance, which requires us to include the funded status of our pension plans in our balance sheets and to recognize, as a component of other comprehensive income (loss), the gains or losses that arise during the period but are not recognized in pension expense. Pension expenses is reported on the Consolidated Statements of Income and Comprehensive Income and included in Compensation.

The determination of pension and postretirement plan obligations and expense is based on a number of actuarial assumptions. Two critical assumptions are the discount rates applied to pension and postretirement plan obligations and the expected long-term rate of return on plan assets.

The discount rate assumption is based on investment yields available at year-end on corporate bonds rated AA and above with a maturity to match the expected benefit payment stream. To determine the expected long-term rate of return on pension plan assets, we consider the current and expected asset allocations, as well as historical and expected returns on various categories of plan assets, input from the actuaries and investment consultants and long-term inflation assumptions. We used an assumption of 5.5% for 2018 for our expected return on pension plan assets and a 4.5% for 2018 for our postretirement and postemployment benefits.

The following table illustrates the sensitivity to a change of 50 basis point decrease:

	Effect on 2018 Pension Expense	Effect on September 30, 2018 Liability
Pension discount rate ⁽¹⁾	\$ —	\$ 9,800,000
Postretirement and postemployment benefits discount rate ⁽¹⁾	\$ —	\$ 500,000
Pension expected rate of return on assets	\$ 722,000	\$ —
Postretirement and postemployment benefits expected rate of return on assets	\$ 120,000	\$ —

(1) The Company's Pension and Other Postretirement Plans have been substantially frozen as of September 30, 2018. As a result, changes in discount rates do not meaningfully impact net periodic pension expense.

Income Taxes

We are subject to income taxes in the U.S. and record our tax provision for the anticipated tax consequences in our reported results of operations. Tax laws are complex and subject to different interpretations by the taxpayer and respective government taxing authorities. Significant management judgment is required in determining our provision for income taxes, deferred tax assets and liabilities, and the valuation allowance recorded against our net deferred tax assets, if any.

Our current and deferred income tax provisions are calculated based on estimates and assumptions that could differ from the actual results reflected in income tax returns filed during the subsequent year. These estimates are reviewed and adjusted, if needed, throughout the year. Adjustments between our estimates and the actual results of filed returns are recorded when identified.

Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using currently enacted tax rates. Deferred income tax assets are recognized for deductible temporary differences and loss carryforwards and deferred income tax liabilities are recognized for taxable temporary differences. Temporary differences are the difference between the reported amounts of assets and liabilities and their tax basis. Deferred income tax assets are reduced by a valuation allowance when, in our opinion, it is more likely than not some portion or all of the deferred income tax assets will not be realized. Deferred income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized.

Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. We record interest and penalties related to unrecognized tax benefits as a component of income tax expense.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In March 2017, the Financial Accounting Standards Board ("FASB") issued a new standard to improve the presentation of pension and postretirement benefit expense. The new standard requires that the service cost component of pension and postretirement benefits expense is recognized as compensation expense, while the remaining components of the expense are presented outside of operating income. The current presentation includes all components of the expense as Compensation in our Consolidated Statements of Income and Comprehensive Income. The adoption of the new standard is required in 2019. Based on 2018 results, the adoption of this standard would have reduced operating income by \$4,808,000, which includes the impact of a \$2,031,000 curtailment gain, however net income will remain unchanged.

In August 2016, the FASB issued a new standard to conform the presentation in the statement of cash flows for certain transactions, including cash distributions from equity method investments, among others. The adoption of the new standard is required in 2019. The adoption of this standard will reclassify certain cash receipts within the Consolidated Statements of Cash Flows.

In February 2016, the FASB issued a new standard for the accounting treatment of leases. The new standard is based on the principle that entities should recognize assets and liabilities arising from leases. The new standard does not significantly change the lessees' recognition, measurement and presentation of expenses and cash flows from the previous accounting standard. Leases are classified as finance or operating. The new standard's primary change is the requirement for entities to recognize a lease liability for payments and a right of use asset representing the right to use the leased asset during the term on most operating lease arrangements. Lessees are permitted to make an accounting policy election to not recognize the asset and liability for leases with a term of twelve months or less. In addition, the new standard expands the disclosure requirements of lease arrangements. Lessees have the option to use a modified retrospective transition approach, which includes a number of practical expedients.

FASB issued Accounting Standard Update ("ASU") No. 2018-11 in July 2018. This update provides for an optional transition method that allows issuers to initially apply the new lease standard to all leases that exist as of the adoption date, with the cumulative effect of initially applying the new lease standard recognized as an adjustment to retained earnings as of the adoption date. We intend to adopt the optional transition approach in fiscal year 2020. To date we have made progress in our assessment of the new lease standard. We are currently compiling an inventory of leases, evaluating the provisions of the updated guidance and assessing the impact on our Consolidated Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09 "Revenue from Contracts with Customers" and in 2015, 2016, and 2017 the FASB issued several clarifying updates to this new standard (ASU No. 2015-14, 2016-08, 2016-10, 2016-11, 2016-12, 2016-20 and 2017-05), which collectively comprises ASC Topic 606 "Revenue from Contracts with Customers". Topic 606 supersedes the revenue recognition requirements in Topic 605 "Revenue Recognition" and is effective fiscal years beginning after December 15, 2017. Topic 606 provides a five-step model in determining when and how revenue is recognized and requires revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. Topic 606 also requires new disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

We will adopt Topic 606 on October 1, 2018, using the modified retrospective method applied to those contracts which were not completed as of that date. We have completed our assessment and have not identified any significant changes to our revenue recognition policies. We identified similar performance obligations under Topic 606 as compared with the deliverables and separate units of accounting previously identified under Topic 605. As a result, the timing and amount of our revenue recognition will not be materially impacted; however, we expect to expand certain disclosures as required.

We have also assessed the new accounting principles related to the deferral and amortization of contract acquisition costs and due to the short-term nature of such costs, we will utilize the practical expedient to continue to expense these costs as incurred.

We expect the adoption of Topic 606 will not have a material impact to our consolidated financial statements.

CONTINUING OPERATIONS

Operating results, as reported in the Consolidated Financial Statements, are summarized below:

<i>(Thousands of Dollars and Shares, Except Per Share Data)</i>	2018	2017	Percent Change	2016	Percent Change
Advertising and marketing services revenue	303,446	331,360	(8.4)	373,463	(11.3)
Subscription	195,108	191,922	1.7	194,002	(1.1)
Other	45,401	43,661	4.0	46,899	(6.9)
Total operating revenue	543,955	566,943	(4.1)	614,364	(7.7)
Operating expenses:					
Compensation	196,334	209,692	(6.4)	229,752	(8.7)
Newsprint and ink	24,949	24,904	0.2	26,110	(4.6)
Other operating expenses	199,653	199,754	(0.1)	218,726	(8.7)
Cash costs	420,936	434,350	(3.1)	474,588	(8.5)
Total operating revenue less cash costs	123,019	132,593	(7.2)	139,776	(5.1)
Depreciation and amortization	31,766	41,282	(23.1)	43,441	(5.0)
Assets loss (gain) on sales, impairments and other	6,429	(1,150)	NM	(954)	20.5
Restructuring costs and other	5,550	7,523	(26.2)	1,825	NM
Operating expenses	464,681	482,005	(3.6)	518,900	(7.1)
Equity in earnings of associated companies	9,249	7,609	21.6	8,533	(10.8)
Operating income	88,523	92,547	(4.3)	103,997	(11.0)
Non-operating income (expense):					
Interest expense	(52,842)	(57,573)	(8.2)	(64,233)	(10.4)
Debt financing and administrative cost	(5,311)	(4,818)	10.2	(5,947)	(19.0)
Gain on insurance settlement	—	—	—	30,646	NM
Other, net	450	10,060	(95.5)	(6,268)	NM
Non-operating expenses, net	(57,703)	(52,331)	10.3	(45,802)	14.3
Income before income taxes	30,820	40,216	(23.4)	58,195	(30.9)
Income tax expense (benefit)	(16,228)	11,611	NM	22,176	(47.6)
Net income	47,048	28,605	64.5	36,019	(20.6)
Net income attributable to non-controlling interests	(1,282)	(1,124)	14.1	(1,058)	6.2
Income attributable to Lee Enterprises, Incorporated	45,766	27,481	66.5	34,961	(21.4)
Other comprehensive income, net of income taxes	4,322	6,710	(35.6)	(6,503)	NM
Comprehensive income attributable to Lee Enterprises, Incorporated	50,088	34,191	46.5	28,458	20.1
Earnings per common share:					
Basic	0.84	0.51	64.7	0.66	(22.7)
Diluted	0.82	0.50	64.0	0.64	(21.9)

Due to our fiscal calendar, 2018 was comprised of 53 weeks while 2017 and 2016 were comprised of 52 weeks. Additionally, we purchased a local media operation in 2017 and disposed of one local media operation in both 2018 and 2016.

To facilitate a comparison of our results without the impact of acquisitions, dispositions and the 53rd week of revenues and expenses, certain revenue and expense trends, as described below, are presented on a same property basis and are calculated as follows:

- Reported revenues or expenses
- Less: revenues or expenses for our 2017 acquisitions
- Less: revenues or expenses from enterprises that were disposed of in 2018 and 2016
- Less: 53rd week revenue or expenses in 2018

OPERATING REVENUE

Revenue Comparison 2018-2017

In 2018, advertising and marketing services revenue decreased \$27,914,000, or 8.4%, compared to 2017. On a same property basis, advertising and marketing services revenue declined 11.4%. The decrease in advertising and marketing services revenue is due to continued softness in print advertising demand resulting in reduced advertising volume primarily from large retail, big box stores and classifieds.

Digital advertising increased 4.7% to \$96,498,000 in 2018 and represents 31.8% of total advertising and marketing services revenue. On a same property basis digital advertising increased 2.9%. Digital retail advertising, which represents 62.2% of total digital advertising, increased 7.7%, partially offsetting print declines.

Subscription revenue increased \$3,186,000, or 1.7%, in 2018 and decreased 1.7%, on a same property basis. Strategic pricing programs and premium content helped offset lower paid print circulation units. Our average daily newspaper circulation, including TNI, MNI and digital subscribers, totaled 0.7 million in 2018. Sunday circulation totaled 1.0 million.

Other revenue, which consists of digital services, commercial printing, revenue from delivery of third party products and the sale of books, increased 4.0% in 2018. On a same property basis, digital services revenue, which is mainly TownNews, grew 15.8% in 2018 and was partially offset by revenue declines in commercial printing and third party delivery due to a reduction in volume.

Excluding intercompany activity, revenue at TownNews increased 19.8% in 2018 due to an increase in customers, including broadcast, and monetizing digital audience with programmatic digital advertising revenue. On a stand alone basis, revenue at TownNews increased 16.0% to \$18,900,000.

Total digital revenue including digital advertising revenue and digital services revenue totaled \$112,825,000 in 2018, an increase of 6.3% over 2017.

In 2018, our mobile, tablet, desktop and app sites, including TNI and MNI, attracted a monthly average of 27.4 million unique visitors, with 267.1 million page views, a 17.4% increase in page views compared to 2017. Increased audience engagement is driving a higher number pages viewed per user session in 2018. Research in our larger markets indicates we are maintaining our share of audience in our markets through the combination of digital audience growth and strong print newspaper readership.

Equity in earnings of TNI and MNI increased \$1,640,000 in 2018.

Revenue Comparison 2017-2016, Same Property Basis

In 2017 advertising and marketing services revenue decreased \$39,062,000, or 10.6%, compared to 2016. The decrease in advertising revenue is due to continued softness in print advertising demand resulting in reduced advertising volume primarily from large retail, big box stores and classifieds.

Digital advertising, included in advertising and marketing services revenue, increased 8.0%, to \$91,947,000 in 2017 and represents 28.0% of total advertising revenue. Digital retail advertising increased 9.4%, partially offsetting print declines.

Subscription revenue decreased \$1,083,000, or 0.6%, in 2017. Selective price increases mostly offset paid subscription revenue declines from reduced volume. Our average daily newspaper circulation, including TNI, MNI and digital subscribers, totaled 0.8 million in 2017. Sunday circulation totaled 1.2 million.

Other revenue, which consists of digital services, commercial printing, revenue from delivery of third party products and the sale of books, decreased 6.6% in the 2017 due to volume declines in commercial printing and third party delivery, partially offset by revenue growth at TownNews.

Total digital revenue, including digital advertising revenue and digital services revenue totaled \$105,954,000 in 2017, an increase of 6.7% over 2016.

In 2017, our mobile, tablet, desktop and app sites, including TNI and MNI, attracted an average of 25.5 million unique visitors per month, with 227.6 million monthly page views, a 5.7% increase compared to 2016.

Equity in earnings of TNI and MNI decreased \$924,000 in 2017, on a GAAP basis.

OPERATING EXPENSES

Operating Expense Comparison 2018-2017

Operating expenses decreased 3.6% in 2018. Cash cost on a same property basis decreased 6.1% compared to 2017 achieving cash cost guidance.

Compensation expense, on a same property basis, decreased \$19,461,000, or 9.4%, driven by a 12.0% reduction in average full time equivalent employees. Outsourcing certain functions in 2018 affected the number of full time equivalents in 2018.

Newsprint and ink costs, on a same property basis, decreased \$451,000, or 1.8%, due to a 17.9% reduction in newsprint volume from unit declines and using lower basis weight newsprint partially offset by significant price increases. See Item 7A, "Commodities", included herein, for further discussion and analysis of the impact of newsprint on our business.

Other operating expenses, on a same property basis, decreased \$6,419,000, or 3.3%. Other operating expenses include all operating costs not considered to be compensation, newsprint, depreciation and amortization, or restructuring costs and other. The largest components of these costs include delivery, postage, outsourced printing, digital cost of goods sold and facility expenses. Cost reductions were primarily related to lower delivery and other print-related costs offset in part by higher costs associated with growing digital revenue and outsourcing.

Restructuring costs and other totaled \$5,550,000 and \$7,523,000 in 2018 and 2017, respectively. The majority of restructuring costs are severance. 2017 includes a \$2,600,000 expense to record an estimate of a partial withdrawal liability from one of our multiemployer pension plans.

Depreciation expense decreased \$1,482,000, or 9.2%, and amortization expense decreased \$8,034,000, or 31.8%, in 2018.

Assets loss (gain) on sales, impairments and other was a net expense of \$6,429,000 in 2018 compared to a net benefit of \$1,150,000 in 2017. We recognized a \$8,193,000 loss on sale of assets in 2018 compared to a \$74,000 loss in 2017. We recorded \$267,000 of non-cash impairment charges in 2018 compared to \$2,517,000 in 2017. Curtailment gains totaled \$2,031,000 and \$3,741,000 in 2018 and 2017, respectively, from the elimination of an unfunded employee benefit plan.

The factors noted above resulted in operating income of \$88,523,000 in 2018 compared to \$92,547,000 in 2017.

Operating Expense Comparison 2017-2016

Operating expenses decreased 7.1% in 2017. Cash costs excluding restructuring costs and other decreased \$40,238,000, or 8.5%, in 2017.

Compensation expense, on a same property basis, decreased \$19,064,000, or 8.4%, in 2017 driven by a decline of 8.5% in average full-time equivalent employees and lower self-insured medical costs.

Newsprint and ink costs, on a same property basis, decreased \$1,226,000, or 4.7%, in 2017, as a result of a 12.2% reduction in newsprint volume partially offset by higher prices. See Item 7A, "Commodities", included herein, for further discussion and analysis of the impact of newsprint on our business.

Other operating expenses, on a same property basis, decreased \$15,713,000, or 7.4%, in 2017. Other operating expenses include all operating costs not considered to be compensation, newsprint, depreciation, amortization, or restructuring costs and other. The largest components of these costs include delivery, postage, outsourced printing, digital cost of good sold and facility expenses. Cost reduction were primarily related to lower delivery and other print-related costs associated with growing digital revenue.

Restructuring costs totaled \$7,523,000 and \$1,825,000 in 2017 and 2016, respectively. The majority of restructuring costs relate to severance. 2017 includes a \$2,600,000 expense to record an estimate of a partial withdrawal liability from one of our multiemployer pension plans.

Depreciation expense decreased \$1,265,000, or 7.3%, and amortization expense decreased \$894,000, or 3.4%, in 2017.

Assets loss (gain) on sales, impairments and other, was a net gain of \$1,150,000 in 2017 and \$954,000 in 2016. We recognized a \$74,000 loss on sales of assets in 2017 and \$3,139,000 gain in 2016. Non-cash impairment charges totaled \$2,517,000 in 2017 and \$2,185,000 in 2016. In 2017, we recorded a \$3,741,000 curtailment gain from the elimination of an unfunded employee benefit plan.

The factors noted above resulted in operating income of \$92,547,000 in 2017 compared to \$103,997,000 in 2016.

NON-OPERATING INCOME AND EXPENSES

Non-operating Income and Expense Comparison 2018-2017

Interest expense decreased \$4,731,000, or 8.2%, to \$52,842,000 in 2018 due to lower debt balances. Our weighted average cost of debt, excluding amortization of debt financing cost, increased to 10.0% in 2018 compared to 9.9% in 2017, as the majority of our debt repayments were made on our lowest cost debt.

We recognized \$5,311,000 of debt financing and administrative costs in 2018 compared to \$4,818,000 in 2017. The majority of costs represent amortization of refinancing costs paid in 2014.

As more fully discussed in Note 4 of the Notes to the Consolidated Financial Statements, included herein, we recorded a liability for the Warrants, issued in connection with the Warrant Agreement. We remeasure the liability to fair value each reporting period, with changes reported in other non-operating income (expenses). Due to the fluctuation in the price of our Common Stock, and changes in interest rates, the estimated fair value of the warrant liability can change each period. We recorded non-operating expense of \$226,000 in 2018 and non-operating income of \$10,181,000, in 2017, due to the change in fair value of the Warrants.

Non-operating Income and Expense Comparison 2017-2016

Interest expense decreased \$6,660,000, or 10.4%, to \$57,573,000 in 2017 due to lower debt balances.

We recognized \$4,818,000 of debt financing and administrative costs in 2017 compared to \$5,947,000 in 2016, related to our 2014 refinancing. We also recognized \$1,250,000 gain on extinguishment of debt in 2016.

In 2016, we recognized a \$30,646,000 gain on an insurance settlement. The settlement represents our share of a subrogation recovery arising from the settlement of claims for damages suffered as a result of a 2009 loss at one of our production facilities.

Due to the fluctuation in the price of our Common Stock, we recorded non-operating income of \$10,181,000 in 2017 and non-operating expenses of \$7,519,000 in 2016 related to the change in fair value of the warrants.

INCOME TAX EXPENSES

Income Tax Comparison 2018-2017

On December 22, 2017, comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "2017 Tax Act") was signed into law. Among other provisions, the 2017 Tax Act reduces the federal statutory corporate income tax rate from 35% to 21%. The reduction of the corporate tax rate caused us to re-measure our deferred tax assets and liabilities to the lower federal base rate of 21%. We reported a discrete adjustment from revaluing our deferred tax assets and liabilities resulting in a net decrease in income tax expense of \$24,872,000 for the 53 weeks ended September 30, 2018.

Including the impact of the 2017 Tax Act, we recorded an income tax benefit of \$16,228,000 in 2018 or 52.7% of pretax income. Excluding the impact from the 2017 Tax Act, the effective income tax rate for 2018 was 28.0%. In 2017, we

recognized income tax expense of \$11,611,000, resulting in an effective tax rate of 28.9%. See Note 10 of the Notes to the Consolidated Financial Statements, included herein, for a discussion of the difference between the expected federal income tax rate and the actual tax rates.

Income Tax Comparison 2017-2016

We recognized income tax expense of \$11,611,000, resulting in an effective tax rate of 28.9% in 2017 compared to 38.1% in 2016. See Note 10 of the Notes to the Consolidated Financial Statements, included herein, for a discussion of the difference between the expected federal income tax rate and the actual tax rates.

NET INCOME AND EARNINGS PER SHARE

The following table summarizes the impact from the 2017 Tax Act, the warrant fair value adjustments and the 2017 Tax Act on income attributable to Lee Enterprises, Incorporated and earnings per diluted common share. Per share amounts may not add due to rounding.

	2018		2017		2016	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
<i>(Thousands of Dollars, Except Per Share Data)</i>						
Income attributable to Lee Enterprises, Incorporated, as reported	45,766	0.82	27,481	0.50	34,961	0.64
Adjustments:						
Warrants fair value adjustment	226	—	(10,181)	(0.19)	7,519	0.14
Gain on insurance settlement	—		—		(30,646)	(0.56)
Adjusted income before income tax impacts	45,992	0.82	17,300	0.31	11,834	0.22
Income tax effect of adjustments, net	—		—		10,726	0.20
Income tax effect of 2017 Tax Act	(24,872)	(0.44)	—		—	
Income tax effects, total	(24,872)	(0.44)	—		10,726	0.20
Income attributable to Lee Enterprises, Incorporated, as adjusted	21,120	0.38	17,300	0.31	22,560	0.42

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

Cash provided by operating activities totaled \$59,296,000 in 2018 compared to \$72,281,000 in 2017 due to a decline in net income to \$22,176,000 in 2018 from \$28,605,000 in 2017, after adjusting for the 2017 Tax Act impact of \$24,872,000. The decline in net income is primarily the result of continued softening of the print advertising environment. Operating cash flows were also impacted by an increase in pension contributions.

Cash provided by operating activities totaled \$72,281,000 in 2017 compared to \$79,190,000 in 2016. The decrease in cash flows in 2017 is due to a decrease in net income of \$28,605,000 in 2017 from \$36,019,000 in 2016, changes in operating assets and liabilities, and pension contributions.

Pension liabilities, net of plan assets, totaled \$26,745,000 as of September 30, 2018. Contributions to pension plans are expected to total \$650,000 in 2019.

Investing Activities

Cash required for investing activities totaled \$72,000 in 2018 and \$9,455,000 in 2017. Capital spending totaled \$6,025,000 and \$4,078,000 in 2018 and 2017, respectively. Proceeds from sales of assets totaled \$6,623,000 and \$2,582,000 in 2018 and 2017, respectively. 2017 included \$7,450,000 in spending related to the acquisition of local media operations.

Cash required for investing activities totaled \$9,455,000 in 2017 and cash provided by investing activities totaled \$34,508,000 in 2016. The change in cash flows from investing activities is mainly due to a \$30,646,000 insurance settlement in 2016. Capital spending totaled \$4,078,000 and \$7,091,000 in 2017 and 2016, respectively, and proceeds from sales of assets totaled \$2,582,000 in 2017 and \$9,878,000 in 2016, respectively.

We anticipate that funds necessary for capital expenditures, which are expected to be \$11,000,000 in 2019, and other requirements, will be available from internally generated funds, or available under our Revolving Facility.

Financing Activities

Cash required for financing activities totaled \$64,465,000 in 2018, \$69,189,000 in 2017 and \$107,848,000 in 2016. Debt reduction accounted for the majority of the usage of funds in all years.

Debt is summarized as follows:

(Thousands of Dollars)	Interest Rates (%)		
	September 30 2018	September 25 2016	September 30 2018
Revolving Facility	—	—	6.1
1 st Lien Term Loan	6,303	45,145	8.3
Notes	385,000	385,000	9.5
2 nd Lien Term Loan	93,556	118,240	12.0
	484,859	548,385	
Unamortized debt issue costs	(17,055)	(21,824)	
Less current maturities of long-term debt	7,027	30,182	
Total long-term debt	460,777	496,379	

At September 30, 2018, our weighted average cost of debt, excluding amortization of debt financing costs, is 10.0%.

At September 30, 2018, aggregate minimum required maturities of debt excluding amounts required to be paid from future excess cash flow computations total \$7,027,000 in 2019, \$0 in 2020 and 2021, \$385,000,000 in 2022 and \$92,832,000 in 2023.

In addition to mandatory paydowns, the 1st and 2nd lien term loans require excess cash flow payments based on calculations defined in the credit agreements. See Note 4 of the Notes to the Consolidated Financial Statements.

Liquidity

We maintain a Revolving Facility pursuant to which we may borrow up to \$40,000,000. At September 30, 2018, after consideration of letters of credit, we have approximately \$34,235,000 available for future use under our Revolving Facility. The Revolving Facility contains a maintenance covenant in order to borrow on the Revolving Facility. At September 30, 2018, we are in compliance with this covenant. The Revolving Facility matures on December 28, 2018. We expect to amend and extend our Revolving Facility prior to its maturity.

Including cash, our liquidity at September 30, 2018 totals \$39,615,000. This liquidity amount excludes any future cash flows. We expect all interest and principal payments due in the next twelve months will be satisfied by our cash flows, which will allow us to maintain an adequate level of liquidity. The Warrants, if and when exercised, would provide additional liquidity in an amount up to \$25,140,000.

At September 30, 2018, the principal amount of our outstanding debt totals \$484,859,000. For the last twelve months ending September 30, 2018, the principal amount of our debt, net of cash, is 3.6 times our adjusted EBITDA, compared to a ratio of 3.7 times at September 24, 2017.

The 2014 Refinancing significantly extended our debt maturity profile with final maturity of the majority of our debt in 2022. As a result, refinancing risk has been substantially reduced for the next several years.

There are numerous potential consequences under the Notes, 1st Lien Credit Facility, 2nd Lien Term Loan, if an event of default, as defined, occurs and is not remedied. Many of those consequences are beyond our control. The occurrence of one or more events of default would give rise to the right of the applicable lender(s) to exercise their remedies under the Notes, 1st Lien Credit Facility, 2nd Lien Term Loan, respectively, including, without limitation, the right to accelerate all outstanding debt and take actions authorized in such circumstances under applicable collateral security documents.

Our ability to operate as a going concern is dependent on our ability to remain in compliance with debt covenants and repay, refinance or amend our debt agreements as they become due, or earlier if liquidity is available. The Notes, 1st Lien Credit Facility and 2nd Lien Term Loan have only limited affirmative covenants with which we are required to maintain compliance. We are in compliance with our debt covenants at September 30, 2018.

In February 2017 our filing of a replacement Form S-3 registration statement ("Shelf") with the SEC, was declared effective and expires February 2020, maintaining an effective shelf is required under our credit agreements. The Shelf registration gives us the flexibility to issue and publicly distribute various types of securities, including preferred stock, common stock, warrants, secured or unsecured debt securities, purchase contracts and units consisting of any combination of such securities, from time to time, in one or more offerings, up to an aggregate amount of \$750,000,000. SEC issuer eligibility rules require us to have a public float of at least \$75,000,000 in order to use the Shelf. Subject to maintenance of the minimum level of equity market float and the conditions of our existing debt agreements, the Shelf may enable us to sell securities quickly and efficiently when market conditions are favorable or financing needs arise. Under our existing debt agreements, net proceeds from the sale of any securities may be used generally to reduce debt.

Other Matters

Cash and cash equivalents decreased \$5,241,000 in 2018, decreased \$6,363,000 in 2017 and increased \$5,850,000 in 2016.

SEASONALITY

Our largest source of publishing revenue, retail advertising, is seasonal and tends to fluctuate with retail sales in markets served. Historically, retail advertising is higher in the December and June quarters. Advertising and marketing services revenue is lowest in the March quarter.

Quarterly results of operations are summarized in Note 16 of the Notes to Consolidated Financial Statements, included herein.

INFLATION

Price increases (or decreases) for our products are implemented when deemed appropriate by us. We continuously evaluate price increases, productivity improvements, sourcing efficiencies and other cost reductions to mitigate the impact of inflation.

CONTRACTUAL OBLIGATIONS

The following table summarizes our significant contractual obligations at September 30, 2018:

Nature of Obligation	Total	Less Than 1	Payments (or Commitments) Due (Years)		
			1-3	3-5	More Than 5
Debt (Principal Amount) ⁽¹⁾	484,859	7,027	385,000	92,832	—
Interest expense ⁽²⁾⁽³⁾	178,613	47,792	129,429	1,392	—
Operating lease obligations	20,483	4,131	5,950	4,426	5,976
Capital expenditure commitments	680	680	—	—	—
	684,635	59,630	520,379	98,650	5,976

(1) Maturities of long-term debt are limited to mandatory payments and, accordingly, exclude excess cash flow, asset sale and other payments under the 1st Lien Credit Facility, Notes and the 2nd Lien Term Loan. While excess cash flow payments are based on actual performance, we expect to make voluntary and excess cash flow payments on the 1st and 2nd lien term loans currently outstanding, in the next five years. See Note 5 of the Notes to the Consolidated Financial Statements, included herein.

(2) Interest expense includes an estimate of interest expense for the Notes, 1st Lien Credit Facility, and 2nd Lien Term Loan until their maturities in March 2022, March 2019, and December 2022, respectively. Interest expense under the Notes is estimated using the 9.5% contractual rate applied to the outstanding balance as reduced by future contractual maturities of such debt. Interest expense under the 1st Lien Term Loan is estimated based on the one month LIBOR at September 30, 2018 of 2.29% as increased by our applicable margin of 6.25% applied to the outstanding balance, as reduced by future contractual maturities of such debt. Interest expense under the Revolving Facility is estimated based on the one month LIBOR at September 30, 2018 of 2.29% as increased by our applicable margin of 5.5% applied to the outstanding balance, as reduced by future contractual maturities of such debt. Changes in interest rates in excess of current LIBOR levels, use of borrowing rates not based on LIBOR, use of interest rate hedging instruments, and/or principal payments in excess of contractual maturities or based on other requirements of the Notes, 1st Lien Credit Facility or 2nd Lien Term Loan could significantly change this estimate. See Note 4 of the Notes to Consolidated Financial Statements, included herein.

(3) Interest expense excludes non-cash present value adjustments and amortization of debt financing costs previously paid. See Note 4 of the Notes to Consolidated Financial Statements, included herein.

The table above excludes future cash requirements for pension, postretirement and postemployment obligations. The periods in which these obligations will be settled in cash are not readily determinable and are subject to numerous future events and assumptions. See Notes 5 and 6 of the Notes to the Consolidated Financial Statements, included herein.

The contractual obligations above exclude unrecognized tax benefits to be recorded in accordance with FASB ASC Topic 740, *Income Taxes*. We are unable to reasonably estimate the ultimate amount or timing of cash settlements with the respective taxing authorities for such matters. A substantial amount of our deferred income tax liabilities will not result in future cash payments. See Note 10 of the Notes to the Consolidated Financial Statements, included herein.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk stemming from changes in interest rates and commodity prices. Changes in these factors could cause fluctuations in earnings and cash flows. In the normal course of business, exposure to certain of these market risks is managed as described below.

INTEREST RATES ON DEBT

Our debt structure, which is predominantly fixed rate, significantly reduces the potential financial impact of future increases in interest rates. At September 30, 2018, 1.3% of the principal amount of our debt is subject to floating interest rates. Our primary exposure is to LIBOR. A 100 basis point increase to LIBOR would, in excess of LIBOR minimums discussed more fully below, decrease income before income taxes on an annualized basis by approximately \$63,030 based on \$6,303,000 of floating rate debt outstanding at September 30, 2018.

Our debt under the 1st Lien Term Loan is subject to minimum LIBOR interest rate levels of 1.0%. Current LIBOR rates are in excess of the minimum and any future increases in LIBOR will affect our interest rates.

We regularly evaluate alternatives to hedge our interest rate risk, but have no hedging instruments in place.

COMMODITIES

Newsprint prices increased significantly during the Company's 2018 fiscal year. Price increases were driven primarily by North American and overseas reductions in newsprint production capacity leading to significantly tight supply, including some spot shortages, versus demand. Upward pricing momentum was also influenced by actions from a formal complaint filed by one U.S. based uncoated groundwood producer leading the United States Department of Commerce and International Trade Commission to impose preliminary tariff duties on a number of Canadian manufacturers of uncoated groundwood, including newsprint, resulting in higher prices from some Canadian producers. Tight supply markets prevented opportunities to secure non-tariffed newsprint from other sources. Printing industry and paper producers objections led to the U.S International Trade Commission to reverse the decision to impose tariffs bringing Canadian producers' price levels back in line with current U.S producer pricing.

Our long term supply strategy continues to align the Company with those cost effective suppliers most likely to continue producing and supplying newsprint to the North American market and geographically aligned with our print locations. Where possible the Company will align supply with the lowest cost material, but may be restricted due to current supply chain tightness and paper production availability.

A \$10 per tonne price increase for 30 pound newsprint would result in an annualized reduction in income before taxes of approximately \$286,000 based on anticipated consumption in 2019, excluding consumption of TNI and MNI and the impact of LIFO accounting.

SENSITIVITY TO CHANGES IN VALUE

At September 30, 2018, the fair value of floating rate debt, which consists primarily of our 1st Lien Term Loan, is \$6,299,060, based on an average of private market price quotations. Our fixed rate debt consists of \$385,000,000 principal amount of the Notes and \$93,556,000 principal amount under the 2nd Lien Term Loan. At September 24, 2017, based on an average of private market price quotations, the fair values were \$399,206,500 and \$95,427,120 for the Notes and 2nd Lien Term Loan, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information with respect to this Item is included herein under the caption "Consolidated Financial Statements".

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Information with respect to this Item is included in our Proxy Statement to be filed in January 2018, which is incorporated herein by reference, under the caption "Relationship with Independent Registered Public Accounting Firm".

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of September 30, 2018, the end of the period covered by this Annual Report (the "Evaluation Date"). Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to the Company, including our consolidated subsidiaries, required to be disclosed in our SEC reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rule 13a-15(f) of the Exchange Act. Any internal control system, no matter how well designed, has inherent limitations and may not prevent or detect misstatements. Accordingly, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, we assessed the effectiveness of our internal control over financial reporting as of the Evaluation Date, using the criteria set forth in the *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has concluded that our internal control over financial reporting is effective as of the Evaluation Date.

Our independent registered public accounting firm, KPMG LLP, has issued a report on the Company's internal control over financial reporting. KPMG's report on the audit of internal control over financial reporting appears in this Annual Report.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting that occurred during the 14 weeks ended September 30, 2018 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
Lee Enterprises, Incorporated

Opinion on Internal Control Over Financial Reporting

We have audited Lee Enterprises, Incorporated and subsidiaries' (the Company) internal control over financial reporting as of September 30, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of September 30, 2018 and September 24, 2017, the related consolidated statements of income and comprehensive income, stockholders' deficit, and cash flows for the 53-week period ended September 30, 2018 and each of the 52-week periods ended September 24, 2017 and September 25, 2016, and the related notes (collectively, the consolidated financial statements), and our report dated December 14, 2018 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Chicago, Illinois
December 14, 2018

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information with respect to this Item, except for certain information related to our executive officers included under the caption "Executive Team" in Part I of this Annual Report, is included in our Proxy Statement to be filed in January 2019, which is incorporated herein by reference, under the captions "Proposal 1 - Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance". Our executive officers are those elected officers whose names and certain information are set forth under the caption "Executive Team" in Part 1 of this Annual Report.

We have a Code of Business Conduct and Ethics ("Code") that applies to all of our employees, including our principal executive officer, and principal financial and accounting officer. The Code is monitored by the Audit Committee of our Board of Directors and is annually affirmed by our directors and executive officers. We maintain a corporate governance page on our website which includes the Code. The corporate governance page can be found at www.lee.net by clicking on "Governance" under the "About" tab. A copy of the Code will also be provided without charge to any stockholder who requests it. Any future amendment to, or waiver granted by us from, a provision of the Code will be posted on our website.

ITEM 11. EXECUTIVE COMPENSATION

Information with respect to this Item is included in our Proxy Statement to be filed in January 2019, which is incorporated herein by reference, under the captions, "Compensation of Non-Employee Directors", "Executive Compensation" and "Compensation Discussion and Analysis"; provided, however, that the subsection entitled "Executive Compensation - Executive Compensation Committee Report" shall not be deemed to be incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information with respect to this Item is included in our Proxy Statement to be filed in January 2019, which is incorporated herein by reference, under the captions "Voting Securities and Principal Holders Thereof" and "Equity Compensation Plan Information".

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Information with respect to this Item is included in our Proxy Statement to be filed in January 2019, which is incorporated herein by reference, under the caption "Directors' Meetings and Committees of the Board of Directors".

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information with respect to this Item is included in our Proxy Statement to be filed in January 2019, which is incorporated herein by reference, under the caption "Relationship with Independent Registered Public Accounting Firm".

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this Annual Report:

FINANCIAL STATEMENTS

Consolidated Statements of Income and Comprehensive Income - 53 weeks ended September 30, 2018, 52 weeks ended September 24, 2017 and 52 weeks ended September 25, 2016

Consolidated Balance Sheets - September 30, 2018 and September 24, 2017

Consolidated Statements of Stockholders' Equity (Deficit) - 53 weeks ended September 30, 2018, 52 weeks ended September 24, 2017 and 52 weeks ended September 25, 2016

Consolidated Statements of Cash Flows - 53 weeks ended September 30, 2018, 52 weeks ended September 24, 2017 and 52 weeks ended September 25, 2016

Notes to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

FINANCIAL STATEMENT SCHEDULES

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

EXHIBITS

See Exhibit Index, included herein.

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CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Thousands of Dollars, Except Per Common Share Data)

	2018	2017	2016
Operating revenue:			
Advertising and marketing services	303,446	331,360	373,463
Subscription	195,108	191,922	194,002
Other	45,401	43,661	46,899
Total operating revenue	543,955	566,943	614,364
Operating expenses:			
Compensation	196,334	209,692	229,752
Newsprint and ink	24,949	24,904	26,110
Other operating expenses	199,653	199,754	218,726
Depreciation and amortization	31,766	41,282	43,441
Assets loss (gain) on sales, impairments and other	6,429	(1,150)	(954)
Restructuring costs and other	5,550	7,523	1,825
Total operating expenses	464,681	482,005	518,900
Equity in earnings of associated companies	9,249	7,609	8,533
Operating income	88,523	92,547	103,997
Non-operating income (expense):			
Interest expense	(52,842)	(57,573)	(64,233)
Debt financing and administrative costs	(5,311)	(4,818)	(5,947)
Gain on insurance settlement	—	—	30,646
Other, net	450	10,060	(6,268)
Total non-operating expense, net	(57,703)	(52,331)	(45,802)
Income before income taxes	30,820	40,216	58,195
Income tax expense (benefit)	(16,228)	11,611	22,176
Net income	47,048	28,605	36,019
Net income attributable to non-controlling interests	(1,282)	(1,124)	(1,058)
Income attributable to Lee Enterprises, Incorporated	45,766	27,481	34,961
Other comprehensive income (loss), net of income taxes	4,322	6,710	(6,503)
Comprehensive income attributable to Lee Enterprises, Incorporated	50,088	34,191	28,458
Earnings per common share:			
Basic:	0.84	0.51	0.66
Diluted:	0.82	0.50	0.64

The accompanying Notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

<i>(Thousands of Dollars)</i>	September 30 2018	September 24 2017
ASSETS		
Current assets:		
Cash and cash equivalents	5,380	10,621
Accounts receivable, less allowance for doubtful accounts:		
2018 \$4,806; 2017 \$4,796	43,711	49,469
Inventories	5,684	3,616
Other	4,567	4,132
Total current assets	59,342	67,838
Investments:		
Associated companies	29,216	29,181
Other	10,958	9,949
Total investments	40,174	39,130
Property and equipment:		
Land and improvements	17,432	20,424
Buildings and improvements	150,376	172,138
Equipment	276,332	278,880
Construction in process	1,710	752
	445,850	472,194
Less accumulated depreciation	353,522	357,998
Property and equipment, net	92,328	114,196
Goodwill	246,176	246,426
Other intangible assets, net	119,819	136,302
Medical plan assets, net	16,157	15,392
Other	1,415	1,566
Total assets	575,411	620,850

The accompanying Notes are an integral part of the Consolidated Financial Statements.

<i>(Thousands of Dollars and Shares, Except Per Share Data)</i>	September 30 2018	September 24 2017
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	7,027	30,182
Accounts payable	12,747	17,027
Compensation and other accrued liabilities	19,641	22,606
Accrued interest	2,031	1,512
Unearned revenue	23,895	26,881
Total current liabilities	65,341	98,208
Long-term debt, net of current maturities	460,777	496,379
Pension obligations	26,745	43,537
Postretirement and postemployment benefit obligations	2,580	5,004
Deferred income taxes	39,108	53,397
Income taxes payable	6,559	5,497
Warrants and other	10,561	10,041
Total liabilities	611,671	712,063
Equity (deficit):		
Stockholders' equity (deficit):		
Serial convertible preferred stock, no par value; authorized 500 shares; none issued	—	—
Common Stock, authorized 120,000 shares; issued and outstanding:	572	567
September 30, 2018; 57,141 shares; \$0.01 par value		
September 24, 2017; 56,712 shares; \$0.01 par value		
Class B Common Stock, \$2 par value; authorized 30,000 shares; none issued	—	—
Additional paid-in capital	253,511	251,790
Accumulated deficit	(279,691)	(328,524)
Accumulated other comprehensive loss	(11,746)	(16,068)
Total stockholders' deficit	(37,354)	(92,235)
Non-controlling interests	1,094	1,022
Total deficit	(36,260)	(91,213)
Total liabilities and deficit	575,411	620,850

The accompanying Notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

	Amount			Shares		
<i>(Thousands of Dollars and Shares)</i>	2018	2017	2016	2018	2017	2016
Common Stock:						
Balance, beginning of year	567	558	547	56,712	55,771	54,679
Shares issued	5	9	11	429	941	1,092
Balance, end of year	572	567	558	57,141	56,712	55,771
Additional paid-in capital:						
Balance, beginning of year	251,790	249,740	247,302			
Stock compensation	2,039	2,088	2,306			
Shares issued (redeemed)	(318)	(38)	132			
Balance, end of year	253,511	251,790	249,740			
Accumulated deficit:						
Balance, beginning of year	(328,524)	(356,005)	(390,966)			
Net income	47,048	28,605	36,019			
Net income attributable to non-controlling interests	(1,282)	(1,124)	(1,058)			
Cumulative effect of accounting change	3,067	—	—			
Balance, end of year	(279,691)	(328,524)	(356,005)			
Accumulated other comprehensive income (loss):						
Balance, beginning of year	(16,068)	(22,778)	(16,276)			
Change in pension and postretirement benefits	10,477	11,439	(11,001)			
Deferred income taxes, net	(3,088)	(4,729)	4,499			
Cumulative effect of accounting change	(3,067)	—	—			
Balance, end of year	(11,746)	(16,068)	(22,778)			
Total stockholders' deficit	(37,354)	(92,235)	(128,485)	57,141	56,712	55,771

The accompanying Notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(Thousands of Dollars)</i>	2018	2017	2016
Cash provided by operating activities:			
Net income	47,048	28,605	36,019
Adjustments to reconcile income to net cash provided by operating activities:			
Depreciation and amortization	31,766	41,282	43,441
Non-operating gains and losses	3,547	3,594	(23,764)
Stock compensation expense	1,857	2,088	2,306
Distributions greater (less) than earnings of MNI	(1,229)	546	3,777
Deferred income taxes	(17,377)	10,360	20,669
Pension contributions	(4,990)	—	(4,604)
Other	6,906	(967)	(3,948)
Changes in operating assets and liabilities:			
Decrease in receivables	4,418	2,854	6,933
Decrease (increase) in inventories and other	(1,926)	687	617
Decrease in accounts payable and other accrued liabilities	(8,587)	(6,393)	(8,327)
Decrease in pension, postretirement and postemployment benefit obligations	(2,482)	(3,473)	(4,757)
Change in income taxes receivable or payable	687	(1)	1,238
Other, including warrants	(342)	(6,901)	9,590
Net cash provided by operating activities	59,296	72,281	79,190
Cash provided by (required for) investing activities:			
Purchases of property and equipment	(6,025)	(4,078)	(7,091)
Insurance settlement	—	—	30,646
Proceeds from sales of assets	6,623	2,582	9,878
Acquisitions	—	(7,450)	—
Distributions greater (less) than earnings of TNI	1,194	(11)	1,575
Other, net	(1,864)	(498)	(500)
Net cash provided by (required for) investing activities	(72)	(9,455)	34,508
Cash provided by (required for) financing activities:			
Proceeds from long-term debt	10,000	5,000	5,000
Payments on long-term debt	(73,526)	(73,782)	(112,455)
Debt financing and administrative costs paid	(437)	(373)	(422)
Common stock transactions, net	(502)	(34)	29
Net cash required for financing activities	(64,465)	(69,189)	(107,848)
Net increase (decrease) in cash and cash equivalents	(5,241)	(6,363)	5,850
Cash and cash equivalents:			
Beginning of year	10,621	16,984	11,134
End of year	5,380	10,621	16,984

The accompanying Notes are an integral part of the Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

References to "we", "our", "us" and the like throughout the Consolidated Financial Statements refer to Lee Enterprises, Incorporated and subsidiaries (the "Company"). References to "2018", "2017", "2016" and the like refer to the fiscal years ended the last Sunday in September. Fiscal year 2018 includes 53 weeks of operations and 2017 and 2016 include 52 weeks of operations.

Lee Enterprises, Incorporated is a leading provider of high quality, trusted, local news and information, and a major platform for advertising in the markets we serve. We operate 49 principally mid-sized local media operations (including TNI Partners ("TNI") and Madison Newspapers, Inc. ("MNI")) across 20 states.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Consolidated Financial Statements include our accounts and those of our subsidiaries, all of which are wholly-owned, except for our 50% interest in TNI, 50% interest in MNI and 82.5% interest in TownNews, TNI and MNI are accounted for under the equity method. Results of TownNews are consolidated.

In February 2018, the Financial Accounting Standards Board ("FASB") issued new guidance to allow a reclassification from accumulated other comprehensive income ("AOCI") to retained earnings for stranded tax effects resulting from what is commonly referred to as the Tax Cuts and Jobs Act (the "2017 Tax Act"). In the first quarter of fiscal year 2018, we remeasured our deferred taxes related to unrealized gains on our investment balances using the reduced tax rate. As required by GAAP, we recognized the net tax benefit in the provision for income taxes in our consolidated income statements, and we reclassified a \$3,067,000 net tax benefit from AOCI to retained earnings in our consolidated balance sheets. Adoption of the standard had no impact to our consolidated income statements or cash flows statements.

In March 2016, the FASB issued a new standard that makes improvements to the accounting for employee share-based payments. The new standard simplifies several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes and statutory tax withholding requirements, as well as classification in the statement of cash flows. We adopted this standard in 2018 and the impact from the adoption of this standard did not have a material impact on the Consolidated Financial Statements.

Fiscal Year

All of our enterprises use period accounting with the fiscal year ending on the last Sunday in September.

Subsequent Events

We have evaluated subsequent events through December 14, 2018. No events have occurred subsequent to September 30, 2018 that require disclosure or recognition in these financial statements, except as included herein.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. We evaluate our estimates on an on-going basis. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Principles of Consolidation

All significant intercompany transactions and balances have been eliminated.

Investments in TNI and MNI are accounted for using the equity method and are reported at cost, plus our share of undistributed earnings since acquisition less, for TNI, amortization of, and reductions in the value of, intangible assets.

Cash and Cash Equivalents

We consider all highly liquid debt instruments purchased with an original maturity of three months or less at date of acquisition to be cash equivalents.

Accounts Receivable

We evaluate our allowance for doubtful accounts receivable based on historical credit experience, payment trends and other economic factors. Delinquency is determined based on timing of payments in relation to billing dates. Accounts considered to be uncollectible are written off.

Inventories

Newsprint inventories and other inventories are priced at the lower of cost or market. Newsprint inventories at September 30, 2018 and September 24, 2017 are less than replacement cost by \$2,333,500 and \$1,608,000, respectively.

The components of inventory by cost method are as follows:

<i>(Thousands of Dollars)</i>	September 30 2018	September 24 2017
Newsprint - FIFO method	2,079	962
Newsprint - LIFO method	2,071	1,167
Other inventory - FIFO method	1,534	1,487
	5,684	3,616

Other Investments

Other investments primarily consist of marketable securities held in trust under a deferred compensation arrangement and investments for which no established market exists. Marketable securities are classified as trading securities and carried at fair value with gains and losses reported in earnings. Non-marketable securities are carried at cost.

Property and Equipment

Property and equipment are carried at cost. Equipment, except for printing presses and preprint insertion equipment, is depreciated primarily by declining-balance methods. The straight-line method is used for all other assets. The estimated useful lives are as follows:

	Years
Buildings and improvements	5 - 54
Printing presses and insertion equipment	3 - 28
Other	3 - 17

We capitalize interest as a component of the cost of constructing major facilities. At September 30, 2018 and September 24, 2017, capitalized interest was not significant.

We recognize the fair value of a liability for a legal obligation to perform an asset retirement activity when such activity is a condition of a future event and the fair value of the liability can be estimated.

Goodwill and Other Intangible Assets

Intangible assets include covenants not to compete, consulting agreements, customer lists, newspaper subscriber lists and mastheads. Intangible assets subject to amortization are being amortized using the straight-line method as follows:

	Years
Customer lists	15 - 23
Newspaper subscriber lists	17 - 33

We review goodwill for impairment on an annual basis by performing a qualitative and quantitative assessment. Companies with reporting units with zero or negative carrying value are required to disclose the amount of goodwill for those reporting units.

Lee Enterprises is a single reporting unit entity with negative carrying value, and as such all of the Company's goodwill is attributed to the single reporting unit. In 2018 and 2017, the Company had \$246,176,000 and \$246,426,000 of goodwill in the Consolidated Balance Sheets, respectively. The annual assessment is made on the first day of our fourth fiscal quarter, or more frequently if impairment triggers are noted.

In 2016, under prior accounting standards, the Company assessed the recoverability of goodwill and other non-amortized intangible assets, using qualitative factors affecting our business to determine if the probability of a goodwill impairment was more likely than not. Our assessment included reviewing internal and external factors affecting our business, such as cash flow projections, stock price and other industry or market considerations.

We review non-amortizing intangibles for impairment on an annual basis. Should we determine that a non-amortized intangible asset impairment is more likely than not, we make a determination of the individual asset's fair value. Fair value is determined using the relief from royalty method, which estimates fair value based upon appropriate royalties of future revenue discounted to their present value. The impairment amount, if any, is calculated based on the excess of the carrying amount over the fair value of such asset.

We analyze goodwill and other non-amortized intangible assets for impairment more frequently if impairment indicators are present. Such indicators of impairment include, but are not limited to, changes in business climate and operating or cash flow losses related to such assets.

We review our amortizable intangible assets for impairment when indicators of impairment are present. We assess recoverability of these assets by comparing the estimated undiscounted cash flows associated with the asset group with their carrying amount. The impairment amount, if any, is calculated based on the excess of the carrying amount over the fair value of those asset groups.

The required valuation methodology and underlying financial information that are used to determine fair value require significant judgments to be made by us and represent a Level 3 fair value measurement. These judgments include, but are not limited to, long term projections of future financial performance and the selection of appropriate discount rates used to determine the present value of future cash flows. Changes in such estimates or the application of alternative assumptions could produce significantly different results.

We also periodically evaluate the useful lives of amortizable intangible assets. Any resulting changes in the useful lives of such intangible assets will not impact our cash flows. However, a decrease in the useful lives of such intangible assets would increase future amortization expense and decrease future reported operating results and earnings per common share.

Future decreases in our market value, or significant differences in revenue, expenses or cash flows from estimates used to determine fair value, could result in impairment charges in the future. See Note 3.

Non-controlling Interest

Non-controlling interest in earnings of TownNews is recognized in the Consolidated Financial Statements.

Revenue Recognition

Advertising revenue is recorded when advertisements are placed in the publication or on the related digital platform. Subscription revenue is recorded over the print or digital subscription term or as newspapers are individually sold. Other revenue is recognized when the related product or service has been delivered. Unearned revenue arises in the ordinary course of business from advance subscription payments for print or digital products or advance payments for advertising.

Advertising Costs

A substantial amount of our advertising and promotion consists of advertising placed in our own publications and digital platforms, using available space. The incremental cost of such advertising is not significant and is not measured separately by us. External advertising costs are not significant and are expensed as incurred.

Pension, Postretirement and Postemployment Benefit Plans

We evaluate our liabilities for pension, postretirement and postemployment benefit plans based upon computations made by consulting actuaries, incorporating estimates and actuarial assumptions of future plan service costs, future interest costs on projected benefit obligations, rates of compensation increases, when applicable, employee turnover rates, anticipated mortality rates, expected investment returns on plan assets, asset allocation assumptions of plan assets and other factors.

We use a fiscal year end measurement date for all our pension and postretirement obligations in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 715, *Retirement Plans*.

Income Taxes

Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using currently enacted tax rates. Deferred income tax assets are recognized for deductible temporary differences and loss carryforwards and deferred income tax liabilities are recognized for taxable temporary differences. Temporary differences are the difference between the reported amounts of assets and liabilities and their tax basis. Deferred income tax assets are reduced by a valuation allowance when, in our opinion, it is more likely than not some portion or all of the deferred income tax assets will not be realized. Deferred income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. We record interest and penalties related to unrecognized tax benefits as a component of income tax expense.

Fair Value of Financial Instruments

We utilize FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, to measure and report fair value. FASB ASC Topic 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. FASB ASC Topic 820 establishes a three-level hierarchy of fair value measurements based on whether the inputs to those measurements are observable or unobservable, which consists of the following levels:

Level 1 - Quoted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.

Level 3 - Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

Investments measured at net asset value, as a practical expedient for fair value, are excluded from the fair value hierarchy.

Valuation methodologies used for pension and postretirement assets measured at fair value are as follows:

Cash and cash equivalents consist of short term deposits valued based on quoted prices in active markets. Such investments are classified as Level 1.

Treasury Inflation-Protected Securities ("TIPS") consist of low yield mutual funds and are valued by quoted market prices. Such investments are classified as Level 1.

Equity securities are valued based on the closing market price in an active market and are classified as Level 1. Certain investments in commingled funds are valued at the end of the period based upon the value of the underlying investments as determined by quoted market prices. Such investments are classified as Level 2.

Debt securities consist of government securities that are valued based upon quoted market prices in an active market. Such investments are classified as Level 1. Corporate bonds that are valued based on quoted market prices in an inactive market are classified as Level 2. Certain investments in commingled funds are valued at the net asset value of units held at the end of the period based upon the value of the underlying investments as determined by quoted market prices. Such investments are excluded from the fair value hierarchy.

Hedge funds consist of a long/short equity fund and a diversified fund of funds. These funds are valued at the net asset value of units held at the end of the period based upon the value of the underlying investments, which is determined using multiple approaches including by quoted market prices and by private market quotations. Such investments are excluded from the fair value hierarchy.

Stock Compensation and Warrants

We have several active stock-based compensation plans. We account for grants under those plans under the fair value expense recognition provisions of FASB ASC Topic 718, *Compensation-Stock Compensation*. We determine the fair value of stock options using the Black-Scholes option pricing formula. Key inputs to this formula include expected term, expected volatility and the risk-free interest rate.

The expected term represents the period that our stock-based awards are expected to be outstanding, and is determined based on historical experience of similar awards, giving consideration to contractual terms of the awards, vesting schedules and expectations of future employee behavior. The volatility factor is calculated using historical market data for our Common Stock. The time frame used is equal to the expected term. We base the risk-free interest rate on the yield to maturity at the time of the stock option grant on zero-coupon U.S. government bonds having a remaining term equal to the option's expected term. When estimating forfeitures, we consider voluntary termination behavior as well as actual option forfeitures.

We amortize as compensation expense the value of stock options and restricted Common Stock using the straight-line method over the vesting or restriction period, which is generally one to four years.

We also have 6,000,000 warrants outstanding to purchase shares of our Common Stock. Warrants are recorded at fair value determined using the Black-Scholes option pricing formula. See Notes 4, 8 and 11.

Uninsured Risks

We are self-insured for health care, workers compensation and certain long-term disability costs of our employees, subject to stop loss insurance, which limits our losses in the event of large claims. We accrue our estimated health care costs in the period in which such costs are incurred, including an estimate of incurred but not reported claims. Other risks are insured and carry deductible losses of varying amounts. Letters of credit and performance bonds totaling \$4,585,000 at September 30, 2018 are outstanding in support of our insurance program.

Our accrued reserves for health care and workers compensation claims are based upon estimates of the remaining liability for retained losses made by consulting actuaries. The amount of workers compensation reserve has been determined based upon historical patterns of incurred and paid loss development factors from the insurance industry.

2 INVESTMENTS IN ASSOCIATED COMPANIES

TNI Partners

In Tucson, Arizona, TNI, acting as agent for our subsidiary, Star Publishing Company ("Star Publishing") and Citizen Publishing Company ("Citizen"), a subsidiary of Gannett Co. Inc., is responsible for printing, delivery, advertising and subscription activities of the *Arizona Daily Star*, as well as the related digital platforms and specialty publications. TNI collects all receipts and income and pays substantially all operating expenses incident to the partnership's operations and publication of the newspaper and other media. Income or loss of TNI is allocated equally to Star Publishing and Citizen.

Summarized financial information of TNI is as follows:

<i>(Thousands of Dollars)</i>	September 30 2018	September 24 2017
ASSETS		
Current assets	3,615	4,457
Investments and other assets	—	12
Total assets	3,615	4,469
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities	5,213	5,485
Members' equity	(1,598)	(1,016)
Total liabilities and members' equity	3,615	4,469

Summarized results of TNI are as follows:

<i>(Thousands of Dollars)</i>	2018	2017	2016
Operating revenue	47,165	48,297	52,761
Operating expenses	37,090	38,150	41,804
Net income	10,075	10,147	10,957
Company's 50% share	5,038	5,073	5,478
Less amortization of intangible assets	418	418	418
Equity in earnings of TNI	4,620	4,655	5,060

TNI makes weekly distributions of its earnings. We received \$5,814,000, \$4,644,000 and \$6,636,000 in distributions in 2018, 2017 and 2016, respectively.

At September 30, 2018, the carrying value of the Company's 50% investment in TNI is \$14,749,000. The difference between our carrying value and our 50% share of the members' equity of TNI relates principally to goodwill of \$12,366,000 and other identified intangible assets of \$3,717,000, certain of which are being amortized over their estimated useful lives through 2020. See Note 3.

Madison Newspapers, Inc.

We have a 50% ownership interest in MNI, which publishes daily and Sunday newspapers, and other publications in Madison, Wisconsin, and other Wisconsin locations, and operates their related digital sites. Net income or loss of MNI (after income taxes) is allocated equally to us and The Capital Times Company ("TCT"). MNI conducts its business under the trade name Capital Newspapers.

Summarized financial information of MNI is as follows:

<i>(Thousands of Dollars)</i>	September 30, 2018	September 24 2017
ASSETS		
Current assets	10,173	11,297
Investments and other assets	33,295	32,530
Total assets	43,468	43,827
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities	7,274	7,852
Other liabilities	7,261	9,500
Stockholders' equity	28,933	26,475
Total liabilities and stockholders' equity	43,468	43,827

Summarized results of MNI are as follows:

<i>(Thousands of Dollars)</i>	2018	2017	2016
Operating revenue	59,670	61,396	65,172
Operating expenses, excluding restructuring costs, depreciation and amortization	49,598	51,392	52,646
Restructuring costs	383	296	39
Depreciation and amortization	1,149	1,295	1,684
Operating income	8,540	8,413	10,803
Net income	9,257	5,908	6,947
Equity in earnings of MNI	4,629	2,954	3,473

MNI makes quarterly distributions of its earnings. We received \$3,400,000, \$3,500,000 and \$7,250,000 in distributions in 2018, 2017 and 2016, respectively.

We provide editorial services to MNI. Editorial service fees are included in other revenue in the Consolidated Statements of Income and Comprehensive Income and totaled \$6,718,000, \$7,021,000 and \$7,099,000, in 2018, 2017 and 2016, respectively.

At September 30, 2018, the carrying value of the Company's 50% investment in MNI is \$14,467,000.

3 GOODWILL AND OTHER INTANGIBLE ASSETS

Changes in the carrying amount of goodwill related to continuing operations are as follows:

<i>(Thousands of Dollars)</i>	2018	2017
Goodwill, gross amount	1,535,155	1,532,458
Accumulated impairment losses	(1,288,729)	(1,288,729)
Goodwill, beginning of year	246,426	243,729
Goodwill acquired in business combinations	—	2,697
Goodwill allocated to disposed businesses	(250)	—
Goodwill, end of year	246,176	246,426

Identified intangible assets related to continuing operations consist of the following:

<i>(Thousands of Dollars)</i>	September 30 2018	September 24 2017
Non-amortized intangible assets:		
Mastheads	21,883	22,035
Amortizable intangible assets:		
Customer and newspaper subscriber lists	692,886	691,994
Less accumulated amortization	594,950	577,727
	97,936	114,267
Non-compete and consulting agreements	28,524	28,524
Less accumulated amortization	28,524	28,524
	—	—
	119,819	136,302

In January 2017, the FASB issued a new standard simplifying the assessment of a goodwill impairment. The new standard maintains a qualitative and quantitative assessment but eliminates the Step 2 of the quantitative assessment. The new standard also changes the way a goodwill impairment is calculated. For companies that have reporting units with zero or negative carrying value, the new standard requires disclosure of the amount of goodwill for those reporting units. The Company elected to early adopt this standard for its 2017 goodwill impairment test.

The Company is a single reporting unit entity with negative carrying value, and as such all of the Company's goodwill is attributed to the single reporting unit. The Company performed its annual assessment on the first day of our fourth fiscal quarter, and determined the fair value of our single reporting unit was significantly in excess of carrying value and as such, there was no impairment in 2018 or 2017 under either the prior standard or the updated standard.

In 2017 and 2016, due to continuing revenue declines, we recorded non-cash charges to reduce the carrying value of non-amortized intangible assets. We also recorded pretax charges to reduce the carrying value of other assets in 2018, 2017 and 2016. Such charges are recorded in assets loss (gain) on sales, impairments and other in the Consolidated Statements of Income and Comprehensive Income (Loss). We recorded deferred income tax benefits related to these charges.

A summary of the pretax impairment charges is included in the table below:

<i>(Thousands of Dollars)</i>	2018	2017	2016
Continuing operations:			
Non-amortized intangible assets	—	2,035	818
Property, equipment and other assets	267	482	1,367
	267	2,517	2,185

In June 2017, we purchased the assets of the *Dispatch-Argus* serving Moline and Rock Island, IL, (the "Dispatch-Argus"), for \$7,150,000 plus an adjustment for working capital. The Dispatch-Argus is a media company with print and digital publishing operations. We financed the transaction with available cash on hand. The purchase price was allocated to the tangible assets and identified intangible assets acquired and liabilities assumed based on their estimated fair values. As of the acquisition date, the purchase price assigned to the acquired assets and assumed liabilities were as follows: current assets of \$989,000, property, plant, and equipment of \$100,000, intangible assets of \$5,199,000, goodwill of \$2,445,000, and current liabilities of \$1,056,000.

Annual amortization of intangible assets for the years ending September 2019 to September 2023 is estimated to be \$16,417,000, \$15,651,000, \$14,488,000, \$12,308,000, and \$11,687,000, respectively.

4 DEBT

On March 31, 2014, we completed a comprehensive refinancing of our debt (the "2014 Refinancing"), which included the following:

- \$400,000,000 aggregate principal amount of 9.5% Senior Secured Notes (the "Notes"), pursuant to an Indenture dated as of March 31, 2014 (the "Indenture").
- \$250,000,000 first lien term loan (the "1st Lien Term Loan") and \$40,000,000 revolving facility (the "Revolving Facility") under a First Lien Credit Agreement dated as of March 31, 2014 (together the "1st Lien Credit Facility").
- \$150,000,000 second lien term loan under a Second Lien Loan Agreement dated as of March 31, 2014 (the "2nd Lien Term Loan").

Debt is summarized as follows:

	Interest Rates (%)		
	September 30	September 24	September 30
(Thousands of Dollars)	2018	2017	2018
Revolving Facility	—	—	6.13
1 st Lien Term Loan	6,303	45,145	8.33
Notes	385,000	385,000	9.50
2 nd Lien Term Loan	93,556	118,240	12.00
	484,859	548,385	
Unamortized debt issue costs	(17,055)	(21,824)	
Less current maturities of long-term debt	7,027	30,182	
Total long-term debt	460,777	496,379	

Our weighted average cost of debt, excluding amortization of debt financing costs at September 30, 2018, is 10.0%.

At September 30, 2018, aggregate minimum required maturities of debt excluding amounts required to be paid from future excess cash flow computations total \$7,027,000 in 2019, zero in 2020, zero in 2021, 385,000,000 in 2022 and \$92,832,000 in 2023.

Notes

The Notes are senior secured obligations of the Company and mature on March 15, 2022. At September 30, 2018, the principal balance of the Notes totaled \$385,000,000.

Interest

The Notes require payment of interest semiannually on March 15 and September 15 of each year, at a fixed annual rate of 9.5%.

Redemption

We may redeem some, or all, of the principal amount of the Notes at any time. Prior to March 15, 2018, we may redeem the Notes subject to a make whole provision for the interest through March 15, 2018. On or after March 15, 2018, we may redeem the Notes as follows:

Period Beginning	Percentage of Principal Amount
March 15, 2018	104.75
March 15, 2019	102.38
March 15, 2020	100.00

If we sell certain of our assets or experience specific kinds of changes of control, we must, subject to certain exceptions, offer to purchase the Notes at 101% of the principal amount. Any redemption of the Notes must also satisfy any accrued and unpaid interest thereon.

We may repurchase Notes in the open market at any time. In 2016, we purchased \$15,000,000 principal amount of Notes in privately negotiated transactions which resulted in a gain on extinguishment of debt totaling \$1,250,000. The gain is recorded in Other, net in the Consolidated Statements of Income and Comprehensive Income.

Covenants and Other Matters

The Indenture and the 1st Lien Credit Facility contains restrictive covenants as discussed more fully below. However, certain of these covenants will cease to apply if the Notes are rated investment grade by either Moody's Investors Service, Inc. or Standard & Poor's Ratings Group and there is no default or event of default under the Indenture.

1st Lien Credit Facility

The 1st Lien Credit Facility consists of the \$250,000,000 1st Lien Term Loan that matures in March 2019 and the \$40,000,000 Revolving Facility that matures in December 2018. The 1st Lien Credit Facility documents the primary terms of the 1st Lien Term Loan and the Revolving Facility. The Revolving Facility may be used for working capital and general corporate purposes (including letters of credit). At September 30, 2018, after consideration of letters of credit, we have approximately \$34,235,000 available for future use under the Revolving Facility.

Interest

Interest on the 1st Lien Term Loan, which has a principal balance of \$6,303,000 at September 30, 2018, accrues, at our option, at either (A) LIBOR plus 6.25% (with a LIBOR floor of 1.0%) or (B) 5.25% plus the higher of (i) the prime rate at the time, (ii) the federal funds rate plus 0.5%, or (iii) one month LIBOR plus 1.0% (with a floor of 2.0%). Interest is payable quarterly.

The 1st Lien Term Loan was funded with an original issue discount of 2.0%, or \$5,000,000, which is being amortized as debt financing and administration costs over the life of the 1st Lien Term Loan.

Interest on the Revolving Facility, which has a principal balance of zero at September 30, 2018, accrues, at our option, at either (A) LIBOR plus 5.5%, or (B) 4.5% plus the higher of (i) the prime rate at the time, (ii) the federal funds rate plus 0.5%, or (iii) one month LIBOR plus 1.0%.

Principal Payments

Quarterly principal payments of \$6,250,000 are required under the 1st Lien Term Loan, with additional payments required to be made based on 90% of excess cash flow of Lee Legacy ("Lee Legacy Excess Cash Flow"), as defined, or from proceeds of asset sales from our subsidiaries other than Pulitzer Inc. ("Pulitzer") and its subsidiaries (collectively, the "Pulitzer Subsidiaries") which are not reinvested. For excess cash flow calculation purposes Lee Legacy constitutes the business of the Company, including MNI, but excluding Pulitzer and TNI. We may voluntarily prepay principal amounts outstanding or reduce commitments under the 1st Lien Credit Facility at any time without premium or penalty, upon proper notice and subject to certain limitations as to minimum amounts of prepayments.

Quarterly, the Company is required to prepare a Lee Legacy Excess Cash Flow calculation, which is generally determined as the cash earnings of our subsidiaries other than the Pulitzer Subsidiaries and includes adjustments for changes in working capital, capital spending, pension contributions, debt principal payments and income tax payments or refunds. Any excess cash flow as calculated is required to be paid to the 1st Lien lenders 45 days after the end of the quarter. Lee Legacy Excess Cash Flow for the 13 weeks ended September 30, 2018 and payable in the 13 weeks ended December 30, 2018 was zero.

2018 principal payments made for the year under the 1st Lien Term Loan are summarized as follows:

(Thousands of Dollars)	13 Weeks Ended			
	December 25 2017	March 26 2018	June 25 2018	September 30 2018
Mandatory	6,250	6,250	6,250	6,250
Voluntary	5,000	3,000	4,000	—
Excess cash flow payment	—	—	—	1,842
	11,250	9,250	10,250	8,092

In November 2018, subsequent to the end of 2018, we repaid the remaining \$6,303,000 outstanding under the 1st Lien Term Loan.

Covenants and Other Matters

The 1st Lien Credit Facility requires that we comply with certain affirmative and negative covenants customary for financing of this nature, including a maximum total leverage ratio, which is only applicable to the Revolving Facility.

The 1st Lien Credit Facility restricts us from paying dividends on our Common Stock. This restriction no longer applies if Lee Legacy leverage is below 3.25x before and after such payments. Further, the 1st Lien Credit Facility restricts or limits, among other things, subject to certain exceptions, the ability of the Company and its subsidiaries to: (i) incur indebtedness, (ii) enter into mergers, acquisitions and asset sales, (iii) incur or create liens and (iv) enter into transactions with certain affiliates. The 1st Lien Credit Facility contains various representations and warranties and may be terminated upon occurrence of certain events of default. The 1st Lien Credit Facility also contains cross-default provisions tied to the terms of each of the Indenture and 2nd Lien Term Loan.

2nd Lien Term Loan

The 2nd Lien Term Loan, which has a balance of \$93,556,000 at September 30, 2018, bears interest at a fixed annual rate of 12.0%, payable quarterly, and matures in December 2022.

Principal Payments

There are no scheduled mandatory amortization payments required under the 2nd Lien Term Loan.

Quarterly, we are required to prepare a calculation of excess cash flow of the Pulitzer Subsidiaries ("Pulitzer Excess Cash Flow"). Pulitzer Excess Cash Flow is generally determined as the cash earnings of the Pulitzer Subsidiaries including adjustments for changes in working capital, capital spending, pension contributions, debt principal payments and income tax payments. Pulitzer Excess Cash Flow also includes a deduction for interest costs incurred under the 2nd Lien Term Loan.

Prior to March 31, 2017, we were required to offer the Pulitzer Excess Cash Flow to the 2nd Lien Lenders to prepay the 2nd Lien Term Loan at par, which payment the 2nd Lien Lenders could accept or reject. After March 31, 2017, the 2nd Lien Lenders can not reject, and Pulitzer Excess Cash Flow is used to prepay the 2nd Lien Term Loan, at par. Pulitzer Excess Cash Flow payments are required to be paid 45 days after the end of the quarter.

Pulitzer Excess Cash Flow and the related payments on the 2nd Lien Term Loan for the previous four quarters are as follows:

For the Period Ending (Thousands of Dollars)	Pulitzer Excess Cash Flow Payment	Payment Date
September 24, 2017	5,182	Q1 2018
December 24, 2017	5,632	Q2 2018
March 25, 2018	6,259	Q3 2018
June 24, 2018	3,611	Q4 2018

For the 13 weeks ended September 30, 2018, Pulitzer Excess Cash Flow totaled \$724,000, and was paid in December 2018, at par.

Subject to certain other conditions in the 2nd Lien Term Loan, the balance of the 2nd Lien Term Loan will be repaid at par from proceeds from asset sales by the Pulitzer Subsidiaries that are not reinvested. For year ended September 30, 2018 and September 24, 2017, we repaid \$4,000,000 and \$2,412,000, respectively, on the 2nd Lien Term Loan, at par, with net proceeds from the sale of Pulitzer assets.

Voluntary payments under the 2nd Lien Term Loan are subject to call premiums as follows:

Period Beginning	Percentage of Principal Amount
March 31, 2017	106
March 31, 2018	103
March 31, 2019	100

Covenants and Other Matters

The 2nd Lien Term Loan requires that we comply with certain affirmative and negative covenants customary for financing of this nature, including the negative covenants under the 1st Lien Credit Facility discussed above. The 2nd Lien Term Loan contains various representations and warranties and may be terminated upon occurrence of certain events of default. The 2nd Lien Term Loan also contains cross-default provisions tied to the terms of the Indenture and 1st Lien Credit Facility.

In connection with the 2nd Lien Term Loan, we entered into a Warrant Agreement dated as of March 31, 2014 (the "Warrant Agreement"). Under the Warrant Agreement, certain affiliates or designees of the 2nd Lien Lenders received on March 31, 2014 their pro rata share of warrants to purchase, in cash, an initial aggregate of 6,000,000 shares of Common Stock, subject to adjustment pursuant to anti-dilution provisions (the "Warrants"). The Warrants represent, when fully exercised, approximately 10.1% of shares of Common Stock outstanding at March 30, 2014 on a fully diluted basis. The exercise price of the Warrants is \$4.19 per share.

The Warrant Agreement contains a cash settlement provision in the event of a change of control prior to March 31, 2018 as well as other provisions requiring the Warrants to be measured at fair value and included in warrants and other liabilities in our Consolidated Balance Sheets. We remeasure the fair value of the liability each reporting period, with changes reported in other, net non-operating income (expense). The initial fair value of the Warrants was \$16,930,000. See Note 8 and Note 11.

In connection with the issuance of the Warrants, we entered into a Registration Rights Agreement dated as of March 31, 2014 (the "Registration Rights Agreement"). The Registration Rights Agreement requires, among other matters, that we use our commercially reasonable efforts to maintain the effectiveness for certain specified periods of a shelf registration statement related to the shares of Common Stock to be issued upon exercise of the Warrants.

Security

The Notes and the 1st Lien Credit Facility are fully and unconditionally guaranteed on a joint and several first-priority basis by each of the Company's material domestic subsidiaries, excluding MNI, the Pulitzer Subsidiaries and TNI (the "Lee Legacy Assignors"), pursuant to a first lien guarantee and collateral agreement dated as of March 31, 2014 (the "1st Lien Guarantee and Collateral Agreement").

The Notes, the 1st Lien Credit Facility and the subsidiary guarantees are secured, subject to certain exceptions, priorities and limitations, by perfected security interests in all property and assets, including certain real estate, of the Lee Legacy Assignors, other than the capital stock of MNI and any property and assets of MNI (the "Lee Legacy Collateral"), on a first-priority basis, equally and ratably with all of the Lee Legacy Assignors' existing and future obligations. The Lee Legacy Collateral includes, among other things, equipment, inventory, accounts receivables, depository accounts, intellectual property and certain of their other tangible and intangible assets.

Also, the Notes and the 1st Lien Credit Facility are secured, subject to certain exceptions, priorities and limitations in the various agreements, by first-priority security interests in the capital stock of, and other equity interests owned by,

the Lee Legacy Assignors (excluding the capital stock of MNI). The Notes and 1st Lien Credit Facility are subject to a Pari Passu Intercreditor Agreement dated March 31, 2014.

The Notes, the 1st Lien Credit Facility and the subsidiary guarantees are also secured, subject to permitted liens, by a second-priority security interest in the property and assets of the Pulitzer Subsidiaries that become subsidiary guarantors (the "Pulitzer Assignors") other than assets of or used in the operations or business of TNI (collectively, the "Pulitzer Collateral"). In June 2015 the Pulitzer Assignors became a party to the 1st Lien Guarantee and Collateral Agreement on a second lien basis.

Also, the Notes and the 1st Lien Credit Facility are secured, subject to certain exceptions, priorities, and limitations in the various agreements, by second-priority security interests in the capital stock of, and other equity interests in, the Pulitzer Assignors and Star Publishing's interest in TNI.

The 2nd Lien Term Loan is fully and unconditionally guaranteed on a joint and several first-priority basis by the Pulitzer Assignors, pursuant to a Second Lien Guarantee and Collateral Agreement dated as of March 31, 2014 (the "2nd Lien Guarantee and Collateral Agreement") among the Pulitzer Assignors and the 2nd Lien collateral agent.

Under the 2nd Lien Guarantee and Collateral Agreement, the Pulitzer Assignors have granted (i) first-priority security interests, subject to certain priorities and limitations in the various agreements, in the Pulitzer Collateral and (ii) have granted first-priority lien mortgages or deeds of trust covering certain real estate, as collateral for the payment and performance of their obligations under the 2nd Lien Term Loan.

Also, under the 2nd Lien Guarantee and Collateral Agreement, the Lee Legacy Assignors have granted (i) second-priority security interests, subject to certain priorities and limitations in the various agreements, in the Lee Legacy Collateral, and (ii) have granted second-priority lien mortgages or deeds of trust covering certain real estate, as collateral for the payment and performance of their obligations under the 2nd Lien Term Loan. Assets of, or used in the operations or business of, MNI are excluded.

The rights of each of the collateral agents with respect to the Lee Legacy Collateral and the Pulitzer Collateral are subject to customary intercreditor and intercompany agreements.

Other

In connection with the 2014 Refinancing, we capitalized \$37,819,000 of debt financing costs. Amortization of debt financing costs totaled \$4,769,000, \$4,447,000 and \$5,541,000 in 2018, 2017 and 2016, respectively. Amortization of such costs is estimated to total \$3,827,000 in 2019, \$3,899,000 in 2020, \$4,045,000 in 2021, \$4,200,000 in 2022 and \$1,084,000 in 2023. At September 30, 2018, we have \$17,055,000 of unamortized debt financing costs recorded as a reduction of Long-term debt in our Consolidated Balance Sheets.

Liquidity

At September 30, 2018, after consideration of letters of credit, we have approximately \$34,235,000 available for future use under our Revolving Facility. Including cash, our liquidity at September 30, 2018 totals \$39,615,000. This liquidity amount excludes any future cash flows. We expect all interest and principal payments due in the next twelve months will be satisfied by existing cash and our cash flows, which will allow us to maintain an adequate level of liquidity. The Warrants, if and when exercised, would provide additional liquidity in an amount up to \$25,140,000 subject to a reduction for any amounts the Company may elect to use to repay our 1st Lien Term Loan and/or the Notes.

There are numerous potential consequences under the Notes, 1st Lien Credit Facility and 2nd Lien Term Loan, if an event of default, as defined, occurs and is not remedied. Many of those consequences are beyond our control. The occurrence of one or more events of default would give rise to the right of the applicable lender(s) to exercise their remedies under the Notes, 1st Lien Credit Facility and 2nd Lien Term Loan, respectively, including, without limitation, the right to accelerate all outstanding debt and take actions authorized in such circumstances under applicable collateral security documents.

Our ability to operate as a going concern is dependent on our ability to remain in compliance with debt covenants and to repay, refinance or amend our debt agreements as they become due. The Notes, 1st Lien Credit Facility and 2nd Lien Term Loan have only limited affirmative covenants with which we are required to maintain compliance. We are in compliance with our debt covenants at September 30, 2018.

5 PENSION PLANS

We have several non-contributory defined benefit pension plans that together cover selected employees. Benefits under the plans were generally based on salary and years of service. Effective in 2012, substantially all benefits are frozen and only a small amount of additional benefits are being accrued. Our liability and related expense for benefits under the plans are recorded over the service period of employees based upon annual actuarial calculations. Plan funding strategies are influenced by government regulations. Plan assets consist primarily of domestic and foreign corporate equity securities, government and corporate bonds, hedge fund investments and cash.

The net periodic cost (benefit) components of our pension plans are as follows:

<i>(Thousands of Dollars)</i>	2018	2017	2016
Service cost for benefits earned during the year	48	84	197
Interest cost on projected benefit obligation	5,754	5,394	6,061
Expected return on plan assets	(7,933)	(7,878)	(8,698)
Amortization of net loss	2,025	2,947	2,397
Amortization of prior service benefit	(136)	(136)	(136)
Net periodic pension cost (benefit)	(242)	411	(179)

Net periodic pension benefit of \$56,000 is allocated to TNI in 2018, 2017 and 2016.

Changes in benefit obligations and plan assets are as follows:

<i>(Thousands of Dollars)</i>	2018	2017
Benefit obligation, beginning of year	191,645	202,158
Service cost	48	84
Interest cost	5,754	5,394
Actuarial loss (gain)	(9,464)	(4,241)
Benefits paid	(11,452)	(11,750)
Benefit obligation, end of year	176,531	191,645
Fair value of plan assets, beginning of year:	149,762	149,131
Actual return on plan assets	10,576	14,721
Benefits paid	(11,452)	(11,750)
Administrative expenses paid	(2,571)	(2,340)
Employer contributions	4,940	—
Fair value of plan assets, end of year	151,255	149,762
Funded status	(25,276)	(41,883)

Disaggregated amounts recognized in the Consolidated Balance Sheets are as follows:

<i>(Thousands of Dollars)</i>	September 30 2018	September 24 2017
Pension obligations	(25,276)	(41,883)
Accumulated other comprehensive loss (before income taxes)	(31,882)	(43,307)

Amounts recognized in accumulated other comprehensive income (loss) are as follows:

<i>(Thousands of Dollars)</i>	September 30 2018	September 24 2017
Unrecognized net actuarial loss	(31,988)	(43,550)
Unrecognized prior service benefit	106	243
	(31,882)	(43,307)

We expect to recognize \$1,136,000 and \$100,000 of unrecognized net actuarial loss and unrecognized prior service benefit, respectively, in net periodic pension cost in 2019.

The accumulated benefit obligation for the plans total \$176,531,000 at September 30, 2018 and \$191,645,000 at September 24, 2017. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets are \$176,531,000, \$176,531,000 and \$151,255,000, respectively, at September 30, 2018.

Assumptions

Weighted-average assumptions used to determine benefit obligations are as follows:

<i>(Percent)</i>	September 30 2018	September 24 2017
Discount rate	4.2	3.7

Weighted-average assumptions used to determine net periodic benefit cost are as follows:

<i>(Percent)</i>	2018	2017	2016
Discount rate	3.7	3.5	4.2
Expected long-term return on plan assets	5.5	5.5	6.3

For 2019, the expected long-term return on plan assets is 5.5%. The assumptions related to the expected long-term return on plan assets are developed through an analysis of historical market returns, current market conditions and composition of plan assets.

Plan Assets

The primary objective of our investment strategy is to satisfy our pension obligations at a reasonable cost. Assets are actively invested to balance real growth of capital through appreciation and reinvestment of dividend and interest income and safety of invested funds. Pension assets included below include assets of plans described below under the heading Other Plans.

Our investment policy outlines the governance structure for decision making, sets investment objectives and restrictions and establishes criteria for selecting and evaluating investment managers. The use of derivatives is prohibited, except on a case-by-case basis where the manager has a proven capability, and only to hedge quantifiable risks such as exposure to foreign currencies. An investment committee, consisting of certain of our executives and supported by independent consultants, is responsible for monitoring compliance with the investment policy. Assets are periodically redistributed to maintain the appropriate policy allocation.

The weighted-average asset allocation of our pension assets is as follows:

(Percent)	Policy Allocation		Actual Allocation
	September 30 2018	September 30 2018	September 24 2017
Asset Class			
Equity securities	50	50	50
Debt securities	35	32	33
TIPS	5	4	4
Hedge fund investments	10	10	12
Cash and cash equivalents	—	4	1

Plan assets include no Company securities. Assets include cash and cash equivalents and receivables from time to time due to the need to reallocate assets within policy guidelines.

Fair Value Measurements

The fair value hierarchy of pension assets at September 30, 2018 is as follows:

(Thousands of Dollars)	NAV	Level 1	Level 2	Level 3
Cash and cash equivalents	—	5,537	—	—
Domestic equity securities	10,045	12,573	40,083	—
International equity securities	—	7,070	7,560	—
TIPS	—	6,535	—	—
Debt securities	—	25,673	22,523	—
Hedge fund investments	15,767	—	—	—

The fair value hierarchy of pension assets at September 24, 2017 is as follows:

(Thousands of Dollars)	NAV	Level 1	Level 2	Level 3
Cash and cash equivalents	—	1,882	—	—
Domestic equity securities	—	10,484	49,483	—
International equity securities	—	7,290	8,047	—
TIPS	—	6,553	—	—
Debt securities	14,711	26,015	8,266	—
Hedge fund investments	19,067	—	—	—

There were no purchases, sales or transfers of assets classified as Level 3 in 2018 or 2017.

Cash Flows

Based on our forecast at September 30, 2018, we expect to make contributions of \$650,000 to our pension trust in 2019.

We anticipate future benefit payments to be paid from the pension trust as follows:

(Thousands of Dollars)

2019	12,481
2020	11,796
2021	11,743
2022	11,695
2023	11,720
2024-2028	57,083

Other Plans

We are obligated under an unfunded plan to provide fixed retirement payments to certain former employees. The plan is frozen and no additional benefits are being accrued. The accrued liability under the plan is \$1,469,000 and \$1,766,000 at September 30, 2018 and September 24, 2017, respectively, of which \$0 and \$113,000 is included in compensation and other accrued liabilities in the Consolidated Balance Sheet at September 30, 2018 and September 24, 2017, respectively.

6 POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS

We provide retiree medical and life insurance benefits under postretirement plans at several of our operating locations. The level and adjustment of participant contributions vary depending on the specific plan. In addition, St. Louis Post Dispatch LLC provides postemployment disability benefits to certain employee groups prior to retirement. Our liability and related expense for benefits under the postretirement plans are recorded over the service period of active employees based upon annual actuarial calculations. We accrue postemployment disability benefits when it becomes probable that such benefits will be paid and when sufficient information exists to make reasonable estimates of the amounts to be paid.

The net periodic postretirement benefit cost (benefit) components for our postretirement plans are as follows:

(Thousands of Dollars)

	2018	2017	2016
Service cost for benefits earned during the year	—	13	63
Interest cost on projected benefit obligation	365	412	623
Expected return on plan assets	(1,080)	(1,056)	(1,322)
Amortization of net actuarial gain	(984)	(987)	(1,093)
Amortization of prior service benefit	(785)	(1,459)	(1,459)
Curtailment gains	(2,031)	(3,741)	—
Net periodic postretirement benefit	(4,515)	(6,818)	(3,188)

In March 2017, we notified certain participants in one of our post employment medical plans of changes to their plan, which included notice that the plan will terminate on December 31, 2017. These changes resulted in a non-cash curtailment gain of \$2,031,000 and \$3,741,000 in 2018 and 2017, respectively. The curtailment gain is recorded in assets loss (gain) on sales, impairments and other in the Consolidated Statements of Income and Comprehensive Income. These charges also reduced the postemployment benefit obligation by \$7,036,000 and reduced accumulated other comprehensive loss by \$106,000 and \$1,417,000 in 2018 and 2017, respectively.

Changes in benefit obligations and plan assets are as follows:

<i>(Thousands of Dollars)</i>	2018	2017
Benefit obligation, beginning of year	15,667	22,511
Service cost	—	13
Interest cost	365	412
Actuarial loss (gain)	(1,054)	(627)
Benefits paid, net of premiums received	(1,399)	(1,527)
Curtailment	(1,924)	(5,112)
Medicare Part D subsidies	101	(3)
Benefit obligation, end of year	11,756	15,667
Fair value of plan assets, beginning of year	24,626	24,123
Actual return on plan assets	2,106	2,112
Employer contributions	422	755
Benefits paid, net of premiums and Medicare Part D subsidies received	(1,298)	(1,530)
Benefits paid for active employees	(1,209)	(834)
Fair value of plan assets at measurement date	24,647	24,626
Funded status	12,891	8,959

Disaggregated amounts recognized in the Consolidated Balance Sheets are as follows:

<i>(Thousands of Dollars)</i>	September 30 2018	September 24 2017
Non-current assets	12,891	11,020
Postretirement benefit obligations	—	(2,061)
Accumulated other comprehensive income (before income tax benefit)	17,917	18,782

Amounts recognized in accumulated other comprehensive income are as follows:

<i>(Thousands of Dollars)</i>	September 30 2018	September 24 2017
Unrecognized net actuarial gain	12,224	12,304
Unrecognized prior service benefit	5,693	6,478
	17,917	18,782

We expect to recognize \$976,000 and \$723,000 of unrecognized net actuarial gain and unrecognized prior service benefit, respectively, in net periodic postretirement benefit in 2019.

Assumptions

Weighted-average assumptions used to determine post retirement benefit obligations are as follows:

<i>(Percent)</i>	September 30 2018	September 24 2017
Discount rate	4.0	3.4
Expected long-term return on plan assets	4.5	4.5

The assumptions related to the expected long-term return on plan assets are developed through an analysis of historical market returns, current market conditions and composition of plan assets.

Weighted-average assumptions used to determine net periodic benefit cost are as follows:

<i>(Percent)</i>	2018	2017	2016
Discount rate	3.4	3.1	3.7
Expected long-term return on plan assets	4.5	4.5	4.5

For 2019, the expected long-term return on plan assets is 4.5%. The assumptions related to the expected long-term return on plan assets are developed through an analysis of historical market returns, current market conditions and composition of plan assets.

Assumed health care cost trend rates are as follows:

<i>(Percent)</i>	September 30 2018	September 24 2017
Health care cost trend rates	9.0	9.7
Rate to which the cost trend rate is assumed to decline (the "Ultimate Trend Rate")	4.5	4.5
Year in which the rate reaches the Ultimate Trend Rate	2026	2026

Administrative costs related to indemnity plans are assumed to increase at the health care cost trend rates noted above.

Assumed health care cost trend rates have an effect on the amounts reported for the postretirement plans. A one percentage point change in assumed health care cost trend rates would have the following annualized effects on reported amounts for 2018:

<i>(Thousands of Dollars)</i>	One Percentage Point	
	Increase	Decrease
Effect on net periodic postretirement benefit	18	(17)
Effect on postretirement benefit obligation	456	(417)

Plan Assets

Assets of the retiree medical plan are invested in a master trust. The master trust also pays benefits of active employee medical plans for the same union employees. The fair value of master trust assets allocated to the active employee medical plans at September 30, 2018 and September 24, 2017 is \$3,266,000 and \$4,372,000, respectively, which are included within the tables below.

The primary objective of our investment strategy is to satisfy our postretirement obligations at a reasonable cost. Assets are actively invested to balance real growth of capital through appreciation and reinvestment of dividend and interest income and safety of invested funds.

Our investment policy outlines the governance structure for decision making, sets investment objectives and restrictions, and establishes criteria for selecting and evaluating investment managers. The use of derivatives is strictly prohibited, except on a case-by-case basis where the manager has a proven capability, and only to hedge quantifiable risks such as exposure to foreign currencies. An investment committee, consisting of certain of our executives and supported by independent consultants, is responsible for monitoring compliance with the investment policy. Assets are periodically redistributed to maintain the appropriate policy allocation.

The weighted-average asset allocation of our postretirement assets is as follows:

(Percent)	Policy Allocation		Actual Allocation
	September 30 2018	September 30 2018	September 24 2017
Asset Class			
Equity securities	20	18	21
Debt securities	70	69	67
Hedge fund investment	10	13	12
Cash and cash equivalents	—	—	—

Plan assets include no Company securities. Assets include cash and cash equivalents and receivables from time to time due to the need to reallocate assets within policy guidelines.

Fair Value Measurements

The fair value hierarchy of postretirement assets at September 30, 2018 is as follows:

(Thousands of Dollars)	NAV	Level 1	Level 2	Level 3
Cash and cash equivalents	—	242	—	—
Domestic equity securities	820	2,589	—	—
International equity securities	—	681	780	—
Debt securities	—	19,185	—	—
Hedge fund investment	3,616	—	—	—

The fair value hierarchy of postretirement assets at September 24, 2017 is as follows:

(Thousands of Dollars)	NAV	Level 1	Level 2	Level 3
Cash and cash equivalents	—	—	—	—
Domestic equity securities	—	3,479	741	—
International equity securities	—	800	1,051	—
Debt securities	—	19,548	—	—
Hedge fund investment	3,343	—	—	—

There were no purchases, sales or transfers of assets classified as Level 3 in 2018 or 2017.

Cash Flows

Based on our forecast at September 30, 2018, we do not expect to contribute to our postretirement plans in 2019.

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the “Modernization Act”) introduced a prescription drug benefit under Medicare (“Medicare Part D”) and a federal subsidy to sponsors of retiree health care benefit plans (“Subsidy”) that provide a benefit at least actuarially equivalent (as that term is defined in the Modernization Act) to Medicare Part D. We concluded we qualify for the Subsidy under the Modernization Act since the prescription drug benefits provided under our postretirement health care plans generally require lower premiums from covered retirees and have lower deductibles than the benefits provided in Medicare Part D and, accordingly, are actuarially equivalent to or better than, the benefits provided under the Modernization Act.

We anticipate future benefit payments to be paid either with future contributions to the plan or directly from plan assets, as follows:

<i>(Thousands of Dollars)</i>	Gross Payments	Less Medicare Part D Subsidy	Net Payments
2019	1,302	(108)	1,194
2020	1,276	(107)	1,169
2021	1,241	(106)	1,135
2022	1,198	(103)	1,095
2023	1,147	(99)	1,048
2024-2018	4,794	(408)	4,386

Postemployment Plan

Our postemployment benefit obligation, representing certain disability benefits, is \$2,580,000 at September 30, 2018 and \$2,943,000 at September 24, 2017.

7 OTHER RETIREMENT PLANS

Substantially all of our employees are eligible to participate in a qualified defined contribution retirement plan. We also have a non-qualified plan for employees whose incomes exceed qualified plan limits.

Retirement and compensation plan costs, including costs related to stock based compensation and the defined contribution retirement plan, charged to continuing operations are \$4,430,000 in 2018, \$4,396,000 in 2017 and \$4,616,000 in 2016.

Multiemployer Pension Plans

We contribute to three multiemployer defined benefit pension plans under the terms of collective-bargaining agreements ("CBAs"). The risks of participating in these multiemployer plans are different from our company-sponsored plans in the following aspects:

- We do not manage the plan investments or any other aspect of plan administration;
- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers;
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and
- If we choose to stop participating in one or more multiemployer plans, we may be required to fund over time an amount based on the unfunded status of the plan at the time of withdrawal, referred to as "withdrawal liability".

Information related to these plans is outlined in the table below:

(Thousands of Dollars)	Zone Status		Funding Improvement	Contributions			Surcharge Imposed	Expiration Dates of CBAs
	September 30	Plan/Rehabilitation	Plan Status	2018	2017	2016		
Pension Plan	2018	2017	Status	2018	2017	2016		
GCIU- Employer Retirement Fund 91-6024903/001	Red	Red	Implemented	107	123	138	No	3/20/2020
CWA/ITU Negotiated Pension Plan 13-6212879/001	Red	Red	Implemented	96	101	108	No	5/12/2019 12/31/2018 4/1/2019
District No. 9, International Association of Machinists and Aerospace Workers Pension Trust 43-0736847/001	Green	Green	N/A	29	31	31	N/A	8/01/2019

Multiemployer plans in red zone status are generally less well funded than plans in green zone status.

One of our enterprise's bargaining units withdrew from representation, and as a result we are subject to a claim from the multiemployer pension plan for a withdrawal liability. The amount and timing of such liability will be dependent on actions taken, or not taken, by the Company and the pension plan, as well as the future investment performance and funding status of the pension plan. In 2017, we accrued a liability of \$2,600,000 related to this withdrawal. The withdrawal liability determined to be due under this plan will be funded over a period of 20 years.

8 COMMON STOCK AND CLASS B COMMON STOCK

Common Stock

The par value of our Common Stock was changed from \$2.00 per share to \$0.01 per share effective January 30, 2012. Holders of our previous 2nd lien agreement shared in the issuance of 6,743,640 shares of our Common Stock, an amount equal to 13% of outstanding shares on a pro forma basis as of January 30, 2012.

In connection with the currently outstanding 2nd Lien Term Loan, we entered into the Warrant Agreement. Under the Warrant Agreement, certain affiliates or designees of the 2nd Lien Lenders received on March 31, 2014 their pro rata share of Warrants to purchase, in cash, 6,000,000 shares of Common Stock, subject to adjustment pursuant to anti-dilution provisions. The Warrants represent, when fully exercised, approximately 10.1% of shares of Common Stock outstanding at March 30, 2014 on a fully diluted basis. The exercise price of the Warrants is \$4.19 per share.

The Warrant Agreement contains a cash settlement provision in the event of a change of control prior to March 31, 2018, as well as other provisions requiring the Warrants be measured at fair value and classified as warrants and other liabilities in our Consolidated Balance Sheets. We remeasure the liability to fair value each reporting period, with changes reported in other non-operating income (expense). The initial fair value of the Warrants was \$16,930,000. At September 30, 2018, the fair value of the Warrants is \$1,807,000.

In connection with the issuance of the Warrants, we entered into the Registration Rights Agreement. The Registration Rights Agreement requires, among other matters, that we use our commercially reasonable efforts to file and maintain the effectiveness for certain specified periods of a shelf registration statement covering the shares of Common Stock upon exercise of the Warrants.

Class B Common Stock

In 1986, one share of Class B Common Stock was issued as a dividend for each share of Common Stock held by stockholders of record at the time. The transfer of Class B Common Stock was restricted. As originally anticipated, the number of outstanding Class B shares decreased over time through trading and reached the sunset level of 5,600,000 shares in March 2011. In March 2011, in accordance with the sunset provisions established in 1986, we effected conversion of all outstanding shares of Class B Common Stock to Common Stock. As a result, all stockholders have one vote per share on all future matters. Class B shares formerly had ten votes per share.

9 STOCK OWNERSHIP PLANS

Total non-cash stock compensation expense is \$1,857,000, \$2,088,000 and \$2,306,000, in 2018, 2017 and 2016, respectively.

At September 30, 2018, we have reserved 3,230,069 shares of Common Stock for issuance to employees under an incentive and nonstatutory stock option and restricted stock plan approved by stockholders of which 2,130,019 shares are available for granting of non-qualified stock options or issuance of restricted Common Stock.

Stock Options

Options are granted at a price equal to the fair market value on the date of the grant and are exercisable, upon vesting, over a ten-year period.

A summary of stock option activity is as follows:

<i>(Thousands of Shares)</i>	2018	2017	2016
Under option, beginning of year	1,271	1,698	1,871
Exercised	(131)	(339)	(74)
Canceled	(40)	(88)	(99)
Under option, end of year	1,100	1,271	1,698
Exercisable, end of year	1,100	1,271	1,692

Weighted average prices of stock options are as follows:

<i>(Dollars)</i>	2018	2017	2016
Exercised	1.42	1.53	1.17
Cancelled	2.49	14.02	8.78
Under option, end of year	1.88	1.86	2.42

A summary of stock options outstanding at September 30, 2018 is as follows:

<i>(Dollars)</i>	Options Outstanding			Options Exercisable	
	Number Outstanding <i>(Thousands)</i>	Weighted Average Remaining Contractual Life <i>(Years)</i>	Weighted Average Exercise Price	Number Exercisable <i>(Thousands)</i>	Weighted Average Exercise Price
1 - 2	461	3.6	1.14	461	1.14
2 - 3	639	1.6	2.42	639	2.42
	1,100	2.4	1.88	1,100	1.88

There is no unrecognized compensation expense for unvested stock options at September 30, 2018.

The aggregate intrinsic value of stock options outstanding at September 30, 2018 is \$842,000.

Restricted Common Stock

A summary of restricted Common Stock activity follows:

<i>(Thousands of Shares)</i>	2018	2017	2016
Outstanding, beginning of year	2,478	2,462	1,546
Granted	587	837	1,018
Vested	(936)	(751)	(63)
Forfeited	(70)	(70)	(39)
Outstanding, end of year	2,059	2,478	2,462

Weighted average grant date fair values of restricted Common Stock are as follows:

<i>(Dollars)</i>	2018	2017	2016
Outstanding, beginning of year	2.69	2.74	3.62
Granted	2.33	3.34	1.49
Vested	3.31	3.59	3.39
Forfeited	2.85	2.98	3.31
Outstanding, end of year	2.31	2.69	2.74

Total unrecognized compensation expense for unvested restricted Common Stock at September 30, 2018 is \$1,933,000, which will be recognized over a weighted average period of 1.0 years.

In December 2018, we issued shares of 363,000 restricted Common Stock to employees. The grant date fair value was \$2.18 per share. All restrictions with respect to these shares lapse in December 2021.

Stock Purchase Plans

We have 270,000 shares of Common Stock available for issuance pursuant to our Employee Stock Purchase Plan. We also have 8,700 shares of Common Stock available for issuance under our Supplemental Employee Stock Purchase Plan. There has been no activity under these plans in 2018, 2017 or 2016.

10 INCOME TAXES

On December 22, 2017, the 2017 Tax Act was signed into law. Among other provisions, the 2017 Tax Act reduces the federal statutory corporate income tax rate from 35% to 21%. The reduction of the corporate tax rate caused us to re-measure our deferred tax assets and liabilities to the lower federal base rate of 21%. We reported a discrete adjustment from revaluing our deferred tax assets and liabilities which resulted in a provisional net decrease in income tax expense of \$24,872,000 for the 13 weeks ended December 24, 2017.

The Securities Exchange Commission has issued rules that allow for a measurement period of up to one year after the enactment date of the 2017 Tax Act to finalize the recording of the related transitional impact. Apart from any future changes in interpretations, legislative action or changes in accounting standards, we have finalized and recorded the resulting adjustments as of September 30, 2018. The impact of the re-measurement did not change materially for the 53 weeks ended September 30, 2018.

Income tax expense (benefit) consists of the following:

<i>(Thousands of Dollars)</i>	2018	2017	2016
Current:			
Federal	275	394	1,241
State	875	819	379
Deferred	(17,378)	10,398	20,556
	(16,228)	11,611	22,176

Income tax expense (benefit) related to continuing operations differs from the amounts computed by applying the U.S. federal income tax rate to income (loss) before income taxes. The reasons for these differences are as follows:

<i>(Percent of Income (Loss) Before Income Taxes)</i>	2018	2017	2016
Computed "expected" income tax expense (benefit)	24.7	35.0	35.0
State income tax expense (benefit), net of federal tax impact	2.6	2.3	3.8
Net income of associated companies taxed at dividend rates	(5.1)	(3.7)	(2.6)
Resolution of tax matters	(8.4)	2.2	3.2
Non-deductible expenses	2.9	1.5	1.0
Valuation allowance	9.9	2.6	(7.7)
Warrant valuation	0.2	(10.2)	5.0
Revaluation of deferred income taxes due to law charges	(79.1)	—	—
Other	(0.4)	(0.8)	0.4
	(52.7)	28.9	38.1

Net deferred income tax liabilities consist of the following components:

<i>(Thousands of Dollars)</i>	September 30 2018	September 24 2017
Deferred income tax liabilities:		
Property and equipment	(16,506)	(28,422)
Identified intangible assets	(18,486)	(35,790)
Long-term debt	(11,074)	(16,993)
Investments	(6,472)	—
	(52,538)	(81,205)
Deferred income tax assets:		
Investments	—	2,520
Accrued compensation	2,402	4,622
Allowance for doubtful accounts and losses on loans	910	1,487
Pension and postretirement benefits	2,305	4,593
Net operating loss carryforwards	41,663	37,997
Accrued expenses	424	601
Other	3,075	5,023
	50,779	56,843
Valuation allowance	(37,349)	(29,035)
Net deferred income tax liabilities	(39,108)	(53,397)

All deferred taxes are categorized as non-current.

A reconciliation of 2018 and 2017 changes in gross unrecognized tax benefits is as follows:

<i>(Thousands of Dollars)</i>	2018	2017
Balance, beginning of year	13,915	12,531
Increases (decreases) in tax positions for prior years	132	36
Increases in tax positions for the current year	2,567	2,150
Lapse in statute of limitations	(510)	(802)
Balance, end of year	16,104	13,915

Approximately \$10,312,000 and \$9,010,000 of the gross unrecognized tax benefit balances for 2018 and 2017 respectively, relate to state net operating losses which are netted against deferred taxes on our balance sheet. The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was \$12,779,000 at September 30, 2018. We recognize interest and penalties related to unrecognized tax benefits as a component of income tax expense. The amount of accrued interest related to unrecognized tax benefits was, net of tax, \$563,000 at September 30, 2018 and \$367,000 at September 24, 2017. There were no amounts provided for penalties at September 30, 2018 or September 24, 2017.

No significant income tax audits are currently in progress and the Company has not received any notices of intent to audit. Certain of the Company's state income tax returns for the year ended September 30, 2012 are open for examination. The Federal and remaining state returns are open beginning with the September 29, 2015 year.

At September 30, 2018, we have state tax benefits of approximately \$63,048,000 in net operating loss ("NOL") carryforwards, before adjusting for federal tax impacts of \$13,239,000, or 21%, that expire between 2019 and 2038. These NOL carryforwards result in a deferred income tax asset of \$49,809,000 at September 30, 2018, a portion of which is offset by a valuation allowance.

We reported a Federal NOL of approximately \$17,850,000 as of year-end September 24, 2017. We expect to report taxable income in 2018 in excess of that NOL, so that no Federal NOL will be available in the fiscal year 2019.

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The carrying amounts of cash equivalents, accounts receivable and accounts payable approximate fair value because of the short maturity of those instruments. Investments totaling \$6,318,000, including our 17% ownership of the non-voting common stock of TCT and a private equity investment, are carried at cost. As of September 30, 2018, the approximate fair value of the private equity investment is \$9,118,000, which is a level 3 fair value measurement.

The fair value of floating rate debt, which consists of our 1st Lien Term Loan, is \$6,299,060, based on an average of private market price quotations. Our fixed rate debt consists of \$385,000,000 principal amount of the Notes and, \$93,556,000 principal amount under the 2nd Lien Term Loan. At September 30, 2018, based on an average of private market price quotations, the fair values were \$399,206,500 and \$95,427,120 for the Notes and 2nd Lien Term Loan, respectively. These represent Level 2 fair value measurements.

As discussed more fully in Notes 4 and 8, we recorded a liability for the Warrants issued in connection with the Warrant Agreement. The liability was initially measured at its fair value and we will remeasure the liability to fair value each reporting period, with changes reported in other non-operating income (expense). The initial fair value of the Warrants was \$16,930,000. The fair value of the Warrants at September 30, 2018, September 24, 2017 and September 25, 2016 are \$1,807,000, \$1,580,000 and \$11,760,000, respectively. In other, net in the Consolidated Statements of Income and Comprehensive Income, we recognized expense of \$226,000 in 2018, income of \$10,181,000 in 2017 and expense of \$7,519,000 in 2016, for adjustments in the fair value of the Warrants.

The following assumptions were used to estimate the fair value of the Warrants:

	2018	2017	2016
Volatility (Percent)	31	37	63
Risk-free interest rate (Percent)	2.91	1.81	1.25
Expected term (Years)	3.5	4.5	5.5
Estimated fair value (Dollars)	0.30	0.26	1.96

12 EARNINGS PER COMMON SHARE

The following table sets forth the computation of basic and diluted earnings per common share:

<i>(Thousands of Dollars and Shares, Except Per Common Share Data)</i>	2018	2017	2016
Income attributable to Lee Enterprises, Incorporated:	45,766	27,481	34,961
Weighted average Common Stock	57,009	56,481	55,493
Less non-vested restricted Common Stock	(2,307)	(2,491)	(2,295)
Basic average Common Stock	54,702	53,990	53,198
Dilutive stock options and restricted Common Stock	1,246	1,402	1,026
Diluted average Common Stock	55,948	55,392	54,224
Earnings per common share:			
Basic:	0.84	0.51	0.66
Diluted	0.82	0.50	0.64

For 2018, 2017 and 2016, we had 6,453,000, 7,206,000 and 7,577,000 weighted average shares, respectively, not considered in the computation of diluted earnings per common share because the exercise prices of the related stock options and Warrants were in excess of the fair market value of our Common Stock.

13 ALLOWANCE FOR DOUBTFUL ACCOUNTS

Valuation and qualifying account information related to the allowance for doubtful accounts receivable related to continuing operations is as follows:

<i>(Thousands of Dollars)</i>	2018	2017	2016
Balance, beginning of year	4,796	4,327	4,194
Additions charged to expense	1,952	1,696	1,195
Deductions from reserves	(1,942)	(1,227)	(1,062)
Balance, end of year	4,806	4,796	4,327

14 OTHER INFORMATION

Compensation and other accrued liabilities consist of the following:

<i>(Thousands of Dollars)</i>	September 30 2018	September 24 2017
Compensation	10,363	12,088
Retirement plans	2,673	3,374
Other	6,605	7,144
	19,641	22,606

Supplemental cash flow information includes the following cash payments:

<i>(Thousands of Dollars)</i>	2018	2017	2016
Interest	52,180	58,844	65,410
Debt financing and reorganization costs	437	373	422
Income tax payments, net	464	1,214	269

Accumulated other comprehensive income (loss), net of deferred income taxes at September 30, 2018 and September 24, 2017, is related to pension and postretirement benefits.

15 COMMITMENTS AND CONTINGENT LIABILITIES

Operating Leases

We have operating lease commitments for certain of our office, production and distribution facilities. Management expects that in the normal course of business, existing leases will be renewed or replaced. Minimum lease payments during the five years ending September 2023 and thereafter are \$4,131,000, \$3,187,000, \$2,763,000, \$2,324,000, \$2,102,000 and \$5,976,000, respectively. In 2018, 2017, and 2016 total operating lease expense is \$4,064,000, \$3,866,000 and \$3,792,000, respectively.

Capital Expenditures

At September 30, 2018, we had construction and equipment purchase commitments totaling approximately \$680,000.

Income Taxes

Commitments exclude unrecognized tax benefits to be recorded in accordance with FASB ASC Topic 740, *Income Taxes*. We are unable to reasonably estimate the ultimate amount or timing of cash settlements with the respective taxing authorities for such matters. See Note 10.

We file income tax returns with the Internal Revenue Service ("IRS") and various state tax jurisdictions. From time to time, we are subject to routine audits by those agencies, and those audits may result in proposed adjustments. We have considered the alternative interpretations that may be assumed by the various taxing agencies, believe our positions taken regarding our filings are valid, and that adequate tax liabilities have been recorded to resolve such matters. However, the actual outcome cannot be determined with certainty and the difference could be material, either positively or negatively, to the Consolidated Statements of Income and Comprehensive Income (Loss) in the periods in which such matters are ultimately determined. We do not believe the final resolution of such matters will be material to our consolidated financial position or cash flows.

We have various income tax examinations ongoing and at various stages of completion, but generally our income tax returns have been audited or closed to audit through 2011.

Legal Proceedings

We are involved in a variety of legal actions that arise in the normal course of business. Insurance coverage mitigates potential loss for certain of these matters. While we are unable to predict the ultimate outcome of these legal actions, it is our opinion that the disposition of these matters will not have a material adverse effect on our Consolidated Financial Statements, taken as a whole.

Multiemployer Pension Plans

One of our enterprise's bargaining units withdrew from representation, and as a result we are subject to a claim from the multiemployer pension plan for a withdrawal liability. The amount and timing of such liability will be dependent on actions taken, or not taken, by the Company and the pension plan, as well as the future investment performance and funding status of the pension plan. In 2017, we accrued a liability of \$2,600,000 related to this withdrawal. The withdrawal liability determined to be due under this plan will be funded over a period of 20 years.

16 QUARTERLY FINANCIAL DATA (UNAUDITED)

	Quarter Ended			
<i>(Thousands of Dollars, Except Per Common Share Data)</i>	December	March	June	September
2018				
Operating revenue	143,786	127,805	132,618	139,746
Net income	35,327	2,533	4,750	4,438
Income attributable to Lee Enterprises, Incorporated	35,003	2,239	4,458	4,066
Earnings per common share:				
Basic	0.64	0.04	0.08	0.07
Diluted	0.63	0.04	0.08	0.07
2017				
Operating revenue	153,989	133,387	139,355	140,212
Net income	12,440	6,377	6,287	3,501
Income attributable to Lee Enterprises, Incorporated	12,173	6,128	5,995	3,185
Earnings (loss) per common share:				
Basic	0.23	0.11	0.11	0.06
Diluted	0.22	0.11	0.11	0.06

Results of operations for the September quarter of 2018 include pre-tax non-cash impairment charges of \$267,000.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

Lee Enterprises, Incorporated:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Lee Enterprises, Incorporated and subsidiaries (the Company) as of September 30, 2018 and September 24, 2017, the related consolidated statements of income and comprehensive income, stockholders' equity (deficit), and cash flows for the 53-week period ended September 30, 2018 and each of the 52-week periods ended September 24, 2017 and September 25, 2016, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2018 and September 24, 2017, and the results of its operations and its cash flows for the 53-week period ended September 30, 2018 and each of the 52-week periods ended September 24, 2017 and September 25, 2016, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated December 14, 2018 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2008.

/s/ KPMG LLP

Chicago, Illinois
December 14, 2018

SIGNATURES

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 on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized on the 14th day of December 2018.

LEE ENTERPRISES, INCORPORATED

/s/ Kevin D. Mowbray

Kevin D. Mowbray
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Timothy R. Millage

Timothy R. Millage
Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

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 their respective capacities on the 14th day of December 2018.

Signature

/s/ Richard R. Cole

Richard R. Cole

Director

/s/ Nancy S. Donovan

Nancy S. Donovan

Director

/s/ Leonard J. Elmore

Leonard J. Elmore

Director

/s/ Mary E. Junck

Mary E. Junck

Executive Chairman and Director

/s/ Brent Magid

Brent Magid

Director

/s/ William E. Mayer

William E. Mayer

Director

/s/ Herbert W. Moloney III

Herbert W. Moloney III

Director

/s/ Kevin D. Mowbray

Kevin D. Mowbray

President and Chief Executive Officer, and Director

/s/ Gregory P. Schermer

Gregory P. Schermer

Director

/s/ Timothy R. Millage

Timothy R. Millage

Vice President, Chief Financial Officer and Treasurer

EXHIBIT INDEX

Exhibits marked with an asterisk (*) are incorporated by reference to documents previously filed by us with the SEC, as indicated. Exhibits marked with a plus (+) are management contracts or compensatory plan contracts or arrangements filed pursuant to Item 601(b)(10)(iii)(A) of Regulation S-K. All other documents listed are filed with this Annual Report on Form 10-K.

Number	Description
3.1 *	<u>Amended and Restated Certificate of Incorporation of Lee Enterprises, Incorporated effective as of January 30, 2012 (Exhibit 3.1 to Form 8-K filed on February 3, 2012)</u>
3.2 *	<u>Amended and Restated By-Laws of Lee Enterprises, Incorporated effective as of February 22, 2017 (Exhibit 3.1 to Form 8-K filed February 27, 2017)</u>
4.1 *	<u>Indenture dated as of March 31, 2014 among Lee Enterprises, Incorporated, certain subsidiaries from time to time parties thereto, U.S. Bank National Association, as Trustee, and Deutsche Bank Trust Company Americas, as Collateral Agent (Exhibit 4.1 to Form 8-K filed on April 4, 2014)</u>
4.2 *	<u>Warrant Agreement dated as of March 31, 2014 between Lee Enterprises, Incorporated and Wells Fargo Bank, National Association (Exhibit 4.2 to Form 8-K filed on April 4, 2014)</u>
4.3 *	<u>Registration Rights Agreement dated as of March 31, 2014 among Lee Enterprises, Incorporated, Mudrick Capital Management, LP, Hawkeye Capital Management, LLC, Cohanzick Management, LLC, Aristeia Capital, L.L.C., CVC Credit Partners, LLC, Franklin Mutual Advisors, LLC and Wingspan Master Fund, LP (Exhibit 4.3 to Form 8-K filed on April 4, 2014)</u>
10.1 *	<u>Purchase Agreement dated March 21, 2014 among Lee Enterprises, Incorporated, certain subsidiaries party thereto from time to time, U.S. Bank National Association, as Trustee, and Deutsche Bank Trust Company Americas, as Collateral Agent, involving a \$400,000,000 aggregate principal amount of 9.5% Senior Secured Notes, pursuant to an Indenture dated as of March 31, 2014 (Exhibit 10.1 to Form 8-K filed on March 27, 2014)</u>
10.2 *	<u>Joinder Agreement dated as of June 25, 2015, made by each Subsidiary Guarantor a party thereto in favor of U.S. Bank National Association, as Trustee and Deutsche Bank Trust Company Americas, as collateral agent (Exhibit 10.1 to Form 8-K filed on July 1, 2015)</u>
10.3 *	<u>First Lien Credit Agreement dated as of March 31, 2014 among Lee Enterprises, Incorporated, the Lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent, and JPMorgan Securities LLC and Deutsche Bank Securities Inc., as Joint Lead Arrangers and as Joint Bookrunners (Exhibit 10.1 to Form 8-K filed on April 4, 2014)</u>
10.4 *	<u>Second Lien Loan Agreement dated as of March 31, 2014 among Lee Enterprises, Incorporated, the Lenders from time to time parties thereto, Wilmington Trust, National Association, as Administrative Agent and Collateral Agent, and JPMorgan Securities LLC and Deutsche Bank Securities Inc., as Joint Lead Arrangers and as Joint Bookrunners (Exhibit 10.2 to Form 8-K filed on April 4, 2014)</u>
10.5 *	<u>Security Agreement dated as of March 31, 2014 among Lee Enterprises, Incorporated, the Subsidiary Guarantors and Deutsche Bank Trust Company Americas, as Collateral Agent (Exhibit 10.3 to Form 8-K filed on April 4, 2014)</u>
10.6 *	<u>Pari Passu Intercreditor Agreement dated as of March 31, 2014 among Lee Enterprises, Incorporated, the other Grantors from time to time parties thereto, JPMorgan Chase Bank, N.A., U.S. Bank National Association and Deutsche Bank Trust Company Americas (Exhibit 10.4 to Form 8-K filed on April 4, 2014)</u>
10.7 *	<u>Joinder Agreement dated as of June 25, 2015, made by each Subsidiary Guarantor a party thereto in favor of JPMorgan Chase Bank, N.A., as collateral agent for the benefit of the Secured Creditors referred to in the First Lien Guarantee and Collateral Agreement dated as of March 31, 2014 referred to therein (Exhibit 10.2 to Form 8-K filed on July 1, 2015)</u>
10.8 *	<u>Pulitzer Pari Passu Intercreditor Agreement dated as of June 25, 2015 among Lee Enterprises, Incorporated, the other Grantors party thereto, JPMorgan Chase Bank, N.A., U.S. Bank National Association and Deutsche Bank Trust Company Americas (Exhibit 10.3 to Form 8-K filed on July 1, 2015)</u>
10.9 *	<u>Junior Intercreditor Agreement dated as of March 31, 2014 among Lee Enterprises, Incorporated, the other Grantors from time to time parties thereto, JPMorgan Chase Bank, N.A., U.S. Bank National Association, Deutsche Bank Trust Company Americas and Wilmington Trust, National Association (Exhibit 10.5 to Form 8-K filed on April 4, 2014)</u>

Number	Description
10.10 *	Pulitzer Junior Intercreditor Agreement dated as of June 25, 2015 among Lee Enterprises, Incorporated, the other Grantors party hereto, JPMorgan Chase Bank, N.A., U.S. Bank National Association, Deutsche Bank Trust Company Americas and Wilmington Trust, National Association (Exhibit 10.4 to Form 8-K filed on July 1, 2015)
10.11 *	First Lien Guarantee and Collateral Agreement dated as of March 31, 2014 among Lee Enterprises, Incorporated, the Subsidiary Guarantors and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent (Exhibit 10.6 to Form 8-K filed on April 4, 2014)
10.12 *	Intercompany Subordination Agreement dated as of March 31, 2014 among Lee Enterprises, Incorporated, the Subsidiary Guarantors, Pulitzer, Pulitzer Subsidiaries and JPMorgan Chase Bank, N.A. (Exhibit 10.7 to Form 8-K filed on April 4, 2014)
10.13*	Second Lien Guarantee and Collateral Agreement dated as of March 31, 2014 among Lee Enterprises, Incorporated, the Subsidiary Guarantors, Pulitzer, Pulitzer Subsidiaries and Wilmington Trust, National Association, as Administrative Agent and Collateral Agent (Exhibit 10.8 to Form 8-K filed on April 4, 2014)
10.14 *	Second Amendment to Intercreditor Agreement dated as of March 31, 2014 among Lee Enterprises, Incorporated, The Bank of New York Mellon Trust Company, N.A., Wilmington Trust, National Association, Pulitzer and the Pulitzer Subsidiaries (Exhibit 10.9 to Form 8-K filed on April 4, 2014)
10.15 *	Intercompany Subordination Agreement dated as of March 31, 2014 among Lee Enterprises, Incorporated, the Subsidiary Guarantors, Pulitzer, Pulitzer Subsidiaries and Wilmington Trust, National Association (Exhibit 10.10 to Form 8-K filed on April 4, 2014)
10.16 *	Management Agreement dated as of June 26, 2018 between BH Media Group, Inc. and Lee Enterprises, Incorporated (Exhibit 10.1 to Form 8-K filed on June 26, 2018)
10.17 *	Operating Agreement of St. Louis Post-Dispatch LLC, dated as of May 1, 2000, as amended by Amendment No. 1 to Operating Agreement of St. Louis Post-Dispatch LLC, dated as of June 1, 2001 (Exhibit 10.5 to Form 10-Q for the Fiscal Quarter Ended June 30, 2005)
10.18*	Amendment Number Two to Operating Agreement of St. Louis Post-Dispatch LLC, effective February 18, 2009, between Pulitzer Inc. and Pulitzer Technologies, Inc. (Exhibit 10.13 to Form 10-Q for the Fiscal Quarter Ended March 29, 2009)
10.19*	Amended and Restated Joint Operating Agreement, dated December 22, 1988, between Star Publishing Company and Citizen Publishing Company (Exhibit 10.2 to Form 10-Q for the Fiscal Quarter Ended June 30, 2005)
10.20*	Amended and Restated Partnership Agreement, dated as of November 30, 2009, between Star Publishing Company and Citizen Publishing Company (Exhibit 10.2 to Form 10-Q for the Fiscal Quarter Ended December 27, 2009)
10.21*	Amended and Restated Management Agreement, dated as of November 30, 2009, between Star Publishing Company and Citizen Publishing Company (Exhibit 10.1 to Form 10-Q for the Fiscal Quarter Ended December 27, 2009)
10.22*	License Agreement (Star), as amended and restated November 30, 2009, between Star Publishing Company and TNI Partners (Exhibit 10.3 to Form 10-Q for the Fiscal Quarter Ended December 27, 2009)
10.23*	License Agreement (Citizen), as amended and restated November 30, 2009, between Citizen Publishing Company and TNI Partners (Exhibit 10.4 to Form 10-Q for the Fiscal Quarter Ended December 27, 2009)
10.24 *	License Agreement, dated as of May 1, 2000, by and between Pulitzer Inc. and St. Louis Post-Dispatch LLC (Exhibit 10.7 to Form 10-Q for the Fiscal Quarter Ended June 30, 2005)
10.25*	Non-Confidentiality Agreement, dated as of May 1, 2000 (Exhibit 10.10 to Form 10-Q for the Fiscal Quarter Ended June 30, 2005)
10.26 +*	Form of Director Compensation Agreement of Lee Enterprises, Incorporated for non-employee director deferred compensation (Exhibit 10.7 to Form 10-K for the Fiscal Year Ended September 30, 2004)
10.27.1 +*	Amended and Restated Lee Enterprises, Incorporated 1990 Long-Term Incentive Plan (effective October 1, 1999, as amended effective February 17, 2016) (Exhibit 10.1 to Form 8-K filed on February 23, 2016)
10.27.2 +*	Form of Restricted Stock Agreement related to Lee Enterprises, Incorporated 1990 Long-Term Incentive Plan (Effective October 1, 1999, as amended effective February 17, 2016) (Exhibit 10.2 to Form 8-K filed on February 23, 2016)

Number	Description
10.27.3 +*	Form of Incentive Stock Option Agreement related to Lee Enterprises, Incorporated 1990 Long-Term Incentive Plan (Effective October 1, 1999, as amended effective February 17, 2016) (Exhibit 10.3 to Form 8-K filed on February 23, 2016)
10.27.4 +*	Form of Non-Qualified Stock Option Agreement related to Lee Enterprises, Incorporated 1990 Long-Term Incentive Plan (Effective October 1, 1999, as amended effective February 17, 2016) (Exhibit 10.4 to Form 8-K filed on February 23, 2016)
10.28 +*	Amended and Restated Lee Enterprises, Incorporated 1996 Stock Plan for Non-Employee Directors Effective February 22, 2017 (Appendix A to Schedule 14A Definitive Proxy Statement for 2017)
10.29 +*	Lee Enterprises, Incorporated Supplementary Benefit Plan, Amended and Restated as of January 1, 2008 (Exhibit 10.25 to Form 10-K for the Fiscal Year Ended September 28, 2008)
10.30 +*	Lee Enterprises, Incorporated Outside Directors Deferral Plan, Amended and Restated as of January 1, 2008 (Exhibit 10.26 to Form 10-K for the Fiscal Year Ended September 28, 2008)
10.31.1 +	Form of Amended and Restated Employment Agreement between Lee Enterprises, Incorporated and its Executive Chairman
10.31.2 +	Form of Amended and Restated Employment Agreement between Lee Enterprises, Incorporated and its President and Chief Executive Officer
10.31.3 +	Form of Employment Agreement between Lee Enterprises, Incorporated and Certain of its Senior Executive Officers
10.32 +	Form of Indemnification Agreement for Lee Enterprises, Incorporated Directors and Executive Officers Group
10.33 +*	Lee Enterprises, Incorporated Amended and Restated Incentive Compensation Program (Effective February 22, 2017) (Appendix B to Schedule 14A Definitive Proxy Statement for 2017)
21	Subsidiaries and associated companies
23	Consent of KPMG LLP, Independent Registered Public Accounting Firm
24	Power of Attorney
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

[DIRECTOR/OFFICER] INDEMNIFICATION AGREEMENT

AGREEMENT, by and between **LEE ENTERPRISES, INCORPORATED**, a Delaware corporation (the “Company”), and _____ (the “Indemnitee”), dated as of _____.

WHEREAS, Indemnitee is a(n) _____ of the Company;

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of public companies in today’s environment;

WHEREAS, basic protection against undue risk of personal liability of directors and officers heretofore has been provided through insurance coverage providing reasonable protection at reasonable cost; as a result of substantial changes in the marketplace for such insurance it has become increasingly more difficult to obtain such insurance on terms providing reasonable protection at reasonable cost;

WHEREAS, the By-laws of the Company require the Company to indemnify and advance expenses to its directors and officers to the full extent permitted by law and Indemnitee will serve as a director or officer of the Company in part in reliance on such By-laws;

WHEREAS, in recognition of Indemnitee’s need for substantial protection against personal liability in order to enhance Indemnitee’s service to the Company in an effective manner, the inadequacy of the Company’s director and officer liability insurance coverage, and Indemnitee’s reliance on the aforesaid By-laws, and in part to provide Indemnitee with specific contractual assurance that the protection afforded by such By-laws will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such By-laws or any change in the composition of the Company’s Board of Directors or acquisition transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancing of expenses to Indemnitee to the full extent (whether partial or complete) permitted by law and as set forth in this Agreement, and, to the extent insurance is maintained, for the coverage of Indemnitee under the Company’s directors’ and officers’ liability insurance policies;

NOW, THEREFORE, in consideration of the premises and of Indemnitee’s service to the Company, directly or indirectly, and intending to be legally bound hereby, the parties hereto agree as follows:

1. In the event Indemnitee becomes a party to or a witness or other participant in, or is threatened to be made a party to or a witness or other participant in, any threatened, pending or completed action, suit or proceeding, or any inquiry or investigation, whether conducted by the Company or any other party, that Indemnitee in good faith believes might lead to any such action, suit or proceeding, whether civil, criminal, administrative,

investigative or otherwise (a “Claim”) by reason of (or arising in part out of) the fact that Indemnitee is or was a director, officer, employee, manager, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, employee, trustee, manager, agent or fiduciary of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, or by reason of anything done or not done by Indemnitee in any such capacity (an “Indemnifiable Event”), the Company shall indemnify Indemnitee to the full extent permitted by law (the determination of which shall be made by the Reviewing Party referred to below) as soon as practicable but in any event no later than thirty days after written demand is presented to the Company, against any and all expenses (including attorneys’ fees and all other costs, expenses and obligations paid or incurred in connection with investigating, preparing for and defending or participating in the defense of (including on appeal) any Claim relating to any Indemnifiable Event) (collectively “Expenses”), judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such judgments, fines, penalties or amounts paid in settlement) of such Claim.

If so requested by Indemnitee, the Company shall advance (within two business days of such request) any and all such Expenses to Indemnitee; provided, however, that (i) the foregoing obligation of the Company shall be subject to the condition that an appropriate person or body (the “Reviewing Party”) shall not have determined (in a written opinion in any case in which the special, independent counsel referred to in Section 2 hereof is involved) that Indemnitee would not be permitted to be so indemnified under applicable law, and (ii) if, when and to the extent that the Reviewing Party determines that Indemnitee would not be permitted to be so indemnified under applicable law, the Company shall be entitled to be reimbursed by Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid (unless Indemnitee has commenced legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, in which event Indemnitee shall not be required to so reimburse the Company until a final judicial determination requiring such reimbursement is made with respect thereto as to which all rights of appeal therefrom have been exhausted or lapsed).

The Company shall not be obligated to indemnify or advance any additional amounts to Indemnitee under this Agreement (unless there has been a determination by a court of competent jurisdiction that the Indemnitee would be permitted to be so indemnified or entitled to such expense advances under applicable law).

If there has not been a Change in Control of the Company (as hereinafter defined), the Reviewing Party (which can, but does not have to, be the disinterested members of the Board of Directors or a committee comprised of one or more disinterested members of the Board of Directors) shall be selected by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, proceeding or suit, unless such a quorum is not obtainable in which case the Reviewing Party shall be selected by the special, independent counsel referred to in Section 2 hereof. If there has been a Change in Control of the Company, the Reviewing Party shall be the special, independent counsel referred to in Section 2 hereof.

If Indemnitee has not been indemnified by the expiration of the foregoing thirty-day period or received expense advances or if the Reviewing Party determines that Indemnitee substantively would not be permitted to be indemnified or be entitled to expense advances in whole or in part under applicable law, Indemnitee shall have the right to commence litigation seeking from the court a finding that Indemnitee is entitled to indemnification and expense advances or enforcement of Indemnitee's entitlement to indemnification and expense advances or challenging any determination by the Reviewing Party or any aspect thereof that Indemnitee is not entitled to be indemnified or receive expense advances; any determination by the Reviewing Party otherwise shall be conclusive and binding on the Company and Indemnitee. Indemnitee agrees to bring any such litigation in any court in the states of Iowa or Delaware having subject matter jurisdiction thereof and in which venue is proper, and the Company hereby consents to service of process and to appear in any such proceeding.

2. The Company agrees that if there is a Change in Control of the Company (as hereinafter defined), then with respect to all matters thereafter arising concerning the rights of Indemnitee to indemnity payments and expense advances under this Agreement or any other agreement or By-laws now or hereafter in effect relating to Claims for Indemnifiable Events, the Company shall seek legal advice only from special, independent counsel selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld), and who has not otherwise performed services for the Company (other than in connection with such matters) or Indemnitee. Unless Indemnitee has theretofore selected counsel pursuant to this Section 2 and such counsel has been approved by the Company, the firms in the attached **Exhibit A** shall be deemed to satisfy the requirements set forth above, and neither the Company nor Indemnitee shall engage such firm for any purpose (other than in the case of the Company, with respect to matters concerning the rights of Indemnitee [or of other indemnitees under similar indemnity agreements] to indemnity payments and expense advances). Such counsel, among other things, shall determine whether and to what extent Indemnitee is permitted to be indemnified or is entitled to expense advances under applicable law and shall render its written opinion to the Company and Indemnitee to such effect.

For purposes of this Agreement, a "Change in Control of the Company" shall be deemed to have occurred if: (1) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 15% or more of the shares of the Company's Common Stock occurs; provided, however, that for purposes of this subsection (1), the following acquisitions shall not be deemed to result in a Change of Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (D) any acquisition by a Person of Beneficial Ownership of less than 25% of the Common Shares if such Person reports, or is required to report such Beneficial Ownership on Schedule 13G under the Exchange Act or Schedule 13D of the Exchange Act (or any comparable or successor report), which Schedule 13D does not state any present intention to (or reserve the right to) hold such Common Shares with the purpose or effect of changing or

influencing the control of the Company, nor in connection with or as a participant in any transaction having such purpose or effect, or (E) any acquisition pursuant to a transaction that complies with clauses (A), (B) and (C) of subsection (3) below; or (2) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or (3) consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another corporation (a "Business Combination") occurs unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners of the Common Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the Common Stock or, with respect to an entity other than the Company, the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from such Business Combination (including, without limitation, a corporation that as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Common Stock, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or any corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 15% or more of the Common Stock or, with respect to an entity other than the Company, the combined voting power of the then outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination will have been members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or (4) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company occurs.

The Company agrees to pay the reasonable fees of the special, independent counsel referred to above and to fully indemnify such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto except for willful misconduct or gross negligence.

3. The Company shall indemnify Indemnitee against any and all expenses (including attorneys' fees) and, if requested by Indemnitee, shall (within two business days of such request) advance such expenses to Indemnitee, which are incurred by Indemnitee in connection with any claim asserted or action brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Company under this Agreement or any other agreement or Company By-laws now or hereafter in effect relating to Claims for Indemnifiable Events and/or

(ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance payment of Expenses or insurance recovery, as the case may be.

4. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of such action, suit or proceeding but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in the defense of any claim relating in whole or in part to any Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee shall be indemnified against all Expenses incurred in connection therewith.

5. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that Indemnitee is not entitled to indemnification or expense advance or that indemnification or expense advance is not permitted by applicable law.

6. The parties recognize that several of the Company's By-law provisions on indemnification substantially reflect the current provisions of Section 145 of the General Corporation Law of Delaware; that directors' and officers' liability insurance provides benefits beyond those specified in said Section 145; and that Section 145(f) provides that the benefits of the statute are not to be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any agreement or otherwise. It is the intent of the parties that the benefits to be derived by Indemnitee hereunder shall not be limited to those provided by said Section 145 (as presently enacted or as it may in the future be changed or interpreted, by statute or judicial decision) or any By-laws of the Company based thereon; but shall extend to the full extent permitted by law now or hereafter in effect (including giving full effect to Section 145(f), and this Agreement shall be so interpreted by the Reviewing Party herein.

7. Indemnitee shall notify the Company in writing of the institution of any action, suit, proceeding, inquiry or investigation that is or may be subject to this Agreement; provided, that the failure to give such notice shall not affect Indemnitee's rights hereunder.

8. To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

9. No legal action shall be brought and no cause of action shall be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee, his spouse, heirs, executors or personal or legal representatives after the expiration of two years from the

date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliate shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two- year period; provided, however, that if any shorter period of limitation is otherwise applicable to any such cause of action, such shorter period shall govern.

10. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

11. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

12. The Company shall not be liable under this Agreement to make any payment in connection with any claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, By-law or otherwise) of the amounts otherwise indemnifiable hereunder.

13. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, executors, and personal and legal representatives. This Agreement shall continue in effect regardless of whether Indemnitee continues to serve as an officer or director of the Company or of any other enterprise at the Company's request.

14. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law.

15. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such state, but excluding any conflicts-of-law rule or principle which might refer such governance, construction or enforcement to the laws of another state or country.

Executed as of the date first above written.

LEE ENTERPRISES, INCORPORATED

_____ By: _____

=
Indemnitee

Exhibit A
to Indemnification Agreement

Morris, Nichols, Arsht & Tunnell
Twelfth & Market Streets
P.O. Box 1347
Wilmington, DE 19899-1347
(302) 658-9200

Young Conaway Stargett & Taylor, LLP
Rodney Square
1000 North King Street
Wilmington, DE 19801
(302) 571-6600

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (“Agreement”) is made by and between **LEE ENTERPRISES, INCORPORATED**, a Delaware corporation (the “Company”) and _____ (the “Executive”), effective as of _____, 20__.

RECITAL:

The Board of Directors of the Company (the “Board”), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive’s full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. **Certain Definitions.** (a) The “Effective Date” shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if the Executive’s employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment was (i) at the request of a third party who has taken steps reasonably calculated to effect such Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control (such a termination of employment, an “Anticipatory Termination”) and if such Change of Control is consummated, then for all purposes of this Agreement the “Effective Date” shall mean the date immediately prior to the date of such termination of employment.

(b) The “Change of Control Period” shall mean the period commencing on the date hereof and ending on the second anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the “Renewal Date”), the Change of Control Period shall be automatically extended so as to terminate two (2) years from such Renewal Date, unless at least sixty (60) days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

(c) “Common Stock” shall mean the common stock, par value \$0.01 per share, of the Company.

2. Change of Control. For the purpose of this Agreement, a “Change of Control” shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) (“Beneficial Ownership”) of 15% or more of the Common Stock; provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (iv) any acquisition by a Person of Beneficial Ownership of less than 25% of the Common Stock if such Person reports, or is required to report such Beneficial Ownership on Schedule 13G under the Exchange Act or Schedule 13D of the Exchange Act (or any comparable or successor report), which Schedule 13D does not state any present intention to (or reserve the right to) hold such Common Stock with the purpose or effect of changing or influencing the control of the Company, nor in connection with or as a participant in any transaction having such purpose or effect, or (v) any acquisition pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners, respectively, of the Common Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Common Stock, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related

trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock of the corporation resulting from such Business Combination (or, for a non-corporate entity, equivalent securities) or the combined voting power of the then outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second (2nd) anniversary of such date (the "Employment Period").

4. Terms of Employment. (a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date, (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location and (C) the Executive shall not be required to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary (“Annual Base Salary”), which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. The Annual Base Salary shall be paid at such intervals as the Company pays executive salaries generally. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term “affiliated companies” shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the “Annual Bonus”) in cash at least equal to the Executive’s highest bonus under the Company’s annual incentive plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (or for such lesser number of full fiscal years prior to the Effective Date for which the Executive was eligible to earn such a bonus, and annualized in the case of any pro rata bonus earned for a partial fiscal year) (the “Recent Annual Bonus”). (If the Executive has not been eligible to earn such a bonus for any period prior to the Effective Date, the “Recent Annual Bonus” shall mean the Executive’s target annual bonus for the year in which the Effective Date occurs.) Unless the Executive shall elect to defer the receipt of such Annual Bonus pursuant to an arrangement that meets the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated thereunder (“Section 409A”), each such Annual Bonus shall be paid in a single sum on or before the 15th day of the third month following the end of the fiscal year in which the services are rendered that give rise to the Annual Bonus. To elect to defer receipt of an Annual Bonus in accordance with the preceding sentence, the Executive is required to make her election to defer an Annual Bonus by no later than the last day of the Company’s fiscal year prior to the fiscal year in which the services are rendered which give rise to the Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided

generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

5. Termination of Employment. (a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness or following the Executive's delivery of a Notice of Termination for Good Reason), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer of the Company believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board, or if the Company is not the ultimate parent corporation of the affiliated companies and is not publicly-traded, the board of directors of the ultimate parent of the Company (the "Applicable Board") or upon the instructions of the Chief Executive Officer of the Company or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Applicable Board (excluding the Executive, if the Executive is a member of the Applicable Board) at a meeting of the Applicable Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel for the Executive, to be heard before the Applicable Board), finding that, in the good faith opinion of the

Applicable Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated during the Employment Period by the Executive for Good Reason or by the Executive voluntarily without Good Reason, in accordance with the notice requirements of Section 5(d). For purposes of this Agreement, "Good Reason" means actions taken by the Company resulting in a material negative change in the employment relationship. For these purposes, a "material negative change in the employment relationship" shall include, without limitation:

(i) the assignment to the Executive of duties materially inconsistent with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or a material diminution in such position, authority, duties or responsibilities or a material diminution in the budget over which the Executive retains authority;

(ii) a material diminution in the authorities, duties or responsibilities of the person to whom the Executive is required to report, including a requirement that the Executive report to an officer or employee instead of reporting directly to the Applicable Board;

(iii) a reduction of five (5) percent or greater of (A) any element of the compensation and benefits required to be provided to the Executive in accordance with any of the provisions of Section 4(b); (B) the Executive's aggregate annual cash compensation, which for this purpose shall include, without limitation, Base Salary and Annual Bonus; or (C) the benefits, in the aggregate, required to be provided to the Executive in accordance with the provisions of this Agreement;

(iv) the Company's requiring the Executive (A) to be based at any office or location other than as provided in Section 4(a)(i)(B) hereof resulting in a material increase in the Executive's commute to and from the Executive's primary residence (for this purpose an increase in the Executive's commute by 30 miles or more shall be deemed material) or (B) to be based at a location other than the principal executive offices of the Company if the Executive was employed at such location immediately preceding the Effective Date;

(v) any other action or inaction that constitutes a material breach by the Company of this Agreement; or

(vi) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

In order to invoke a termination for Good Reason, the Executive shall provide written notice to the Company of the existence of one or more of the conditions described in clauses (i) through (vi) within 90 days following the Executive's knowledge of the initial existence of such condition or conditions, and the Company shall have 30 days following receipt of such written notice (the "Cure Period") during which it may remedy the condition. In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, the

Executive must terminate employment, if at all, within 90 days following such Cure Period in order for such termination as a result of such condition to constitute a termination for Good Reason. The Executive's mental or physical incapacity following the occurrence of an event described above in clauses (i) through (v) shall not affect the Executive's ability to terminate employment for Good Reason.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, (iii) if the Executive resigns without Good Reason, the date on which the Executive notifies the Company of such termination and (iv) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be. The Company and the Executive shall take all steps necessary (including with regard to any post-termination services by the Executive) to ensure that any termination described in this Section 5 constitutes a "separation from service" within the meaning of Section 409A of the Code, and notwithstanding anything contained herein to the contrary, the date on which such separation from service takes place shall be the "Date of Termination."

6. Obligations of the Company upon Termination. (a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the Executive's business expenses that are reimbursable pursuant to Section 4(b)(v) but have not been reimbursed by the Company as of the Date of Termination; (3) the Executive's Annual

Bonus for the fiscal year immediately preceding the fiscal year in which the Date of Termination occurs, if such bonus has been determined but not paid as of the Date of Termination (at the time such Annual Bonus would otherwise have been paid), but excluding any such Annual Bonus or portion thereof that has been earned but deferred; (4) any accrued vacation pay to the extent not theretofore paid (the sum of the amounts described in subclauses (1), (2), (3) and (4), the "Accrued Obligations") and (5) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 (the "Pro Rata Bonus"); and

B. the amount equal to the product of (1) three and (2) the sum of (x) the Executive's Annual Base Salary and (y) the Highest Annual Bonus; and

C. an amount equal to the product of (1) three and (2) the average annual amount of the Company's contributions on behalf of Executive under all defined contribution plans maintained by the Company or any of the affiliated companies during the three-year period immediately preceding the Change of Control.

(ii) for three years after the Executive's Date of Termination or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy (the "Benefit Continuation Period"), the Company shall provide health care and life insurance benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies providing health care and life insurance benefits and at the benefit level described in Section 4(b)(iv) of this Agreement if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families; provided, however, that, the health care benefits provided during the Benefit Continuation Period shall be provided in such a manner that such benefits (and the costs and premiums thereof) are excluded from the Executive's income for federal income tax purposes and, if the Company reasonably determines that providing continued coverage under one or more of its health care benefit plans contemplated herein could be taxable to the Executive, the Company shall provide such benefits at the level required hereby through the purchase of individual insurance coverage; provided, further, however, that if the Executive becomes reemployed with another employer and is eligible to receive health care and life insurance benefits under another employer provided plan, the health care and life insurance benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. Following the end of the Benefit Continuation Period, the Executive shall be eligible for continued health coverage as required by Section 4980B of

the Code or other applicable law (“COBRA Coverage”), as if the Executive’s employment with the Company had terminated as of the end of such period, and the Company shall take such actions as are necessary to cause such COBRA Coverage not to be offset by the provision of benefits under this Section 6(a)(ii) and to cause the period of COBRA Coverage to commence at the end of the Benefit Continuation Period. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree welfare benefits pursuant to the retiree welfare benefit plans, the Executive shall be considered to have remained employed until the end of the Benefit Continuation Period and to have retired on the last day of such period.

(iii) beginning on the Executive’s Date of Termination until the end of the Executive’s second taxable year following the taxable year of such Date of Termination, the Company shall, at its sole expense as incurred, provide the Executive with outplacement services the scope and provider of which shall be selected by the Executive in her sole discretion, *provided*, that the cost of such outplacement services shall not exceed 10% of the Executive’s Annual Base Salary; and

(iv) to the extent not theretofore paid or provided, the Company shall pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the “Other Benefits”) in accordance with the terms of the underlying plans or agreements.

(b) Death. If the Executive’s employment is terminated by reason of the Executive’s death during the Employment Period, this Agreement shall terminate without further obligations to the Executive’s legal representatives under this Agreement, other than for payment of Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits. Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive’s estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Executive’s estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive’s estate and/or the Executive’s beneficiaries, as in effect on the date of the Executive’s death with respect to other peer executives of the Company and its affiliated companies and their beneficiaries.

(c) Disability. If the Executive’s employment is terminated by reason of the Executive’s Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits in accordance with the terms of the underlying plans or agreements. Accrued Obligations and the Pro Rata Bonus shall be paid to

the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) her Annual Base Salary through the Date of Termination and (y) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement; Legal Fees. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred (within 10 days following the Company's receipt of an invoice from the Executive), at any time from the Effective Date of this Agreement through the Executive's remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date), to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or

enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code (“Interest”). In order to comply with Section 409A of the Code, in no event shall the payments by the Company under this Section 8 be made later than the end of the calendar year next following the calendar year in which such fees and expenses were incurred, *provided*, that the Executive shall have submitted an invoice for such fees and expenses at least 10 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred. The amount of such legal fees and expenses that the Company is obligated to pay in any given calendar year shall not affect the legal fees and expenses that the Company is obligated to pay in any other calendar year, and the Executive’s right to have the Company pay such legal fees and expenses may not be liquidated or exchanged for any other benefit.

9. Cap on Payments. (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any Payment would be subject to the Excise Tax, then the amounts payable under this Agreement shall be reduced so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount (the “Cap Reduction”), only if the imposition of the Cap Reduction would result in the Executive receiving a larger Payment (net of all taxes on such Payment) than if the Cap Reduction had not been imposed. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing the payments and benefits under the following sections in the following order: (1) Section 6(a)(i)(B), (2) Section 6(a)(i)(C), (3) Section 6(a)(i)(A)(5) and (4) Section 6(a)(ii). For purposes of reducing the Payments to the Safe Harbor Amount, only amounts payable under this Agreement (and no other Payments) shall be reduced. If the reduction of the amount payable under this Agreement would not result in a reduction of the Parachute Value of all Payments to the Safe Harbor Amount, no amounts payable under the Agreement shall be reduced pursuant to this Section 9(a).

(b) All determinations required to be made under this Section 9 shall be made by Deloitte Tax, LLP, or such other certified public accounting firm as may be designated by the Executive (the “Accounting Firm”) which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. The following terms shall have the following meanings for purposes of this Section 9.

(i) “Excise Tax” shall mean the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(ii) “Parachute Value” of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a “parachute payment” under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(iii) A “Payment” shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable pursuant to this Agreement or otherwise.

(iv) The “Safe Harbor Amount” means 2.99 times the Executive’s “base amount,” within the meaning of Section 280G(b)(3) of the Code.

10. Non-Competition, Non-Solicitation and Confidential Information. In consideration of the Payments to be made hereunder:

(a) During the Restriction Period, Executive shall not Compete with the Company, or any of its affiliated companies, regardless of whether Executive is physically located inside or outside the Restricted Area (e.g., Executive cannot be employed by a Competitor whose place of business is outside the Restricted Area but who actually is engaged in a Restricted Business primarily targeted to Persons located inside the Restricted Area); provided Executive is permitted to own up to one percent (1%) of the outstanding capital stock or other equity interests of any publicly-traded Person that is a Competitor.

(b) Unless approved by the President of the Company in advance, during the Restriction Period, Executive shall not, directly or indirectly, solicit the employment of, assist in the soliciting of the employment of, or hire any employee of the Company or any of its affiliated companies, or induce any Person who is an employee, agent or contractor of the Company to terminate such relationship, or to join with the Executive or any other Person for the purpose of leaving the employ or such other relationship with the Company or any of its affiliated companies and undertaking any form of business. The preceding sentence shall not prevent Executive’s employer from hiring any employee of the Company who contacts Executive’s employer of her own initiative in response to advertisements or other general solicitations of employment from Executive’s employer.

(c) During the Restriction Period, Executive shall not, directly or indirectly, solicit Customers for any purpose related to the Restricted Business.

(d) The restrictions set forth in Sections 10(b) and 10(c) shall not apply to general advertising or other general solicitations not intended to target employees or Customers of the Company.

(e) The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive’s employment by the Company or any of its affiliated companies

and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it, *provided*, that nothing in this Agreement prohibits the Executive from reporting possible violations of law to any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of federal, state, or local laws or regulations. In no event shall an asserted violation of the provisions of this Section 10(e) constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

(f) In the event of Executive's actual or threatened breach of this Section 10, the Company shall be entitled to an injunction restraining Executive therefrom, and shall not be deemed to be the exclusive remedy for any such breach, but shall be in addition to all other remedies at law or in equity. Executive agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. If, at the time of enforcement of this Section 10, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

(g) For purposes of this Section 10, the following terms shall have the respective meanings set forth below:

(i) "Compete" means to, directly or indirectly, own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any Competitor, or otherwise directly or indirectly engage in any Restricted Business primarily targeted to the Restricted Area.

(ii) "Competitor" means any Person (other than the Company or its affiliated companies) who undertakes any Restricted Business in the Restricted Area, regardless of whether or not the Competitor is physically located inside or outside the Restricted Area.

(iii) "Customer" means any Person who was a customer of, had a contractual relationship with, or was a prospective customer of the Company or its affiliated companies, at any time within the twenty-four (24) month period ending on the Effective Date.

(iv) "Restricted Area" means an area within a fifty (50) mile radius of any Restricted Business owned as of the Effective Date.

(v) "Restricted Business" shall mean any paid or free distribution newspaper, classified advertising or specialty publication business (including any such publication distributed through the Internet) or commercial printing business that Competes with the Company, or any of its affiliated companies, in the Restricted Area.

(vi) "Restriction Period" means the period commencing on the Effective Date and ending on the date that is the first (1st) anniversary of the Effective Date.

11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution.

(b) This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. Except as provided in Section 11(c), without the prior written consent of the Executive this Agreement shall not be assignable by the Company.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

If to the Company:

Lee Enterprises, Incorporated
201 N. Harrison Street, Ste. 600
Davenport, Iowa 52801-1939
Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(c) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(vi) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof, prior to the Effective Date, the Executive's employment may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

(f) Notwithstanding any provision in this Agreement to the contrary, in the event of an Anticipatory Termination, any payments that are deferred compensation within the meaning of Section 409A of the Code that the Company shall be required to pay pursuant to Section 6(a)(i) of this Agreement shall be paid on the date of the Change of Control.

(h) Within the time period permitted by the applicable Treasury Regulations, the Company may, in consultation with the Executive, modify the Agreement, in the least restrictive manner necessary and without any diminution in the value of the payments to the Executive, in order to cause the provisions of the Agreement to comply with the requirements of Section 409A of the Code, so as to avoid the imposition of taxes and penalties on the Executive pursuant to Section 409A of the Code.

(i) Notwithstanding any other provision of this Agreement, if at the time of the Executive's termination of employment, the Executive is a "specified employee," as determined in accordance with Section 409A, any payments and benefits provided under this Agreement that constitute "nonqualified deferred compensation" subject to Section 409A that are provided to the Executive on account of the Executive's separation from service shall not be paid until the first payroll date to occur following the six-month anniversary of the Executive's Date of Termination ("Specified Employee Payment Date"). The aggregate amount of any payments that would otherwise have been made during such six-month period shall be paid in a lump sum on the Specified Employee Payment Date with interest and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule. If the Executive dies before the Specified Employee Payment Date, any delayed payments shall be paid in accordance with Section 6(b).

13. Survivorship. Upon the expiration or other termination of this Agreement or the Executive's employment, the respective rights and obligations of the parties hereto shall survive to the extent necessary to carry out the intentions of the parties under this Agreement.

14. Amendment and Restatement. This Agreement amends and restates that certain Amended and Restated Employment Agreement dated January 10, 2008 by and between the Company and the Executive (the "Previous Agreement") in its entirety, constitutes the entire agreement, and supersedes the Previous Agreement and all other prior agreements and understandings, whether written and oral, among the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

LEE ENTERPRISES, INCORPORATED

By: _____
President and Chief Executive Officer

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (“Agreement”) is made by and between **LEE ENTERPRISES, INCORPORATED**, a Delaware corporation (the “Company”) and _____ (the “Executive”), effective as of _____.

RECITAL:

The Board of Directors of the Company (the “Board”), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive’s full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. **Certain Definitions.** (a) The “Effective Date” shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if the Executive’s employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment was (i) at the request of a third party who has taken steps reasonably calculated to effect such Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control (such a termination of employment, an “Anticipatory Termination”) and if such Change of Control is consummated, then for all purposes of this Agreement the “Effective Date” shall mean the date immediately prior to the date of such termination of employment.

(b) The “Change of Control Period” shall mean the period commencing on the date hereof and ending on the second anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the “Renewal Date”), the Change of Control Period shall be automatically extended so as to terminate two (2) years from such Renewal Date, unless at least sixty (60) days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

(c) “Common Stock” shall mean the common stock, par value \$0.01 per share, of the Company.

2. Change of Control. For the purpose of this Agreement, a “Change of Control” shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) (“Beneficial Ownership”) of 15% or more of the Common Stock; provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (iv) any acquisition by a Person of Beneficial Ownership of less than 25% of the Common Stock if such Person reports, or is required to report such Beneficial Ownership on Schedule 13G under the Exchange Act or Schedule 13D of the Exchange Act (or any comparable or successor report), which Schedule 13D does not state any present intention to (or reserve the right to) hold such Common Stock with the purpose or effect of changing or influencing the control of the Company, nor in connection with or as a participant in any transaction having such purpose or effect, or (v) any acquisition pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners, respectively, of the Common Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Common Stock, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related

trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock of the corporation resulting from such Business Combination (or, for a non-corporate entity, equivalent securities) or the combined voting power of the then outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second (2nd) anniversary of such date (the "Employment Period").

4. Terms of Employment. (a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date, (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location and (C) the Executive shall not be required to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a

monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. The Annual Base Salary shall be paid at such intervals as the Company pays executive salaries generally. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term “affiliated companies” shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the “Annual Bonus”) in cash at least equal to the Executive’s highest bonus under the Company’s annual incentive plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (or for such lesser number of full fiscal years prior to the Effective Date for which the Executive was eligible to earn such a bonus, and annualized in the case of any pro rata bonus earned for a partial fiscal year) (the “Recent Annual Bonus”). (If the Executive has not been eligible to earn such a bonus for any period prior to the Effective Date, the “Recent Annual Bonus” shall mean the Executive’s target annual bonus for the year in which the Effective Date occurs.) Unless the Executive shall elect to defer the receipt of such Annual Bonus pursuant to an arrangement that meets the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated thereunder (“Section 409A”), each such Annual Bonus shall be paid in a single sum on or before the 15th day of the third month following the end of the fiscal year in which the services are rendered that give rise to the Annual Bonus. To elect to defer receipt of an Annual Bonus in accordance with the preceding sentence, the Executive is required to make his or her election to defer an Annual Bonus by no later than the last day of the Company’s fiscal year prior to the fiscal year in which the services are rendered which give rise to the Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

5. Termination of Employment. (a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred

during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness or following the Executive's delivery of a Notice of Termination for Good Reason), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer of the Company believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board, or if the Company is not the ultimate parent corporation of the affiliated companies and is not publicly-traded, the board of directors of the ultimate parent of the Company (the "Applicable Board") or upon the instructions of the Chief Executive Officer of the Company or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Applicable Board (excluding the Executive, if the Executive is a member of the Applicable Board) at a meeting of the Applicable Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel for the Executive, to be heard before the Applicable Board), finding that, in the good faith opinion of the Applicable Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated during the Employment Period by the Executive for Good Reason or by the Executive voluntarily without Good Reason, in accordance with the notice requirements of Section 5(d). For purposes of this Agreement, "Good Reason" means actions taken by the Company resulting in a material negative change in the employment relationship. For these purposes, a "material negative change in the employment relationship" shall include, without limitation:

(i) the assignment to the Executive of duties materially inconsistent with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or a material diminution in such position, authority, duties or responsibilities or a material diminution in the budget over which the Executive retains authority;

(ii) a material diminution in the authorities, duties or responsibilities of the person to whom the Executive is required to report, including a requirement that the Executive report to an officer or employee instead of reporting directly to the Applicable Board;

(iii) a reduction of five (5) percent or greater of (A) any element of the compensation and benefits required to be provided to the Executive in accordance with any of the provisions of Section 4(b); (B) the Executive's aggregate annual cash compensation, which for this purpose shall include, without limitation, Base Salary and Annual Bonus; or (C) the benefits, in the aggregate, required to be provided to the Executive in accordance with the provisions of this Agreement;

(iv) the Company's requiring the Executive (A) to be based at any office or location other than as provided in Section 4(a)(i)(B) hereof resulting in a material increase in the Executive's commute to and from the Executive's primary residence (for this purpose an increase in the Executive's commute by 30 miles or more shall be deemed material) or (B) to be based at a location other than the principal executive offices of the Company if the Executive was employed at such location immediately preceding the Effective Date;

(v) any other action or inaction that constitutes a material breach by the Company of this Agreement; or

(vi) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

In order to invoke a termination for Good Reason, the Executive shall provide written notice to the Company of the existence of one or more of the conditions described in clauses (i) through (vi) within 90 days following the Executive's knowledge of the initial existence of such condition or conditions, and the Company shall have 30 days following receipt of such written notice (the "Cure Period") during which it may remedy the condition. In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Executive must terminate employment, if at all, within 90 days following such Cure Period in order for such termination as a result of such condition to constitute a termination for Good Reason. The Executive's mental or physical incapacity following the occurrence of an event described above in

clauses (i) through (v) shall not affect the Executive's ability to terminate employment for Good Reason.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, (iii) if the Executive resigns without Good Reason, the date on which the Executive notifies the Company of such termination and (iv) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be. The Company and the Executive shall take all steps necessary (including with regard to any post-termination services by the Executive) to ensure that any termination described in this Section 5 constitutes a "separation from service" within the meaning of Section 409A of the Code, and notwithstanding anything contained herein to the contrary, the date on which such separation from service takes place shall be the "Date of Termination."

6. Obligations of the Company upon Termination. (a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the Executive's business expenses that are reimbursable pursuant to Section 4(b)(v) but have not been reimbursed by the Company as of the Date of Termination; (3) the Executive's Annual Bonus for the fiscal year immediately preceding the fiscal year in which the Date of Termination occurs, if such bonus has been determined but not paid as of the Date of Termination (at the time such Annual Bonus would otherwise have been paid),

but excluding any such Annual Bonus or portion thereof that has been earned but deferred; (4) any accrued vacation pay to the extent not theretofore paid (the sum of the amounts described in subclauses (1), (2), (3) and (4), the “Accrued Obligations”) and (5) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the “Highest Annual Bonus”) and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 (the “Pro Rata Bonus”); and

B. the amount equal to the product of (1) three and (2) the sum of (x) the Executive’s Annual Base Salary and (y) the Highest Annual Bonus; and

C. an amount equal to the product of (1) three and (2) the average annual amount of the Company’s contributions on behalf of Executive under all defined contribution plans maintained by the Company or any of the affiliated companies during the three-year period immediately preceding the Change of Control.

(ii) for three years after the Executive’s Date of Termination or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy (the “Benefit Continuation Period”), the Company shall provide health care and life insurance benefits to the Executive and/or the Executive’s family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies providing health care and life insurance benefits and at the benefit level described in Section 4(b)(iv) of this Agreement if the Executive’s employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families; provided, however, that, the health care benefits provided during the Benefit Continuation Period shall be provided in such a manner that such benefits (and the costs and premiums thereof) are excluded from the Executive’s income for federal income tax purposes and, if the Company reasonably determines that providing continued coverage under one or more of its health care benefit plans contemplated herein could be taxable to the Executive, the Company shall provide such benefits at the level required hereby through the purchase of individual insurance coverage; provided, further, however, that if the Executive becomes reemployed with another employer and is eligible to receive health care and life insurance benefits under another employer provided plan, the health care and life insurance benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. Following the end of the Benefit Continuation Period, the Executive shall be eligible for continued health coverage as required by Section 4980B of the Code or other applicable law (“COBRA Coverage”), as if the Executive’s employment with the Company had terminated as of the end of such period, and the Company shall take such actions as are necessary to cause such COBRA Coverage not to be offset by the provision

of benefits under this Section 6(a)(ii) and to cause the period of COBRA Coverage to commence at the end of the Benefit Continuation Period. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree welfare benefits pursuant to the retiree welfare benefit plans, the Executive shall be considered to have remained employed until the end of the Benefit Continuation Period and to have retired on the last day of such period.

(iii) beginning on the Executive's Date of Termination until the end of the Executive's second taxable year following the taxable year of such Date of Termination, the Company shall, at its sole expense as incurred, provide the Executive with outplacement services the scope and provider of which shall be selected by the Executive in his or her sole discretion, *provided*, that the cost of such outplacement services shall not exceed 10% of the Executive's Annual Base Salary; and

(iv) to the extent not theretofore paid or provided, the Company shall pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits") in accordance with the terms of the underlying plans or agreements.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits. Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive's estate and/or the Executive's beneficiaries, as in effect on the date of the Executive's death with respect to other peer executives of the Company and its affiliated companies and their beneficiaries.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits in accordance with the terms of the underlying plans or agreements. Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other

benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his or her Annual Base Salary through the Date of Termination and (y) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement; Legal Fees. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred (within 10 days following the Company's receipt of an invoice from the Executive), at any time from the Effective Date of this Agreement through the Executive's remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date), to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable

federal rate provided for in Section 7872(f)(2)(A) of the Code (“Interest”). In order to comply with Section 409A of the Code, in no event shall the payments by the Company under this Section 8 be made later than the end of the calendar year next following the calendar year in which such fees and expenses were incurred, *provided*, that the Executive shall have submitted an invoice for such fees and expenses at least 10 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred. The amount of such legal fees and expenses that the Company is obligated to pay in any given calendar year shall not affect the legal fees and expenses that the Company is obligated to pay in any other calendar year, and the Executive’s right to have the Company pay such legal fees and expenses may not be liquidated or exchanged for any other benefit.

9. Cap on Payments. (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any Payment would be subject to the Excise Tax, then the amounts payable under this Agreement shall be reduced so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount (the “Cap Reduction”), only if the imposition of the Cap Reduction would result in the Executive receiving a larger Payment (net of all taxes on such Payment) than if the Cap Reduction had not been imposed. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing the payments and benefits under the following sections in the following order: (1) Section 6(a)(i)(B), (2) Section 6(a)(i)(C), (3) Section 6(a)(i)(A)(5) and (4) Section 6(a)(ii). For purposes of reducing the Payments to the Safe Harbor Amount, only amounts payable under this Agreement (and no other Payments) shall be reduced. If the reduction of the amount payable under this Agreement would not result in a reduction of the Parachute Value of all Payments to the Safe Harbor Amount, no amounts payable under the Agreement shall be reduced pursuant to this Section 9(a).

(b) All determinations required to be made under this Section 9 shall be made by Deloitte Tax, LLP, or such other certified public accounting firm as may be designated by the Executive (the “Accounting Firm”) which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. The following terms shall have the following meanings for purposes of this Section 9.

(i) “Excise Tax” shall mean the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(ii) “Parachute Value” of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a “parachute payment” under Section 280G(b)(2), as determined by the

Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(iii) A "Payment" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable pursuant to this Agreement or otherwise.

(iv) The "Safe Harbor Amount" means 2.99 times the Executive's "base amount," within the meaning of Section 280G(b)(3) of the Code.

10. Non-Competition, Non-Solicitation and Confidential Information. In consideration of the Payments to be made hereunder:

(a) During the Restriction Period, Executive shall not Compete with the Company, or any of its affiliated companies, regardless of whether Executive is physically located inside or outside the Restricted Area (e.g., Executive cannot be employed by a Competitor whose place of business is outside the Restricted Area but who actually is engaged in a Restricted Business primarily targeted to Persons located inside the Restricted Area); provided Executive is permitted to own up to one percent (1%) of the outstanding capital stock or other equity interests of any publicly-traded Person that is a Competitor.

(b) Unless approved by the President of the Company in advance, during the Restriction Period, Executive shall not, directly or indirectly, solicit the employment of, assist in the soliciting of the employment of, or hire any employee of the Company or any of its affiliated companies, or induce any Person who is an employee, agent or contractor of the Company to terminate such relationship, or to join with the Executive or any other Person for the purpose of leaving the employ or such other relationship with the Company or any of its affiliated companies and undertaking any form of business. The preceding sentence shall not prevent Executive's employer from hiring any employee of the Company who contacts Executive's employer of his or her own initiative in response to advertisements or other general solicitations of employment from Executive's employer.

(c) During the Restriction Period, Executive shall not, directly or indirectly, solicit Customers for any purpose related to the Restricted Business.

(d) The restrictions set forth in Sections 10(b) and 10(c) shall not apply to general advertising or other general solicitations not intended to target employees or Customers of the Company.

(e) The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the

Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it, *provided*, that nothing in this Agreement prohibits the Executive from reporting possible violations of law to any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of federal, state, or local laws or regulations. In no event shall an asserted violation of the provisions of this Section 10(e) constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

(f) In the event of Executive's actual or threatened breach of this Section 10, the Company shall be entitled to an injunction restraining Executive therefrom, and shall not be deemed to be the exclusive remedy for any such breach, but shall be in addition to all other remedies at law or in equity. Executive agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. If, at the time of enforcement of this Section 10, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

(g) For purposes of this Section 10, the following terms shall have the respective meanings set forth below:

(i) "Compete" means to, directly or indirectly, own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any Competitor, or otherwise directly or indirectly engage in any Restricted Business primarily targeted to the Restricted Area.

(ii) "Competitor" means any Person (other than the Company or its affiliated companies) who undertakes any Restricted Business in the Restricted Area, regardless of whether or not the Competitor is physically located inside or outside the Restricted Area.

(iii) "Customer" means any Person who was a customer of, had a contractual relationship with, or was a prospective customer of the Company or its affiliated companies, at any time within the twenty-four (24) month period ending on the Effective Date.

(iv) "Restricted Area" means an area within a fifty (50) mile radius of any Restricted Business owned as of the Effective Date.

(v) "Restricted Business" shall mean any paid or free distribution newspaper, classified advertising or specialty publication business (including any such publication distributed through the Internet) or commercial printing business that Competes with the Company, or any of its affiliated companies, in the Restricted Area.

(vi) "Restriction Period" means the period commencing on the Effective Date and ending on the date that is the first (1st) anniversary of the Effective Date.

11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution.

(b) This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. Except as provided in Section 11(c), without the prior written consent of the Executive this Agreement shall not be assignable by the Company.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

If to the Company:

Lee Enterprises, Incorporated
201 N. Harrison Street, Ste. 600
Davenport, Iowa 52801-1939
Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(vi) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof, prior to the Effective Date, the Executive's employment may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

(g) Notwithstanding any provision in this Agreement to the contrary, in the event of an Anticipatory Termination, any payments that are deferred compensation within the meaning of Section 409A of the Code that the Company shall be required to pay pursuant to Section 6(a)(i) of this Agreement shall be paid on the date of the Change of Control.

(h) Within the time period permitted by the applicable Treasury Regulations, the Company may, in consultation with the Executive, modify the Agreement, in the least restrictive manner necessary and without any diminution in the value of the payments to the Executive, in order to cause the provisions of the Agreement to comply with the requirements of Section 409A of the Code, so as to avoid the imposition of taxes and penalties on the Executive pursuant to Section 409A of the Code.

(i) Notwithstanding any other provision of this Agreement, if at the time of the Executive's termination of employment, the Executive is a "specified employee," as determined in accordance with Section 409A, any payments and benefits provided under this Agreement that constitute "nonqualified deferred compensation" subject to Section 409A that are provided to the Executive on account of the Executive's separation from service shall not be paid until the first payroll date to occur following the six-month anniversary of the Executive's Date of Termination ("Specified Employee Payment Date"). The aggregate amount of any payments that would otherwise have been made during such six-month period shall be paid in a lump sum on the Specified Employee Payment Date with interest and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule. If the Executive dies before the Specified Employee Payment Date, any delayed payments shall be paid in accordance with Section 6(b).

13. Survivorship. Upon the expiration or other termination of this Agreement or the Executive's employment, the respective rights and obligations of the parties hereto shall survive to the extent necessary to carry out the intentions of the parties under this Agreement.

14. Amendment and Restatement. This Agreement amends and restates that certain Amended and Restated Employment Agreement dated December 7, 2015 by and between the Company and the Executive (the "Previous Agreement") in its entirety, constitutes the entire agreement, and supersedes the Previous Agreement and all other prior agreements and understandings, whether written and oral, among the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

LEE ENTERPRISES, INCORPORATED

By: _____
Executive Chairman

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is made by and between LEE ENTERPRISES, INCORPORATED, a Delaware corporation (the “Company”) and _____ (the “Executive”), effective as of _____, 20__.

RECITAL:

The Board of Directors of the Company (the “Board”), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive’s full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Certain Definitions. (a) The “Effective Date” shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if the Executive’s employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment was (i) at the request of a third party who has taken steps reasonably calculated to effect such Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control (such a termination of employment, an “Anticipatory Termination”) and if such Change of Control is consummated, then for all purposes of this Agreement the “Effective Date” shall mean the date immediately prior to the date of such termination of employment.

(b) The “Change of Control Period” shall mean the period commencing on the date hereof and ending on the second anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the “Renewal Date”), the Change of Control Period shall be automatically extended so as to terminate two (2) years from such Renewal Date, unless at least sixty (60) days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

(c) “Common Stock” shall mean the common stock, par value \$0.01 per share, of the Company.

2. Change of Control. For the purpose of this Agreement, a “Change of Control” shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) (“Beneficial Ownership”) of 15% or more of the Common Stock; provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (iv) any acquisition by a Person of Beneficial Ownership of less than 25% of the Common Stock if such Person reports, or is required to report such Beneficial Ownership on Schedule 13G under the Exchange Act or Schedule 13D of the Exchange Act (or any comparable or successor report), which Schedule 13D does not state any present intention to (or reserve the right to) hold such Common Stock with the purpose or effect of changing or influencing the control of the Company, nor in connection with or as a participant in any transaction having such purpose or effect, or (v) any acquisition pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners, respectively, of the Common Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Common Stock, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related

trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the Common Stock or, with respect to an entity other than the Company, the then outstanding shares of common stock of the corporation resulting from such Business Combination (or, for a non-corporate entity, equivalent securities) or the combined voting power of the then outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second (2nd) anniversary of such date (the "Employment Period").

4. Terms of Employment. (a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date, (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location and (C) the Executive shall not be required to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a

monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. The Annual Base Salary shall be paid at such intervals as the Company pays executive salaries generally. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term “affiliated companies” shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the “Annual Bonus”) in cash at least equal to the Executive’s highest bonus under the Company’s annual incentive plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (or for such lesser number of full fiscal years prior to the Effective Date for which the Executive was eligible to earn such a bonus, and annualized in the case of any pro rata bonus earned for a partial fiscal year) (the “Recent Annual Bonus”). (If the Executive has not been eligible to earn such a bonus for any period prior to the Effective Date, the “Recent Annual Bonus” shall mean the Executive’s target annual bonus for the year in which the Effective Date occurs.) Unless the Executive shall elect to defer the receipt of such Annual Bonus pursuant to an arrangement that meets the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated thereunder (“Section 409A”), each such Annual Bonus shall be paid in a single sum on or before the 15th day of the third month following the end of the fiscal year in which the services are rendered that give rise to the Annual Bonus. To elect to defer receipt of an Annual Bonus in accordance with the preceding sentence, the Executive is required to make his or her election to defer an Annual Bonus by no later than the last day of the Company’s fiscal year prior to the fiscal year in which the services are rendered which give rise to the Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

5. Termination of Employment. (a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred

during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness or following the Executive's delivery of a Notice of Termination for Good Reason), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer of the Company believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board, or if the Company is not the ultimate parent corporation of the affiliated companies and is not publicly-traded, the board of directors of the ultimate parent of the Company (the "Applicable Board") or upon the instructions of the Chief Executive Officer of the Company or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Applicable Board (excluding the Executive, if the Executive is a member of the Applicable Board) at a meeting of the Applicable Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel for the Executive, to be heard before the Applicable Board), finding that, in the good faith opinion of the Applicable Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated during the Employment Period by the Executive for Good Reason or by the Executive voluntarily without Good Reason, in accordance with the notice requirements of Section 5(d). For purposes of this Agreement, "Good Reason" means actions taken by the Company resulting in a material negative change in the employment relationship. For these purposes, a "material negative change in the employment relationship" shall include, without limitation:

(i) the assignment to the Executive of duties materially inconsistent with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or a material diminution in such position, authority, duties or responsibilities or a material diminution in the budget over which the Executive retains authority;

(ii) a material diminution in the authorities, duties or responsibilities of the person to whom the Executive is required to report, including a requirement that the Executive report to an officer or employee instead of reporting directly to the Applicable Board;

(iii) a reduction of five (5) percent or greater of (A) any element of the compensation and benefits required to be provided to the Executive in accordance with any of the provisions of Section 4(b); (B) the Executive's aggregate annual cash compensation, which for this purpose shall include, without limitation, Base Salary and Annual Bonus; or (C) the benefits, in the aggregate, required to be provided to the Executive in accordance with the provisions of this Agreement;

(iv) the Company's requiring the Executive (A) to be based at any office or location other than as provided in Section 4(a)(i)(B) hereof resulting in a material increase in the Executive's commute to and from the Executive's primary residence (for this purpose an increase in the Executive's commute by 30 miles or more shall be deemed material) or (B) to be based at a location other than the principal executive offices of the Company if the Executive was employed at such location immediately preceding the Effective Date;

(v) any other action or inaction that constitutes a material breach by the Company of this Agreement; or

(vi) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

In order to invoke a termination for Good Reason, the Executive shall provide written notice to the Company of the existence of one or more of the conditions described in clauses (i) through (vi) within 90 days following the Executive's knowledge of the initial existence of such condition or conditions, and the Company shall have 30 days following receipt of such written notice (the "Cure Period") during which it may remedy the condition. In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Executive must terminate employment, if at all, within 90 days following such Cure Period in order for such termination as a result of such condition to constitute a termination for Good Reason. The Executive's mental or physical incapacity following the occurrence of an event described above in

clauses (i) through (v) shall not affect the Executive's ability to terminate employment for Good Reason.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, (iii) if the Executive resigns without Good Reason, the date on which the Executive notifies the Company of such termination and (iv) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be. The Company and the Executive shall take all steps necessary (including with regard to any post-termination services by the Executive) to ensure that any termination described in this Section 5 constitutes a "separation from service" within the meaning of Section 409A of the Code, and notwithstanding anything contained herein to the contrary, the date on which such separation from service takes place shall be the "Date of Termination."

6. Obligations of the Company upon Termination. (a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the Executive's business expenses that are reimbursable pursuant to Section 4(b)(v) but have not been reimbursed by the Company as of the Date of Termination; (3) the Executive's Annual Bonus for the fiscal year immediately preceding the fiscal year in which the Date of Termination occurs, if such bonus has been determined but not paid as of the Date of Termination (at the time such Annual Bonus would otherwise have been paid),

but excluding any such Annual Bonus or portion thereof that has been earned but deferred; (4) any accrued vacation pay to the extent not theretofore paid (the sum of the amounts described in subclauses (1), (2), (3) and (4), the “Accrued Obligations”) and (5) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the “Highest Annual Bonus”) and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 (the “Pro Rata Bonus”); and

B. the amount equal to the sum of (x) the Executive’s Annual Base Salary and (y) the Highest Annual Bonus; and

C. an amount equal to the average annual amount of the Company’s contributions on behalf of Executive under all defined contribution plans maintained by the Company or any of the affiliated companies during the three-year period immediately preceding the Change of Control.

(ii) for one year after the Executive’s Date of Termination or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy (the “Benefit Continuation Period”), the Company shall provide health care and life insurance benefits to the Executive and/or the Executive’s family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies providing health care and life insurance benefits and at the benefit level described in Section 4(b)(iv) of this Agreement if the Executive’s employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families; provided, however, that, the health care benefits provided during the Benefit Continuation Period shall be provided in such a manner that such benefits (and the costs and premiums thereof) are excluded from the Executive’s income for federal income tax purposes and, if the Company reasonably determines that providing continued coverage under one or more of its health care benefit plans contemplated herein could be taxable to the Executive, the Company shall provide such benefits at the level required hereby through the purchase of individual insurance coverage; provided, further, however, that if the Executive becomes reemployed with another employer and is eligible to receive health care and life insurance benefits under another employer provided plan, the health care and life insurance benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. Following the end of the Benefit Continuation Period, the Executive shall be eligible for continued health coverage as required by Section 4980B of the Code or other applicable law (“COBRA Coverage”), as if the Executive’s employment with the Company had terminated as of the end of such period, and the Company shall take such actions as are necessary to cause such COBRA Coverage not to be offset by the provision

of benefits under this Section 6(a)(ii) and to cause the period of COBRA Coverage to commence at the end of the Benefit Continuation Period. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree welfare benefits pursuant to the retiree welfare benefit plans, the Executive shall be considered to have remained employed until the end of the Benefit Continuation Period and to have retired on the last day of such period.

(iii) beginning on the Executive's Date of Termination until the end of the Executive's second taxable year following the taxable year of such Date of Termination, the Company shall, at its sole expense as incurred, provide the Executive with outplacement services the scope and provider of which shall be selected by the Executive in his or her sole discretion, *provided*, that the cost of such outplacement services shall not exceed 10% of the Executive's Annual Base Salary; and

(iv) to the extent not theretofore paid or provided, the Company shall pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits") in accordance with the terms of the underlying plans or agreements.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits. Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive's estate and/or the Executive's beneficiaries, as in effect on the date of the Executive's death with respect to other peer executives of the Company and its affiliated companies and their beneficiaries.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits in accordance with the terms of the underlying plans or agreements. Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other

benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his or her Annual Base Salary through the Date of Termination and (y) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the Pro Rata Bonus and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations and the Pro Rata Bonus shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement; Legal Fees. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred (within 10 days following the Company's receipt of an invoice from the Executive), at any time from the Effective Date of this Agreement through the Executive's remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date), to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable

federal rate provided for in Section 7872(f)(2)(A) of the Code (“Interest”). In order to comply with Section 409A of the Code, in no event shall the payments by the Company under this Section 8 be made later than the end of the calendar year next following the calendar year in which such fees and expenses were incurred, *provided*, that the Executive shall have submitted an invoice for such fees and expenses at least 10 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred. The amount of such legal fees and expenses that the Company is obligated to pay in any given calendar year shall not affect the legal fees and expenses that the Company is obligated to pay in any other calendar year, and the Executive’s right to have the Company pay such legal fees and expenses may not be liquidated or exchanged for any other benefit.

9. Cap on Payments. (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any Payment would be subject to the Excise Tax, then the amounts payable under this Agreement shall be reduced so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount (the “Cap Reduction”), only if the imposition of the Cap Reduction would result in the Executive receiving a larger Payment (net of all taxes on such Payment) than if the Cap Reduction had not been imposed. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing the payments and benefits under the following sections in the following order: (1) Section 6(a)(i)(B), (2) Section 6(a)(i)(C), (3) Section 6(a)(i)(A)(5) and (4) Section 6(a)(ii). For purposes of reducing the Payments to the Safe Harbor Amount, only amounts payable under this Agreement (and no other Payments) shall be reduced. If the reduction of the amount payable under this Agreement would not result in a reduction of the Parachute Value of all Payments to the Safe Harbor Amount, no amounts payable under the Agreement shall be reduced pursuant to this Section 9(a).

(b) All determinations required to be made under this Section 9 shall be made by Deloitte Tax, LLP, or such other certified public accounting firm as may be designated by the Executive (the “Accounting Firm”) which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. The following terms shall have the following meanings for purposes of this Section 9.

(i) “Excise Tax” shall mean the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(ii) “Parachute Value” of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a “parachute payment” under Section 280G(b)(2), as determined by the

Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(iii) A "Payment" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable pursuant to this Agreement or otherwise.

(iv) The "Safe Harbor Amount" means 2.99 times the Executive's "base amount," within the meaning of Section 280G(b)(3) of the Code.

10. Non-Competition, Non-Solicitation and Confidential Information. In consideration of the Payments to be made hereunder:

(a) During the Restriction Period, Executive shall not Compete with the Company, or any of its affiliated companies, regardless of whether Executive is physically located inside or outside the Restricted Area (e.g., Executive cannot be employed by a Competitor whose place of business is outside the Restricted Area but who actually is engaged in a Restricted Business primarily targeted to Persons located inside the Restricted Area); provided Executive is permitted to own up to one percent (1%) of the outstanding capital stock or other equity interests of any publicly-traded Person that is a Competitor.

(b) Unless approved by the President of the Company in advance, during the Restriction Period, Executive shall not, directly or indirectly, solicit the employment of, assist in the soliciting of the employment of, or hire any employee of the Company or any of its affiliated companies, or induce any Person who is an employee, agent or contractor of the Company to terminate such relationship, or to join with the Executive or any other Person for the purpose of leaving the employ or such other relationship with the Company or any of its affiliated companies and undertaking any form of business. The preceding sentence shall not prevent Executive's employer from hiring any employee of the Company who contacts Executive's employer of his or her own initiative in response to advertisements or other general solicitations of employment from Executive's employer.

(c) During the Restriction Period, Executive shall not, directly or indirectly, solicit Customers for any purpose related to the Restricted Business.

(d) The restrictions set forth in Sections 10(b) and 10(c) shall not apply to general advertising or other general solicitations not intended to target employees or Customers of the Company.

(e) The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the

Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it, *provided*, that nothing in this Agreement prohibits the Executive from reporting possible violations of law to any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of federal, state, or local laws or regulations. In no event shall an asserted violation of the provisions of this Section 10(e) constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

(f) In the event of Executive's actual or threatened breach of this Section 10, the Company shall be entitled to an injunction restraining Executive therefrom, and shall not be deemed to be the exclusive remedy for any such breach, but shall be in addition to all other remedies at law or in equity. Executive agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. If, at the time of enforcement of this Section 10, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

(g) For purposes of this Section 10, the following terms shall have the respective meanings set forth below:

(i) "Compete" means to, directly or indirectly, own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any Competitor, or otherwise directly or indirectly engage in any Restricted Business primarily targeted to the Restricted Area.

(ii) "Competitor" means any Person (other than the Company or its affiliated companies) who undertakes any Restricted Business in the Restricted Area, regardless of whether or not the Competitor is physically located inside or outside the Restricted Area.

(iii) "Customer" means any Person who was a customer of, had a contractual relationship with, or was a prospective customer of the Company or its affiliated companies, at any time within the twenty-four (24) month period ending on the Effective Date.

(iv) "Restricted Area" means an area within a fifty (50) mile radius of any Restricted Business owned as of the Effective Date.

(v) "Restricted Business" shall mean any paid or free distribution newspaper, classified advertising or specialty publication business (including any such publication distributed through the Internet) or commercial printing business that Competes with the Company, or any of its affiliated companies, in the Restricted Area.

(vi) "Restriction Period" means the period commencing on the Effective Date and ending on the date that is the first (1st) anniversary of the Effective Date.

11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution.

(b) This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. Except as provided in Section 11(c), without the prior written consent of the Executive this Agreement shall not be assignable by the Company.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

If to the Company:

Lee Enterprises, Incorporated
201 N. Harrison Street, Ste. 600
Davenport, Iowa 52801-1939
Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(vi) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof, prior to the Effective Date, the Executive's employment may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

(g) Notwithstanding any provision in this Agreement to the contrary, in the event of an Anticipatory Termination, any payments that are deferred compensation within the meaning of Section 409A of the Code that the Company shall be required to pay pursuant to Section 6(a)(i) of this Agreement shall be paid on the date of the Change of Control.

(h) Within the time period permitted by the applicable Treasury Regulations, the Company may, in consultation with the Executive, modify the Agreement, in the least restrictive manner necessary and without any diminution in the value of the payments to the Executive, in order to cause the provisions of the Agreement to comply with the requirements of Section 409A of the Code, so as to avoid the imposition of taxes and penalties on the Executive pursuant to Section 409A of the Code.

(i) Notwithstanding any other provision of this Agreement, if at the time of the Executive's termination of employment, the Executive is a "specified employee," as determined in accordance with Section 409A, any payments and benefits provided under this Agreement that constitute "nonqualified deferred compensation" subject to Section 409A that are provided to the Executive on account of the Executive's separation from service shall not be paid until the first payroll date to occur following the six-month anniversary of the Executive's Date of Termination ("Specified Employee Payment Date"). The aggregate amount of any payments that would otherwise have been made during such six-month period shall be paid in a lump sum on the Specified Employee Payment Date with interest and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule. If the Executive dies before the Specified Employee Payment Date, any delayed payments shall be paid in accordance with Section 6(b).

13. Survivorship. Upon the expiration or other termination of this Agreement or the Executive's employment, the respective rights and obligations of the parties hereto shall survive to the extent necessary to carry out the intentions of the parties under this Agreement.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

LEE ENTERPRISES, INCORPORATED

By: _____
President and Chief Executive Officer

LEE ENTERPRISES, INCORPORATED
AND SUBSIDIARIES
SUBSIDIARIES AND ASSOCIATED COMPANIES

	State of Organization	Percentage of Voting Securities Owned
Lee Enterprises, Incorporated	Delaware	Parent
Lee Publications, Inc.	Delaware	100%
Lee Procurement Solutions Co.	Iowa	100%
Lee Consolidated Holdings Co.	South Dakota	100%
Lee Foundation	Iowa	100%
Accudata, Inc.	Iowa	100%
Amplified Digital, LLC	Delaware	100%
Fairgrove LLC	Delaware	100%
Flagstaff Publishing Co.	Washington	100%
Hanford Sentinel, Inc.	Washington	100%
Journal-Star Printing Co.	Nebraska	100%
K. Falls Basin Publishing, Inc.	Oregon	100%
Napa Valley Publishing Co.	Washington	100%
Pantagraph Publishing Co.	Delaware	100%
Pulitzer Inc.	Delaware	100%
Pulitzer Missouri Newspapers, Inc.	Delaware	100%
Pulitzer Newspapers, Inc.	Delaware	100%
Pulitzer Network Systems LLC	Delaware	100%
Pulitzer Technologies, Inc.	Delaware	100%
Santa Maria Times, Inc.	Nevada	100%
Sioux City Newspapers, Inc.	Iowa	100%
Southwestern Oregon Publishing Co.	Oregon	100%
St. Louis Post-Dispatch LLC	Delaware	100%
STL Distribution Services LLC	Delaware	100%
Star Publishing Company	Arizona	100%
Suburban Journals of Greater St. Louis LLC	Delaware	100%
Ynez Corporation	California	100%
INN Partners, L.C. d/b/a TownNews.com	Iowa	82.5%
Madison Newspapers, Inc. d/b/a Capital Newspapers	Wisconsin	50%
TNI Partners	Arizona	50%

Consent of Independent Registered Public Accounting Firm

The Board of Directors

Lee Enterprises, Incorporated:

We consent to the incorporation by reference in the registration statements (No. 333-06435, No. 333-132768, 333-218355, and No. 333-204985) on Form S-8 and (No. 333-215651, Amendment No. 1 to No. 333-21561, No. 333-197450, and Amendment No. 1 to No. 333-197450) on Form S-3 of Lee Enterprises, Incorporated and subsidiaries of our reports dated December 14, 2018, with respect to the consolidated balance sheets of Lee Enterprises, Incorporated as of September 30, 2018 and September 24, 2017, and the related consolidated statements of income and comprehensive income, stockholders' equity (deficit), and cash flows for the 53-week period ended September 30, 2018 and each of the 52-week periods ended September 24, 2017, and September 25, 2016, and the related notes (collectively, the consolidated financial statements), and the effectiveness of internal control over financial reporting as of September 30, 2018, which reports appear in the September 30, 2018 annual report on Form 10-K of Lee Enterprises, Incorporated.

/s/ KPMG LLP

Chicago, Illinois
December 14, 2018

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned directors of Lee Enterprises, Incorporated, a Delaware corporation (the "Company"), hereby severally constitute and appoint each of Kevin D. Mowbray and Timothy R. Millage, and each of them, to be our true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2018 (and any amendments thereto); granting unto such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that such attorneys-in-fact and agents, or his or her substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

Dated: December 14, 2018

/s/ Kevin D. Mowbray

Kevin D. Mowbray
President and Chief Executive Officer
(Principal Executive Officer)
Director

/s/ Timothy R. Millage

Timothy R. Millage
Vice President, Chief Financial Officer and
Treasurer
(Principal Financial and Accounting Officer)

/s/ Richard R. Cole

Richard R. Cole
Director

/s/ Nancy S. Donovan

Nancy S. Donovan
Director

/s/ Leonard J. Elmore

Leonard J. Elmore
Director

/s/ Mary E. Junck

Mary E. Junck
Director

/s/ Brent Magid

Brent Magid
Director

/s/ William E. Mayer

William E. Mayer
Director

/s/ Herbert W. Moloney III

Herbert W. Moloney III
Director

/s/ Gregory P. Schermer

Gregory P. Schermer
Director

CERTIFICATION

I, Kevin D. Mowbray, certify that:

- 1 I have reviewed this Annual report on Form 10-K ("Annual Report") of Lee Enterprises, Incorporated ("Registrant");
- 2 Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;
- 3 Based on my knowledge, the Consolidated Financial Statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Annual Report;
- 4 The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this Annual Report based on such evaluation; and
 - d) disclosed in this Annual Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an Annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
- 5 The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of Registrant's Board of Directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: December 14, 2018

/s/ Kevin D. Mowbray

Kevin D. Mowbray

President and Chief Executive Officer

CERTIFICATION

I, Timothy R. Millage, certify that:

- 1 I have reviewed this Annual report on Form 10-K ("Annual Report") of Lee Enterprises, Incorporated ("Registrant");
- 2 Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;
- 3 Based on my knowledge, the Consolidated Financial Statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Annual Report;
- 4 The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this Annual Report based on such evaluation; and
 - d) disclosed in this Annual Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an Annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
- 5 The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of Registrant's Board of Directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: December 14, 2018

/s/ Timothy R. Millage

Timothy R. Millage

Vice President, Chief Financial Officer and Treasurer

Exhibit 32

The following statement is being furnished to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Re: Lee Enterprises, Incorporated

Ladies and Gentlemen:

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), each of the undersigned hereby certifies that to our knowledge:

- (i) this Annual report on Form 10-K for the period ended September 30, 2018 ("Annual Report"), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (ii) the information contained in this Annual Report fairly presents, in all material respects, the financial condition and results of operations of Lee Enterprises, Incorporated for the periods presented in the Annual Report.

Date: December 14, 2018

/s/ Kevin D. Mowbray

Kevin D. Mowbray
President and Chief Executive Officer

/s/ Timothy R. Millage

Timothy R. Millage
Vice President, Chief Financial Officer and Treasurer

A signed original of this written statement required by Section 906 has been provided to Lee Enterprises, Incorporated and will be retained by Lee Enterprises, Incorporated and furnished to the Securities and Exchange Commission upon request.