UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

[X] Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For Quarter Ended December 31, 2000

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

A Delaware Corporation I.D. #42-0823980
215 N. Main Street
Davenport, Iowa 52801
Phone: (319) 383-2100

Indicate by a check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Class	Outstanding At December 31, 2000
Common Stock, $2.00 par value	32,996,368
Class "B" Common Stock, $2.00 par value	10,714,920

PART I. FINANCIAL INFORMATION

Item 1.

LEE ENTERPRISES, INCORPORATED

Consolidated Statements of Income
(In Thousands, Except Per Share Data)

	2000	1999
Three Months Ended December 31:	(Unaudited)	
Operating revenue:		
Advertising	$ 77,685	$ 70,133
Circulation	21,173	20,212
Other	17,201	16,052
Equity in net income of associated companies ..	2,566	2,290
	118,625	108,687
Operating expenses:		
Compensation costs	43,525	39,681
Newsprint and ink	11,137	9,013
Depreciation	4,129	3,476
Amortization of intangibles	3,901	3,736
Other	28,284	26,424
	90,976	82,330
Operating income	27,649	26,357

Nonoperating income (expense), net		
Financial income	9,511	1,054
Financial (expense)	(3,164)	(3,385)
Other, net	(405)	18,249
	5,942	15,918
Income from continuing operations before taxes on income	33,591	42,275
Income taxes	12,576	15,879
Income from continuing operations	21,015	26,396
Discontinued operations:		
Income from discontinued operations, net of income tax effect	- -	4,148
Gain on disposition, net of income tax effect	250,887	- -
	250,887	4,148
Net income	$271,902	$ 30,544
Average outstanding shares:		
Basic	43,666	44,165
Diluted	43,961	44,630
Earnings per share:		
Basic :		
Income from continuing operations	$ 0.48	$ 0.60
Income from discontinued operations	5.75	0.09
Net income	$ 6.23	$ 0.69
Diluted:		
Income from continuing operations	$ 0.48	$ 0.59
Income from discontinued operations	5.71	0.09
Net income	$ 6.19	$ 0.68
Dividends per share	$ 0.17	$ 0.16

LEE ENTERPRISES, INCORPORATED

Condensed Consolidated Balance Sheets
(In Thousands)

ASSETS	December 31, 2000	September 30, 2000
	(Unaudited)	
Cash and cash equivalents	$ 98,388	$ 29,427
Temporary cash investments	479,190	- -
Accounts receivable, net	47,675	42,712
Newsprint inventory	3,960	4,280
Other	7,003	7,380
Net assets of discontinued operations	576	167,767
Total current assets	636,792	251,566
Investments	32,420	34,176
Property and equipment, net	126,750	127,356
Intangibles and other assets	331,229	333,135
	$1,127,191	$ 746,233

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 185,437	$ 49,532
Income taxes payable	191,396	7,799
Other	64,850	60,296
Total current liabilities	441,683	117,627
Long-term debt, less current maturities	- -	173,400
Deferred items	29,729	60,039
Stockholders' equity	655,779	395,167
	$1,127,191	$ 746,233

LEE ENTERPRISES, INCORPORATED

Condensed Consolidated Statements of Cash Flows
(In Thousands)

Three Months Ended December 31:	2000	1999
	(Unaudited)	
Cash Provided by Operating Activities:		
Net income	$271,902	$ 30,544
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	8,043	10,191
Gain on sale of properties	(396,329)	(18,249)
Distributions in excess of current earnings of associated companies	2,489	1,786
Other balance sheet changes	146,295	12,750
Net cash provided by operating activities	32,400	37,022
Cash Provided by (Required for) Investing Activities:		
Purchase of property and equipment	(3,821)	(8,981)
Purchase of temporary cash investments	(479,190)	- -
Acquisitions	(3,335)	(3,329)
Proceeds from sale of assets, net	565,264	8,585
Other	(786)	(33)
Net cash provided by (required for) investing activities	78,132	(3,758)
Cash (Required for) Financing Activities:		
Purchase of Lee Common Stock	(4,296)	(3,922)
Payments on short-term notes payable, net	(37,500)	(6,000)
Other	225	261
Net cash (required for) financing activities	(41,571)	(9,661)
Net increase in cash and cash equivalents	68,961	23,603
Cash and cash equivalents:		
Beginning	29,427	10,536
Ending	$ 98,388	$ 34,139

Lee Enterprises, Incorporated

Notes to Unaudited Condensed Consolidated Financial Information

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Note 1. Basis of Presentation

The information furnished reflects all adjustments, consisting of normal recurring accruals, which are, in the opinion of management, necessary to a fair presentation of the financial position as of December 31, 2000 and the results of operations and cash flows for the three months ended December 31, 2000 and 1999.

Note 2. Investment in Associated Companies

The Company has a 50% ownership interest in Madison Newspapers, Inc., a newspaper company which publishes daily, Sunday, and weekly publications in Madison and three other daily newspapers, seven weekly publications, and various other classified publications in Wisconsin, and also holds interests in Internet service ventures. The condensed operating results of Madison Newspapers, Inc. set forth below include the results of operations of three daily newspapers, five weekly publications, and three other classified publications acquired by Madison Newspapers, Inc. on July 1, 2000 from Independent Media Group, Inc.:

	Three Months Ended December 31,	
	2000	1999
	(In Thousands) (Unaudited)	
Revenues	$29,459	$24,063
Operating expenses, except depreciation and amortization	19,651	16,101
Income before depreciation and amortization, interest, and taxes	9,808	7,962
Depreciation and amortization	1,161	715
Operating income	8,647	7,247
Financial income (expense)	(55)	402
Income before income taxes	8,592	7,649
Income taxes	3,460	3,079
Net income	5,132	4,570

Note 3. Cash Flows Information

The components of other balance sheet changes are:

	Three Months Ended December 31,	
	2000	1999
	(In Thousands) (Unaudited)	
(Increase) in receivables	$ (4,949)	$ (6,211)
Decrease in inventories and other	697	1,907
(Decrease) in accounts payable, accrued expenses and unearned income	(3,480)	(3,043)
Increase in income taxes payable	183,597	13,552
Deferred income taxes	(29,665)	- -
Other	95	6,545
	$146,295	$ 12,750

Note 4. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands except per share amounts):

	Three Months Ended December 31, 2000	Three Months Ended December 31, 1999
	(Unaudited) (In Thousands)	
Numerator:		
Income applicable to common shares:		
Income from continuing operations	$ 21,015	$ 26,396
Income from discontinued operations	250,887	4,148
	$271,902	$ 30,544
Denominator:		
Basic, weighted average common shares outstanding	43,666	44,165
Dilutive effect of employee stock options	295	465
Diluted outstanding shares	43,961	44,630
Basic earnings per share:		
Income from continuing operations	$ 0.48	$ 0.60
Income from discontinued operations	5.75	0.09
Net Income	$ 6.23	$ 0.69
Diluted earnings per share:		
Income from continuing operations	$ 0.48	$ 0.59
Income from discontinued operations	5.71	0.09
Net Income	$ 6.19	$ 0.68

Note 5. Gain on Sale of Properties

On October 1, 1999 the Company acquired a daily newspaper and specialty publications in Beatrice, Nebraska and received $9,300,000 of cash in exchange for all the assets used in, and liabilities related to, the publication, marketing, and distribution of two daily newspapers and the related specialty and classified publications in Kewanee, Geneseo, and Aledo, Illinois and Ottumwa, Iowa. In connection with this transaction, the Company recognized a gain on sale of $18,439,000, which is included in other nonoperating income in 1999.

Note 6. Discontinued Operations

On March 1, 2000, the Company decided to discontinue the operations of the Broadcast division. On May 7, 2000 the Company entered into an agreement to sell substantially all of its broadcasting operations, consisting of eight network-affiliated and seven satellite television stations, to Emmis Communications Corporation and closed the transaction on October 1, 2000. The net proceeds of approximately $565,000,000 resulted in an after-tax gain for financial reporting purposes of approximately $251,000,000. The results for the broadcast operations have been classified as discontinued operations for all periods presented in the consolidated statements of income. Under the terms of its senior note agreement, the Company will be required to repay the outstanding balance of $173,400,000 on October 1, 2001 unless the Company reinvests the net proceeds of the broadcast sale or obtains a waiver of that provision of the agreement. Therefore, the $173,400,000 has been classified as a current liability as of December 31, 2000.

On January 18, 2001, the Company entered into an agreement to sell its remaining broadcast property which will complete the Company's exit from television broadcasting. The assets and liabilities of the remaining broadcast property has been classified in the consolidated balance sheet as "net assets of discontinued operations" as of December 31, 2000.

The income from discontinued operations consists of the following:

	Three Months Ended December 31, 2000	Three Months Ended December 31, 1999
	(In Thousands) (Unaudited)	
Income from discontinued operations	$ - -	$ 7,071
Gain on disposition	396,329	- -
Income taxes	145,442	2,923
	$250,887	$ 4,148

The assets and liabilities of the Broadcast division consisted of the following:

	December 31, 2000 (In Thousands) (Unaudited)
Assets:	
Accounts receivable, net	$156
Property and equipment, net	388
Intangibles and other assets	55
	599
Liabilities	23
Net assets of discontinued operations	$576

Note 7. Amortization of Intangibles

Amortization of goodwill was $1,864,000 in 2000 and $1,734,000 in 1999, including approximately $700,000 in each period that is not deductible for income tax purposes.

Note 8. Reclassification

Certain items on the statements of income for the three months ended December 31, 1999 have been reclassified with no effect on net income or earnings per share to be consistent with the classifications adopted for the three months ended December 31, 2000.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Operating results are summarized below:

	Three Months Ended December 31, 2000	1999
	(Dollars In Thousands, Except Per Share Data)	
Operating revenue	$ 118,625	$ 108,687
Percent change	9.1%	2.0%
Income before depreciation, amortization, interest and taxes (EBITDA) *	35,679	33,569
Percent change	6.3%	5.7%
Operating income	27,649	26,357
Percent change	4.9%	5.5%
Non-operating income (expense), net	5,942	15,918
Income from continuing operations	21,015	26,396
Percent change	(20.4)%	91.0%
Earnings per share, continuing operations		
Basic	0.48	0.6
Percent change	(20.0)%	93.6%
Diluted	0.48	0.59
Percent change	(18.6)%	90.3%

* EBITDA is not a financial performance measurement under generally accepted accounting principles (GAAP), and should not be considered in isolation or a substitute for GAAP performance measurements. EBITDA is also not reflected in the consolidated statement of cash flows; but it is a common and meaningful alternative performance measurement for comparison to other companies in the publishing industry. The computation excludes other non-operating items which are primarily the gain on sale of businesses.

Operating revenue consists of the following:

	Three Months Ended December 31, 2000	1999
	(Dollars In Thousands)	
Advertising revenue:		
Retail advertising:		
Retail - "run-of-press"	$ 32,242	$ 30,009
Retail - preprint and other	16,784	13,484
Total retail advertising	49,026	43,493
Percent change	12.7%	(1.3)%
National	3,054	2,224
Percent change	37.3%	13.5%
Classified	24,129	23,120
Percent change	4.4%	4.6%
Other	1,476	1,296
Percent change	13.9%	5.5%
Total advertising	77,685	70,133
Percent change	10.8%	1.1%
Circulation revenue	21,173	20,212
Percent change	4.8%	(3.6)%
Other revenue	17,201	16,052
Percent change	7.2%	15.0%

The following advertising and circulation revenue results are presented exclusive of acquisitions and dispositions.

Retail "run-of-press" advertising is advertising by merchants in the local community which is printed in the newspaper, rather than "preprints", which are printed separately by the Company or others and inserted into the newspaper. Retail revenue increased $819,000, 2.7% in 2000, primarily attributable to increased spending by advertisers which was offset in part by a shift to preprint advertising.

Total revenue realized from retail and national merchants includes preprints, which have lower-priced, higher-volume distribution rates. Preprint revenue increased $1,159,000, 9.5% in 2000.

Classified advertising revenue increased approximately $256,000, 1.1% in 2000. Growth in advertising revenue was principally in the employment and real estate categories partially offset by a decrease in automotive advertising.

In 2000, total advertising revenue increased $3,266,000, 4.7%.

In 2000 circulation revenue increased $48,000, .2% in part due to an additional Sunday in the quarter which has a higher rate, offset by a decline in units.

Other revenue consists of revenue from commercial printing, products and services delivered outside the newspaper (which include activities such as target marketing, special event production, and online services), and editorial service contracts with Madison Newspapers, Inc.

Other revenue by category is as follows:

	Three Months Ended December 31,	
	2000	1999
	(In Thousands)	
Commercial printing	$ 7,157	$ 6,410
New revenue:		
Niche publications	3,432	2,712
Internet/online	1,293	629
Other	3,000	4,005
Total new revenue	7,725	7,346
Editorial service contracts	2,319	2,296
	$17,201	$16,052

In 2000 exclusive of acquisitions and dispositions, other revenue increased $447,000, 3.1%. Commercial printing decreased by $(47,000), (.8%) due to a decline in volume. Niche publications revenue increased $865,000, 33.7% with the introductions of new products. Internet/online revenue increased $313,000, 49.8% due to growth in advertising revenue. Other revenue declined $(707,000), (19.6%) due to a reduction in target marketing and the absence of promotional activities related to the new millennium for which revenues were received in 1999.

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

	Three Months Ended December 31,	
	2000	1999
Revenue	100.0%	100.0%
Compensation costs	37.5	37.3
Newsprint and ink	9.6	8.5
Other operating expenses	24.4	24.8
	71.5	70.6
Income before depreciation, amortization, interest and taxes	28.5	29.4
Depreciation and amortization	6.9	6.8
Operating margin wholly-owned properties	21.6%	22.6%

Exclusive of the effects of acquisitions and dispositions, in 2000 costs other than depreciation and amortization increased $2,908,000, 3.9%. Compensation expense increased $1,273,000, 3.3%, due primarily to an increase in the average compensation rate and increased sales positions. Newsprint and ink costs increased $1,481,000, 17.1%, due primarily to higher prices. Other operating costs exclusive of depreciation and amortization increased $154,000, .6% due to higher prices offset in part by cost controls.

NONOPERATING INCOME AND INCOME TAXES

Interest on deferred compensation agreements for executives and others is offset by financial income earned on the invested funds held in trust. Financial income and interest expense (decreased) by $(130,000) in 2000 as a result of these arrangements. Financial income increased $8,457,000 due primarily to income earned on the invested proceeds from the sale of its broadcast properties.

In 2000, other non-operating income, net consists of losses related to its 6.3% interest in Ad One, LLC, a provider of integrated online classified solutions for the newspaper industry. In 1999, other non-operating income, net consists primarily of a $18,439,000 gain from the sale of publishing properties and losses related to Ad One, LLC.

Income taxes were 37.4% and 37.6% of pre-tax income for the three months ended December 31, 2000 and 1999, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operations, which is the Company's primary source of liquidity, was $32,400,000 for the three months ended December 31, 2000.

The Company anticipates that funds necessary for capital expenditures and other requirements will be available from internally generated funds and the net after-tax proceeds from the sale of its broadcast properties.

Under the terms of its senior note agreement, the Company will be required to repay the outstanding balance of $173,400,000 on October 1, 2001 unless the Company reinvests the net proceeds of the sale of its broadcast properties in operating assets of the Company or obtains a waiver of that provision of the agreement. Other covenants under these agreements are not considered restrictive to normal operations or anticipated stockholder dividends.

SAFE HARBOR STATEMENT

The Private Securities Litigation Reform Act of 1995 provides a "Safe Harbor" for forward-looking statements. This report contains certain information which may be deemed forward-looking that is based largely on the Company's current expectations and is subject to certain risks, trends, and uncertainties that could cause actual results to differ materially from those anticipated. Among such risks, trends, and uncertainties are changes in advertising demand, newsprint prices, interest rates, regulatory rulings, other economic conditions, and the effect of acquisitions, investments, and dispositions on the Company's results of operations or financial condition. The words "believe," "expect," "anticipate," "intends," "plans," "projects," "considers," and similar expressions generally identify forward-looking statements. Readers are cautioned not to place undue reliance on such forward-looking statements, which are as of the date of this report. Further information concerning the Company and its businesses, including factors that potentially could materially affect the Company's financial results, is included in the Company's annual report on Form 10-K. The Company does not undertake to publicly update or revise its forward-looking statements.

LEE ENTERPRISES, INCORPORATED

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits: None

(b) The following report of Form 8-K was filed during the three months ended December 31, 2000.

Date of Report: October 2, 2000

Item 2. The Company announced the completion of the sale of certain of its broadcasting properties to Emmis Communications Corporation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LEE ENTERPRISES, INCORPORATED

/s/ G. C. Wahlig Date January 30, 2001

G.C. Wahlig, Vice President of Finance,
Interim Chief Financial Officer, and
Chief Accounting Officer