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

FORM 8-K

CURRENT REPORT

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

Date of Report: September 5, 2006

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, Davenport, Iowa 52801
(Address of Principal Executive Offices)

(563) 383-2100
Registrant's telephone number, including area code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01. Entry into a Material Definitive Agreement

Asset Purchase Agreements

On September 7, 2006, Lee Enterprises, Incorporated, a Delaware corporation (the "Company"), announced it has entered into definitive agreements to sell its stand-alone publishing and commercial printing operations in the Pacific Northwest.

The Company has entered into the following definitive agreements:

- An Asset Purchase Agreement dated September 6, 2006 by and among the Company, Lee Procurement Solutions Co., an Iowa corporation and an indirect wholly-owned subsidiary of the Company ("Lee Procurement"), and Sound Publishing, Inc., a Washington corporation ("Sound") and an indirect subsidiary of Black Press, Ltd., a British Columbia company, in connection with the sale of the *Little Nickel* and *Nickel Classifieds* and related websites, based in Seattle, Washington and Portland, Oregon and related commercial printing operations, for cash and the assumption of certain liabilities by Sound; and
- An Asset Purchase Agreement dated September 5, 2006 by and among the Company, Lee Procurement, and Target Media Partners Operating Company, LLC, a Delaware limited liability company ("Target Media"), of which Target Media Partners, a Delaware corporation, is the managing member, in connection with the sale of the Company's 19 advertising publications, related websites and a commercial printing operation based in Spokane, Washington, for cash and the assumption of certain liabilities by Target Media.

Each Asset Purchase Agreement with Sound and Target Media provides for customary representations, warranties and covenants by the Company and Lee Procurement and Sound or Target Media, as the case may be, including (i) that the businesses and related assets being sold be operated in the ordinary course of business prior to the consummation of the sales, (ii) that completion of each sale is subject to various conditions, including the absence of a material adverse effect on the business being sold, accuracy of representations and warranties, compliance with covenants and certain other customary conditions, (iii) certain termination rights for both the Company and Lee Procurement and each of Sound and Target Media, as the case may be, and (iv) certain indemnification rights, subject to customary conditions and limitations, in favor of the Company and Lee Procurement or each of Sound and Target Media, as the case may be, for breaches of representations, warranties and covenants by the Company and Lee Procurement or each of Sound and Target Media, as the case may be.

Also, on September 5, 2006, the Company and Lee Procurement consummated the sale of its twice-weekly newspaper, the *Newport News-Times*, based in Newport, Oregon, under the terms of an Asset Purchase Agreement dated September, 1, 2006 with News Media Corporation, as more fully described in the Company's news release furnished as Exhibit 99.1 to this Current Report on Form 8-K attached to this Form 8-K.

Item 8.01. Other Events.

On September 7, 2006, the Company issued a news release announcing that the Company and Lee Procurement and each of Sound and Target Media have entered into definitive agreements for the sale by the Company of certain publications and commercial printing operations to each of Sound and Target Media. Also, the Company's news release announced the consummation of the sale of a twice-weekly newspaper in Oregon and its intention to sell its smallest stand-alone daily newspaper, *The Daily News*, based in Rhinelander, Wisconsin. The full text of the news release is furnished as Exhibit 99.1 to this Current Report on Form 8-K attached to this Form 8-K.

For the last 12 months ended July 2006, the Pacific Northwest properties had revenue totaling \$38,169,000. The sales proceeds, which total approximately \$51 million, result in a multiple of about 5 times operating cash flow of \$10,350,000.

Operating cash flow, which is defined as operating income before depreciation, amortization and equity in net income of associated companies, represents a non-GAAP financial measure. Operating income for the Pacific Northwest properties for last 12 months ended July 2006, which is the most directly comparable financial measure under generally accepted accounting principles, was \$9,284,000 and depreciation and amortization for the period totals \$1,066,000.

The Company believes that operating cash flow is important to analysts and investors in evaluating the impact of the sale of Pacific Northwest properties on the Company's future operating cash flows.

This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(c) *Exhibits*

99.1 News Release issued by Lee Enterprises, Incorporated, dated September 7, 2006

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

Date: September 7, 2006

By: /s/ Carl G. Schmidt

Carl G. Schmidt
Vice President, Chief Financial Officer,
and Treasurer

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by Lee Enterprises, Incorporated dated September 7, 2006.



201 N. Harrison St.
Davenport, IA 52801-1939
www.lee.net

NEWS RELEASE

Lee Enterprises will sell shoppers, other publications and commercial printing operations in Pacific Northwest

DAVENPORT, Iowa (Sept. 7, 2006) — Lee Enterprises, Incorporated (NYSE: LEE), announced today that it is divesting its stand-alone publishing and commercial printing operations in the Pacific Northwest and a twice-weekly newspaper in Oregon. All are located in markets in which Lee does not own daily newspapers.

Lee also announced intentions to sell its smallest stand-alone daily newspaper, *The Daily News*, in Rhinelander, Wis. The newspaper, which was part of Lee's acquisition of Pulitzer Inc. in 2005, has circulation of 3,800 daily and 4,000 Sunday.

The asset sales in the Pacific Northwest involve three buyers and are expected to be completed by early October.

The *Little Nickel* and *Nickel Ads Classifieds*, based in Seattle, Wash., and Portland, Ore., will be acquired by an affiliate of Black Press Ltd., based in Victoria, British Columbia. The publications have combined weekly distribution of more than 375,000 copies. Their online sites are www.littlenickel.com and www.nickelads.com. Black Press Ltd. is a private company that owns and operates 115 newspapers in western Canada, Washington State and Hawaii. Black Press Ltd. is 80 percent owned by the David Black family and 20 percent by Torstar Corporation.

Target Media Partners, a leading advertising publisher and content provider with 30 interactive websites, 43 classified and photo ad papers in 23 states and 12 nationally distributed titles addressing the trucking and closeout industries, will acquire through its affiliate Lee's 19 Eastern Washington publications and commercial printing operation. The purchase includes three websites (www.wheeldeals.com, www.nickelnik.com and www.ewnickels.com) and a commercial printing operation. Publications include *Nickel Nik*, *Nickel Nik's Wheel Deals*, *Nickel Nik's Wheel Deals RV*, *Driveline* and *Home Buyers Guide*, all in Spokane; *Nickel Nik* and *Wheel Deals* in Kennewick; *Nickel Saver* and *Columbia Basin Homes and Real Estate* in Moses Lake; *Nickel Ads* and *NCW Homes* in Wenatchee; and *Buyline Classifieds* in Walla Walla.

In Oregon, the *Newport News-Times*, www.newportnewstimes.com, has been acquired by News Media Corporation. The twice-weekly newspaper has circulation of 8,250 and includes two weekly shoppers, *This Week* and *Coast Classifieds*, and a monthly specialty publication, *Coast on Over*. News Media Corporation, www.newsmediacorporation.com, based in Rochelle, Ill., owns five daily newspapers and 51 weekly newspapers in nine states.

The aggregate price of the Pacific Northwest properties totals approximately \$51 million. Net proceeds will be used to reduce debt as Lee continues to focus on its core daily newspaper and online operations.

Lee will record an aggregate loss after income taxes of about \$6.8 million, or 15 cents per diluted common share. Lee purchased the properties in 1997.

For the last 12 months ended July 2006, the Pacific Northwest properties had revenue of \$38.2 million. Financial results of the businesses to be sold will be moved to discontinued operations for future financial reporting purposes.

Lazard advised Lee in the Pacific Northwest transactions.

Lee will continue to operate three daily newspapers in other locations in Oregon and Washington. They are the *Albany Democrat Herald* and the *Corvallis Gazette-Times* in Oregon and *The Daily News* in Longview, Washington.

Lee Enterprises is a premier publisher of local news, information and advertising in primarily midsize markets. Lee owns 53 daily newspapers and a joint interest in five others, along with rapidly growing online sites and more than 300 weekly and specialty publications in 23 states. Lee's newspapers have circulation of 1.7 million daily and 1.9 million Sunday, reaching more than four million readers daily. Lee's online sites reach more than two million users, and Lee's weekly publications have distribution of more than 4 million households. Lee's markets include Napa, Calif.; Bloomington, Ill.; Billings, Mont.; Madison, Wis.; and St. Louis, Mo. Lee is based in Davenport, Iowa, and its stock is traded on the New York Stock Exchange under the symbol LEE. For more information about Lee Enterprises, please visit www.lee.net.

The Private Securities Litigation Reform Act of 1995 provides a "Safe Harbor" for forward-looking statements. This release contains information that may be deemed forward-looking and 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 other uncertainties are changes in advertising demand, newsprint prices, energy costs, interest rates, labor costs, legislative and regulatory rulings and other results of operations or financial conditions, difficulties in integration of acquired businesses or maintaining employee and customer relationships and increased capital and other costs. The words "may," "will," "would," "could," "believes," "expects," "anticipates," "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 made as of the date of this release. The Company does not publicly undertake to update or revise its forward-looking statements.

Contact: dan.hayes@lee.net, (563) 383-2100