

NEWS RELEASE

## Lee Enterprises plans sale of North County Times

ESCONDIDO, California (September 11, 2012) — Lee Enterprises, Incorporated (NYSE: LEE) has entered into an agreement to sell the *North County Times* newspaper and digital media operations based in Escondido to Manchester Freedom, LLC, an affiliate of MLIM Holdings, owner of *U-T San Diego, U-T TV* and other media interests in Southern California, for \$11,950,000.

The transaction, which is subject to customary closing conditions, is expected to be completed in October.

The North County Times serves north San Diego and southwest Riverside counties with daily and Sunday editions, along with web, mobile and tablet news and advertising at <u>www.nctimes.com</u>. Its printed editions include *The Californian*, serving Temecula. For the 52 weeks ended August 26, 2012, the North County Times had revenue of \$27.6 million and operating cash flow<sup>(1)</sup>, excluding unusual matters, of \$0.8 million. Sales proceeds will be used to reduce debt of Lee.

MLIM Holdings is owned by San Diego entrepreneur and *U-T San Diego* Publisher Douglas Manchester. He said in a statement: "We are excited and honored that the *North County Times* and *Californian* will become a part of our vision is to better serve San Diego and Temecula through a multi-platform strategy."

Mary Junck, Lee chairman and chief executive officer, said: "We welcome Mr. Manchester's stewardship of the *North County Times*. Because of continually changing market conditions, it became increasingly apparent that the *North County Times* would benefit from becoming part of a strong regional operation. While we regret having to say goodbye to so many talented colleagues and friends, we look forward to watching the *North County Times* continue to prosper under the new ownership."

Lee Enterprises is a leading provider of local news and information, and a major platform for advertising, in its markets, with 48 daily newspapers and a joint interest in four others, rapidly growing digital products and nearly 300 specialty publications in 23 states. Lee's newspapers have circulation of 1.3 million daily and 1.6 million Sunday, reaching nearly four million readers in print alone. Lee's websites and mobile and tablet products attracted 22.2 million unique visitors in June 2012. Lee's markets include St. Louis, MO; Lincoln, NE; Madison, WI; Davenport, IA; Billings, MT; Bloomington, IL; and Tucson, AZ. Lee Common Stock is traded on the New York Stock Exchange under the symbol LEE. For more information about Lee, please visit www.lee.net.

(1) Operating cash flow, which is defined as operating income (loss) before depreciation, amortization, impairment charges, curtailment gains and equity in earnings of associated companies, and operating cash flow margin (operating cash flow divided by operating revenue) are non-GAAP financial measures. No non-GAAP financial measure should be considered as a substitute for any related GAAP financial measure. However, the company believes the use of non-GAAP financial measures provides meaningful supplemental information with which to evaluate its financial performance, or assist in forecasting and analyzing future periods. The company also believes such non-GAAP financial measures are alternative indicators of performance used by investors, lenders, rating agencies and financial analysts to estimate the value of a publishing business and its ability to meet debt service requirements. Reconciliations of operating cash flow to operating income (loss), the most directly comparable GAAP measure, are included in Lee's quarterly SEC filings.

FORWARD-LOOKING STATEMENTS — The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forwardlooking statements. This news release 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, comply with or obtain amendments or waivers of the financial covenants contained in our credit facilities, if necessary, and to refinance our debt as it comes due. Other risks and uncertainties include the impact and duration of continuing adverse economic conditions, changes in advertising demand, potential changes in newsprint and other commodity prices, energy costs, interest rates, labor costs, legislative and regulatory rulings, difficulties in achieving planned expense reductions, maintaining employee and customer relationships, increased capital costs, maintaining our listing status on the NYSE, competition and other risks detailed from time to time in our publicly filed documents. Any statements that are not statements of historical fact (including statements containing the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "plan", "project", "consider" 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 release. We do not undertake to publicly update or revise our forward-looking statements.