

LEE ENTERPRISES, INC
Form 10-Q
May 10, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

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

For The Quarterly Period Ended March 31, 2013

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 or other jurisdiction of
incorporation or organization)

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)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

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Yes [] No [X]

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes [X] No []

As of April 30, 2013, 52,296,241 shares of Common Stock of the Registrant were outstanding.

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References to “we”, “our”, “us” and the like throughout this document refer to Lee Enterprises, Incorporated (the "Company"). References to "2013", "2012" and the like refer to the fiscal years ended the last Sunday in September.

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements. This 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, 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 conditions in certain aspects of the economy affecting our business, 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.

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

LEE ENTERPRISES, INCORPORATED
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	March 31 2013	September 30 2012
ASSETS		
Current assets:		
Cash and cash equivalents	22,446	13,920
Accounts receivable, net	61,745	67,925
Income taxes receivable	—	7,887
Inventories	6,798	7,271
Deferred income taxes	789	789
Other	4,868	6,241
Assets of discontinued operations	—	18,305
Total current assets	96,646	122,338
Investments:		
Associated companies	42,194	42,201
Other	10,200	10,033
Total investments	52,394	52,234
Property and equipment:		
Land and improvements	24,634	24,519
Buildings and improvements	188,296	188,048
Equipment	295,514	298,300
Construction in process	4,217	2,369
	512,661	513,236
Less accumulated depreciation	334,510	328,866
Property and equipment, net	178,151	184,370
Goodwill	243,729	243,729
Other intangible assets, net	427,924	447,017
Postretirement assets, net	8,016	7,551
Other	3,962	3,897
Total assets	1,010,822	1,061,136

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

(Thousands of Dollars and Shares, Except Per Share Data)	March 31 2013	September 30 2012	
LIABILITIES AND EQUITY			
Current liabilities:			
Current maturities of long-term debt	9,003	11,982	
Accounts payable	18,772	22,434	
Compensation and other accrued liabilities	37,617	38,509	
Income taxes payable	3,196	—	
Unearned revenue	34,987	34,850	
Liabilities of discontinued operations	—	2,536	
Total current liabilities	103,575	110,311	
Long-term debt, net of current maturities	867,088	914,244	
Pension obligations	67,359	68,636	
Postretirement and postemployment benefit obligations	7,587	7,160	
Deferred income taxes	56,495	60,140	
Income taxes payable	6,132	6,062	
Other	7,475	8,639	
Total liabilities	1,115,711	1,175,192	
Equity (deficit):			
Stockholders' equity (deficit):			
Serial convertible preferred stock, no par value; authorized 500 shares; none issued	—	—	
Common Stock, \$0.01 par value; authorized 120,000 shares; issued and outstanding:	523	523	
March 31, 2013; 52,296 shares;			
September 30, 2012; 52,291 shares			
Class B Common Stock, \$2 par value; authorized 30,000 shares; none issued	—	—	
Additional paid-in capital	241,778	241,039	
Accumulated deficit	(334,185)	(342,760))
Accumulated other comprehensive loss	(13,621)	(13,435))
Total stockholders' deficit	(105,505)	(114,633))
Non-controlling interests	616	577	
Total deficit	(104,889)	(114,056))