

Morris Publishing Group LLC

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MORRIS PUBLISHING ANNOUNCES 2003 FOURTH QUARTER AND YEAR END RESULTS

AUGUSTA, Ga. (March 29, 2004) — Morris Publishing Group LLC, today reported fourth quarter operating revenues of \$115.4 million versus \$114.4 million in the fourth quarter of 2002.

Compared with last year, total advertising revenue was up 1.4% for the fourth quarter and up 1.7% year to date. On a year-to-date basis, all three categories of advertising revenue – classified, retail and national – continue to be above prior year levels. Classified advertising had the strongest growth with classified revenue up 3.0% for the fourth quarter and up 3.3% year to date. On a year to date basis, all three categories of advertising continue to be above prior year levels. Retail advertising was up 0.8% for the fourth quarter and up 0.6 % year to date. National advertising revenue was down 0.8% for the fourth quarter and up 1.3% year to date. Circulation revenue was flat for the fourth quarter and down 0.5% year to date compared with the same periods last year.

"Our fourth quarter advertising revenues were up 9.4% from the previous quarter, slightly better than we expected," said William S. Morris IV, CEO and president of Morris Publishing Group. "Our year-over-year revenue growth was 1.2%, not what we originally anticipated, but considering the economic climate, I am pleased. This quarter was a critical one for our shared services initiative as this was the final push to get some components of our technology platform implemented, which we accomplished. Our consolidated purchasing efforts are beginning to pay off also."

EBITDA (net income before net interest expense, including amortization of debt issuance costs, provision for income taxes, depreciation and amortization expense) for the December 2003 fiscal quarter was \$24.9 million. For the year ended December 31, 2003, EBITDA was \$100.0 million adjusted for the non-cash write-off of deferred loan costs of \$6.0 million. These results represented lower EBITDA than the previous periods. Total operating expenses were up year over year by 4.1%. Management fees resulting from the continued build-out of shared services increased 1.7% for the year. The remaining increase can be attributed to increased costs of salaries and wages and rising health care costs.

Looking forward to 2004, we are assuming that our revenues will be up in the 3 % to 4 % range and that will yield an EBITDA growth of a similar percentage.

Certain statements contained in this report are forward-looking. They are based on management's current knowledge of factors affecting Morris Publishing Group's business. Actual results could differ materially from those currently anticipated, depending upon – but not limited to – the effects of interest rates, of national and

local economies on revenue, of the evolution of the Internet, of unforeseen changes in the price of newsprint and other significant events that could affect the economy.

The Company believes that EBITDA, a non-GAAP financial measure, is a useful metric for evaluating its financial performance because of its focus on the Company's results from operations before depreciation and amortization. EBITDA is a common alternative measure of performance used by investors, financial analysts and rating agencies. These groups use EBITDA, along with other measures, to estimate the value of a company and evaluate a company's ability to meet its debt service. Information concerning EBITDA is included in the exhibits to this release.

Morris Publishing Group LLC is a wholly owned subsidiary of Morris Communications Company LLC, a privately held media company based in Augusta, Ga. Morris Publishing was formed in 2001 and assumed the operations of the newspaper business segment of its parent, Morris Communications. Morris Publishing publishes 26 daily, 12 nondaily and 23 free community newspapers in the United States.

A conference call will be held Monday, March 29, 2004, at 10:00 a.m. Eastern Daylight Time. The dial-in number is 800-314-7867. Please ask for the Morris Publishing Group conference call. This press release and our fourth quarter report are available on our Web site www.morris.com. The contents of the call will be available for replay for 30 days at the following site entry link:
<https://cis.premconf.com/sc/scw.dll/usr?cid=vlllrwlsrxnvrzxsc>

Fourth Quarter information follows:

Morris Publishing Group, LLC
Statement of Income
For the Quarter and Year Ended December 31, 2003

Condensed combined statements of income

(Dollars in thousands)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2003	2002	2003	2002
	OPERATING REVENUES:			
Advertising.....	\$ 92,847	\$ 91,543	\$ 348,736	\$ 342,976
Circulation.....	18,013	18,009	71,518	71,906
Other.....	4,564	4,838	18,093	18,480
Total operating revenue.....	<u>115,424</u>	<u>114,390</u>	<u>438,347</u>	<u>433,362</u>
OPERATING EXPENSES:				
Labor and employee benefits.....	44,857	43,723	172,221	162,540
Newsprint, ink and supplements.....	12,992	12,561	50,608	48,815
Other operating costs (excluding depreciation and amortization).....	32,780	32,805	115,408	110,059
Depreciation and amortization*.....	4,023	4,591	15,065	18,129
Total operating expenses.....	<u>94,652</u>	<u>93,680</u>	<u>353,302</u>	<u>339,543</u>
Operating income.....	<u>20,772</u>	<u>20,710</u>	<u>85,045</u>	<u>93,819</u>
OTHER EXPENSE:				
Interest expense, including amortization of debt issuance costs.....	7,924	5,706	26,088	25,056
Loss on extinguishment of debt.....	-----	-----	5,957	-----
Other, net.....	(230)	50	(58)	187
Total other expense.....	<u>7,694</u>	<u>5,756</u>	<u>31,987</u>	<u>25,243</u>
INCOME BEFORE INCOME TAXES.....	13,078	14,954	53,058	68,576
PROVISION FOR INCOME TAXES.....	5,373	6,038	20,773	26,897
NET INCOME.....	<u>\$ 7,705</u>	<u>\$ 8,916</u>	<u>\$ 32,285</u>	<u>\$ 41,679</u>

*Subject to review and adjustment.

The following table reconciles net income to EBITDA:

(Dollars in thousands)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2003	2002	2003	2002
	NET INCOME.....	\$ 7,705	\$ 8,916	\$ 32,285
Add;				
Interest expense, including amortization of debt issuance costs.....	7,924	5,706	26,088	25,056
Interest income.....	(99)	(5)	(122)	(21)
Provision for income taxes.....	5,373	6,038	20,773	26,897
Depreciation and amortization.....	4,023	4,591	15,065	18,129
EBITDA.....	<u>\$ 24,926</u>	<u>\$ 25,246</u>	<u>\$ 94,089</u>	<u>\$ 111,740</u>

