



Morris Publishing Group, LLC

P.O. BOX 936 • AUGUSTA, GA 30903-0936

www.morris.com

MORRIS PUBLISHING ANNOUNCES 2005 THIRD QUARTER RESULTS

AUGUSTA, Ga. (November 9, 2005) — Morris Publishing Group, LLC today reported third quarter operating income of \$18.5 million, down \$0.9 million, or 4.8%, from \$19.4 million for the same period in 2004. Net income for the quarter was \$8.5 million, up \$1.3 million from \$7.2 million in the prior year.

Total operating revenue for the third quarter was \$113.8 million, up 0.7% from \$112.9 million in the same quarter 2004, with advertising revenue of \$92.3 million, up 1.2%, and circulation revenue of \$17.6 million, up 1.1%. Classified revenue was up 8.4%, while national and retail advertising revenues were down 19.7% and 1.3%, respectively.

For the third quarter, total operating cost was \$95.3 million, up 1.9% from \$93.5 million last year, with employee cost of \$44.8 million, down 0.1%, newsprint, ink and supplement cost of \$13.9 million, up 4.4%, and other operating cost of \$31.1 million, up 3.7%. Depreciation and amortization expense was \$5.4 million, up 2.5% from the same period last year.

Commenting on the results, William S. Morris IV, Morris Publishing Group's chief executive officer and president, said, "The overall advertising market continues to be soft with September being off more than we anticipated. Continuing this year's trend, our revenue growth has been driven by strong classified real estate and employment advertising revenue performances. While the startups of our new *Skirt!* magazines and *Bluffton Today* daily have been significant revenue contributors, these publications remain investments, currently reducing our bottom line. The continued increase in the price of newsprint is and will continue to be a challenge."

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.

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 owns and operates 28 daily and 13 nondaily newspapers, five city magazines and numerous other free community publications in the Southeast, Midwest, Southwest and Alaska.

A conference call will be held Wednesday, November 9, 2005, at 10:00 a.m. Eastern Standard Time. The dial-in number is 1-800-500-0177. Please ask for the Morris Publishing Group conference call. This press release is 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=vlllrmlmzcnvwsnxc>

For further information, please contact:
 Craig Mitchell
 Senior Vice President of Finance
 Morris Communications Company, LLC
 706-823-3236

Third quarter results are as follows:

Morris Publishing Group, LLC
Condensed Consolidated Statements of Income

| (Dollars in thousands) | Three months ended | | Nine months ended | |
|--|-----------------------|-----------------|----------------------|------------------|
| | September 30, | | September 30, | |
| | 2005 | 2004 | 2005 | 2004 |
| NET OPERATING REVENUES: | | | | |
| Advertising | \$ 92,349 | \$ 91,211 | \$ 278,814 | \$ 269,608 |
| Circulation | 17,551 | 17,351 | 53,074 | 52,650 |
| Other | 3,871 | 4,365 | 12,212 | 13,569 |
| Total net operating revenue | <u>113,771</u> | <u>112,927</u> | <u>344,100</u> | <u>335,827</u> |
| OPERATING EXPENSES: | | | | |
| Labor and employee benefits | 44,790 | 44,848 | 134,109 | 133,384 |
| Newsprint, ink and supplements | 13,938 | 13,354 | 42,387 | 39,888 |
| Other operating costs (excluding depreciation and amortization) | 31,145 | 30,024 | 95,872 | 89,222 |
| Depreciation and amortization | 5,427 | 5,292 | 16,504 | 15,600 |
| Total operating expenses | <u>95,300</u> | <u>93,518</u> | <u>288,872</u> | <u>278,094</u> |
| Operating income | <u>18,471</u> | <u>19,409</u> | <u>55,228</u> | <u>57,733</u> |
| OTHER EXPENSE (INCOME): | | | | |
| Interest expense, including amortization of debt issuance costs | 9,075 | 8,166 | 26,457 | 23,986 |
| Interest income | 604 | (458) | (48) | (964) |
| Other, net | (5,336) | (195) | (5,316) | 441 |
| Total other expense, net | <u>4,343</u> | <u>7,513</u> | <u>21,093</u> | <u>23,463</u> |
| INCOME BEFORE INCOME TAXES | <u>14,128</u> | <u>11,896</u> | <u>34,135</u> | <u>34,270</u> |
| PROVISION FOR INCOME TAXES | <u>5,591</u> | <u>4,664</u> | <u>13,514</u> | <u>13,502</u> |
| NET INCOME | <u>\$ 8,537</u> | <u>\$ 7,232</u> | <u>\$ 20,621</u> | <u>\$ 20,768</u> |