UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2007

or

☐ **Transition Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934**

For the transition period from______ to

Commission File Number: 333-112246

Morris Publishing Group, LLC
Morris Publishing Finance Co.*
(Exact name of Registrants as specified in their charters)

Georgia **Georgia** **(State of organization)**	**58-1445060** **20-0183044** **(I.R.S. Employer Identification Numbers)**
725 Broad Street Augusta, Georgia **(Address of principal executive offices)**	**30901** **(Zip Code)**

(706) 724-0851
(Registrants' Telephone number)

Indicate by check mark whether the Registrants (1) have 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) have been subject to such filing requirements for the past 90 days.

Yes ☐ **No** ☒

Indicate by check mark whether the Registrants are large accelerated filers, accelerated filers, or non-accelerated filers. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. Check one:

Large Accelerated Filer ¨ **Accelerated Filer** ¨ **Non-Accelerated Filer** ☒

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

Yes ☐ **No** ☒

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

Yes ☒ **No** ☐

* Morris Publishing Finance Co. meets the conditions set forth in General Instruction H (1) (a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format.

MORRIS PUBLISHING GROUP, LLC
MORRIS PUBLISHING FINANCE CO.
QUARTERLY REPORT
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2007

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Morris Publishing Group, LLC is a wholly owned subsidiary of Morris Communications Company, LLC, a privately held media company. Morris Publishing Finance Co., a wholly owned subsidiary of Morris Publishing Group, LLC, was incorporated in 2003 for the sole purpose of serving as a co-issuer of our senior subordinated notes in order to facilitate the offering. Morris Publishing Finance Co. does not have any operations or assets of any kind and will not have any revenues. In this report, "Morris Publishing," "we," "us" and "our" refer to Morris Publishing Group, LLC and its subsidiaries. "Morris Communications" refers to Morris Communications Company, LLC.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements. These statements relate to future periods and include statements regarding our anticipated performance. You may find discussions containing such forward-looking statements in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of this report.

Generally, the words "anticipates," "believes," "expects," "intends," "estimates," "projects," "plans" and similar expressions identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements or industry results, to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that these statements are based upon reasonable assumptions, we can give no assurance that these statements will be realized. Given these uncertainties, prospective investors are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are made as of the date of this report. We assume no obligation to update or revise them or provide reasons why actual results may differ. Important factors that could cause our actual results to differ materially from our expectations include, without limitation:

§ increases in financing, labor, health care and/or other costs, including costs of raw materials, such as newsprint;

§ general economic or business conditions, either nationally, regionally or in the individual markets in which we conduct business (and, in particular, the Jacksonville, Florida market), may deteriorate and have an adverse impact on our advertising or circulation revenues or on our business strategy;

§ other risks and uncertainties.

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PART I

ITEM 1. FINANCIAL STATEMENTS

Morris Publishing Group, LLC

Unaudited condensed consolidated balance sheets

(Dollars in thousands)	**June 30, 2007**	**December 31, 2006**
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 7,764	$ 6,964
Accounts receivable, net of allowance for doubtful accounts of $2,887 and $2,625 at June 30, 2007 and December 31, 2006 , respectively	49,225	58,236
Inventories	5,730	4,030
Deferred income taxes, net	2,119	2,248
Prepaid and other current assets	1,661	1,065
Total current assets	66,499	72,543
NET PROPERTY AND EQUIPMENT	142,850	144,117
OTHER ASSETS:		
Goodwill	188,394	188,394
Intangible assets, net of accumulated amortization of $6,206 and $63,961at June 30, 2007 and December 31, 2006, respectively	9,895	12,267
Deferred loan costs and other assets, net of accumulated amortization of loan costs of $5,465 and $4,669 at June 30, 2007 and December 31, 2006, respectively	10,883	11,522
Total other assets	209,172	212,183
Total assets	$ 418,521	$ 428,843
LIABILITIES AND MEMBER'S DEFICIENCY IN ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 8,844	$ 10,399
Current maturities of long-term debt	6,563	2,188
Accrued interest	9,437	9,427
Due to Morris Communications	1,739	1,326
Deferred revenues	18,610	16,649
Accrued employee costs	11,740	12,916
Other accrued liabilities	2,644	1,556
Total current liabilities	59,577	54,461
LONG-TERM DEBT, less current portion	515,438	521,813
DEFERRED INCOME TAXES, less current portion	16,817	18,406
POSTRETIREMENT BENEFITS DUE TO MORRIS COMMUNICATIONS	26,554	25,948
OTHER LONG-TERM LIABILITIES	3,942	3,750
Total liabilities	622,328	624,378
COMMITMENTS AND CONTINGENCIES (NOTE 6)		
MEMBER'S DEFICIENCY IN ASSETS		
Member's deficit	(206,645)	(172,382)
Loan payable to (receivable from) Morris Communications, net	2,838	(23,153)
Total member's deficiency in assets	(203,807)	(195,535)
Total liabilities and member's deficiency in assets	$ 418,521	$ 428,843

See notes to consolidated financial statements.

Morris Publishing Group, LLC

Unaudited condensed consolidated statements of income

(Dollars in thousands)	Three months ended June 30, 2007	Three months ended June 30, 2006	Six months ended June 30, 2007	Six months ended June 30, 2006
NET OPERATING REVENUES:				
Advertising	$ 91,993	$ 98,988	$ 178,763	$ 191,361
Circulation	16,976	17,259	33,801	34,803
Other	3,966	4,018	8,063	8,027
Total net operating revenue	112,935	120,265	220,627	234,191
OPERATING EXPENSES:				
Labor and employee benefits	45,192	43,400	90,194	87,432
Newsprint, ink and supplements	11,886	14,925	24,841	29,689
Other operating costs (excluding depreciation and amortization)	33,229	32,019	66,925	64,027
Depreciation and amortization expense	4,960	5,193	10,282	10,474
Total operating expenses	95,267	95,537	192,242	191,622
Operating income	17,668	24,728	28,385	42,569
OTHER EXPENSES (INCOME):				
Interest expense, including amortization of debt issuance costs	9,437	9,171	18,756	18,171
Interest income	(1)	(1)	(4)	(68)
Other, net	(48)	(46)	(92)	(57)
Total other expenses, net	9,388	9,124	18,660	18,046
INCOME BEFORE INCOME TAXES	8,280	15,604	9,725	24,523
PROVISION FOR INCOME TAXES	3,333	5,883	3,990	9,465
NET INCOME	$ 4,947	$ 9,721	$ 5,735	$ 15,058

See notes to condensed consolidated financial statements.

Morris Publishing Group, LLC

Unaudited condensed consolidated statements of cash flows

(Dollars in thousands)	**Six months ended June 30, 2007**	**2006**
OPERATING ACTIVITIES:		
Net income	$ 5,735	$ 15,058
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	10,282	10,474
Deferred income taxes	(1,460)	(1,167)
Amortization of debt issuance costs	797	810
Loss (gain) on sale and disposal of fixed assets, net	17	(17)
Changes in assets and liabilities, net of effects of businesses acquired:		
Accounts receivable	9,011	3,823
Inventories	(1,700)	258
Prepaids and other current assets	(595)	(328)
Other assets	(158)	(181)
Accounts payable	(1,555)	(1,446)
Accrued employee costs	(1,176)	(712)
Accrued interest	10	19
Due to Morris Communications	413	1,537
Deferred revenues and other liabilities	3,050	1,437
Postretirement obligations due to Morris Communications	606	845
Other long-term liabilities	187	114
Net cash provided by operating activities	23,464	30,524
INVESTING ACTIVITIES:		
Capital expenditures	(6,712)	(2,365)
Restricted cash released from escrow	-	6,780
Net proceeds from sale of property and equipment	130	99
Acquisitions of businesses	(75)	-
Net cash (used in) provided by investing activities	(6,657)	4,514
FINANCING ACTIVITIES:		
Proceeds from revolving credit facility	26,000	34,000
Repayments on revolving credit facility	(28,000)	(37,000)
Advances on loan receivable from Morris Communications	(14,007)	(20,850)
Net cash used in financing activities	(16,007)	(23,850)
NET INCREASE IN CASH AND CASH EQUIVALENTS	800	11,188
CASH AND CASH EQUIVALENTS, beginning of period	6,964	12,458
CASH AND CASH EQUIVALENTS, end of period	$ 7,764	$ 23,646
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	$ 17,949	$ 17,343
Income taxes paid to Morris Communications	5,505	10,632
Accrued capital expenditures	-	22
Dividends applied against loan receivable from Morris Communications	40,000	15,000

See notes to consolidated financial statements.

MORRIS PUBLISHING GROUP, LLC
Notes to condensed consolidated financial statements (unaudited)
(Dollars in thousands)

1. Basis of Presentation and Change in Significant Accounting Policies

Basis of presentation– The accompanying condensed consolidated financial statements furnished herein reflect all adjustments, which in the opinion of management, are necessary for the fair presentation of the Company's financial position and results of operations. All such adjustments are of a normal recurring nature. Results of operations for the three and six month interim periods in 2007 are not necessarily indicative of results expected for the full year. While certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted, the Company believes that the disclosures herein are adequate to keep the information presented from being misleading. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto for the year ended December 31, 2006. The accounting policies that are employed are the same as those shown in Note 1 to the consolidated financial statements as of December 31, 2006 and 2005 and for each of three years ended December 31, 2006.

2. Transactions with Morris Communications

Management fee– The Company was charged with a management fee by Morris Communications in an amount equal to 4% of the total net operating revenue, as defined in the management agreement. These management fees totaled $4,497 and $4,770 for the three months ended June 30, 2007 and 2006, respectively, and $8,831 and $9,368 for the six months ended June 30, 2007 and 2006, respectively. This expense compensates Morris Communications for corporate services and costs incurred on behalf of the Company, including executive, legal, secretarial, tax, internal audit, risk management, employee benefit administration, airplane usage and other support services. The Company has recorded this management fee within other operating costs in the accompanying financial statements.

Technology and shared services fee– The Company was charged with a technology and shared services fee from Morris Communications, as defined in the management agreement. This fee is based upon the lesser of 2.5% of total net operating revenue of the Company or the actual technology costs applicable to the Company based upon usage. The technology and shared services fees paid to Morris Communications, which was based upon 2.5% of the total net operating revenue of the Company, totaled $2,810 and $2,973 for the three months ended June 30, 2007 and 2006, respectively, and $5,519 and $5,854 for the six months ended June 30, 2007 and 2006, respectively. The Company has recorded this management fee within other operating costs in the accompanying financial statements.

Employees' 401(k) plan– The Company participates in Morris Communications' 401(k) plan. Under this plan, contributions by employees to the 401(k) plan are matched (up to 5% of pay) by Morris Communications. Expenses were allocated to the Company based on specific identification of employer matching contributions of $1,056 and $1,077 for the three months ended June 30, 2007 and 2006, respectively, and $2,148 and $2,160 for the six months ended June 30, 2007 and 2006, respectively.

Retiree health care benefits– The Company participates in Morris Communications' retiree health care plan, which provides certain health care benefits for eligible retired employees and their dependents. The plan requires the Company to be separately liable for its portion of the postretirement health benefit obligation. Accordingly, the Company and Morris Communications have completed a formal actuarial valuation of the postretirement obligation for the Company as of and for the year ended December 31, 2006.

Under Morris Communications' plan, full-time employees who were hired before January 1, 1992 and retire after ten years of service are eligible for these benefits. Full-time employees hired on or after January 1, 1992 must have 25 years of service to be eligible. Generally, this plan pays a percentage of most medical expenses (reduced for any deductible) after payments made by government programs and other group coverage. This plan is unfunded. Lifetime benefits under the plan are limited to $100 per employee. Expenses related to this plan have been allocated to the Company based on total headcount. The expenses allocated to the Company, and the related contributions recorded were $303 and $423 for the three months ended June 30, 2007 and 2006, respectively, and $606 and $845 for the six months ended June 30, 2007 and 2006, respectively.

The Company was also allocated its portion of the postretirement health benefit obligation. The amounts allocated to the Company, based on total headcount were $26,554 and $25,948 as of June 30, 2007 and December 31, 2006, respectively.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 provided a federal subsidy which began in 2006 to postretirement medical plans that provide prescription drug benefits to retirees. The subsidy provides plan sponsors 28% of individual retirees' annual prescription drug costs (in dollars) between $250 and $5,000 for retirees who are eligible for but opt out of Medicare Part D Prescription coverage.

This subsidy, when integrated with current claim costs, had the effect of decreasing liabilities and costs reported under the current accounting guidance for plans that were at least actuarially equivalent to the Medicare Part D benefit. The Company has reflected the effect of this subsidy in the accompanying financial statements.

The following is an estimate of the Company's net periodic benefit cost for all of 2007:

	2007
Service cost	$ 514
Interest cost	1,409
Net periodic benefit cost	1,923
Less: employee contributions	(711)
Estimated net benefit expense	$ 1,212

Health and Disability Plan– The Company has participated in Morris Communications' health and disability plan for active employees. Accordingly, Morris Communications has allocated to the Company certain expenses associated with the payment of current obligations and the estimated amounts incurred but not yet reported. The expense allocated to the Company based on the total headcount, was $4,013 and $2,863 for the three months ended June 30, 2007 and 2006, respectively, and $7,648 and $6,032 for the six months ended June 30, 2007 and 2006, respectively.

The Company was also allocated its portion of the health and disability obligation. The amounts allocated to the Company, based on total headcount, were $2,484 and $2,076 as of June 30, 2007 and December 31, 2006, respectively. The Company has recorded this liability within accrued employee costs in the accompanying financial statements.

Workers' Compensation Expense– The Company has participated in Morris Communications' workers' compensation self-insurance plan. Accordingly, Morris Communications has allocated to the Company certain expenses associated with the payment of current obligations and the estimated amounts incurred but not yet reported. The expenses allocated to the Company, based on a percentage of total salaries expense, were $829 and $770 for the three months ended June 30, 2007 and 2006, respectively, and $1,601 and $1,539 for the six months ended June 30, 2007 and 2006, respectively.

Loan receivable from Morris Communications– Under the Company's indenture related to the senior subordinated notes, the Company is permitted to loan up to $40 million at any one time to Morris Communications or any of its wholly owned subsidiaries outside the Publishing Group, solely for purposes of funding its working capital, capital expenditures and acquisition requirements. The Company is also permitted to invest in or lend an additional $20 million at any one time outstanding to Morris Communications or any other Person(s), as defined in the debt indenture.

The interest-bearing portion of all loans from the Company to Morris Communications bear the same rate as the borrowings under the Credit Agreement (for the three month period ended June 30, 2007, this rate was LIBOR (adjusted to the nearest 1/16th) + 1.00%). The Company distinguishes between intercompany transactions incurred in the ordinary course of business and settled on a monthly basis (which do not bear interest) and those of a more long-term nature that are subject to an interest accrual. Interest is accrued on the average outstanding long-term balance each month.

Given the historical practice of Morris Publishing and Morris Communications settling a significant portion of the outstanding loan receivable balance with a dividend, this arrangement is considered in substance a capital distribution transaction and is classified as contra-equity within member's deficit. In addition, interest accrued on this loan receivable is reported as contra-equity within member's deficiency in assets for the periods presented.

The Company has classified the outstanding $(2,838) and $23,153 loan (payable)/receivable balances, net of the $4,838 and $3,579 in accumulated interest accrued on these receivables, as of June 30, 2007 and December 31, 2006, respectively, as part of member's deficiency in assets.

During the three month periods ended June 30, 2007 and 2006, the Company reported the $716 and $476, respectively, in accrued loan receivable interest as contra-equity. The average interest rate for the three month periods ended June 30, 2007 and 2006 was 6.2917% and 6.0417%, respectively, on average loan receivable balances of $44,979 and $32,484, respectively.

During the six month periods ended June 30, 2007 and 2006, the Company reported the $1,259 and $1,011, respectively, in accrued loan receivable interest as contra-equity. The average interest rate for the six month periods ended June 30, 2007 and 2006 was 6.2708% and 5.8125%, respectively, on average loan receivable balances of $38,853 and $34,624, respectively.

Restricted payments– The Company is permitted under its debt arrangement to make restricted payments, which includes dividends and loans to affiliates in excess of the permitted limits described above, up to the sum of (1) 100% of the Company's cumulative consolidated income before interest, taxes, depreciation and amortization ("Consolidated EBITDA", as defined in the indenture) earned subsequent to the debt's August 2003 issue date less (2) 140% of the consolidated interest expense of the Company for such period.

On June 30, 2007 and March 31, 2006, the Company declared and recorded dividends of $40 million and $15 million, respectively, to Morris Communications, in effect, reducing the loan receivable from Morris Communications by the dividend amounts. At June 30, 2007, the Company had approximately $70.5 million available for future restricted payments under the credit indenture.

Restricted cash released from escrow– Cash held in escrow was comprised of proceeds from the 2005 sale of the Company's former Savannah newspaper facility which the Company elected to be deposited into an escrow account in order to potentially fund other acquisitions by the Company or Parent through a tax-deferred Section 1031 exchange. The Parent acquired $5,280 in qualified replacement property during the first quarter of 2006 with the reductions in the restricted escrow account being offset by an increase in loan receivable from Morris Communications. The remaining $1,500 in escrow became unrestricted to the Company on the March 27, 2006 expiration date for the tax-deferred exchange.

3. Recently Issued Accounting Standards

The Company will be required to adopt the Financial Accounting Standards Board's ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 157, *"Fair Value Measurements"* ("SFAS 157") for the fiscal year beginning January 1, 2008. SFAS 157 provides a single definition of fair value and a hierarchical framework for measuring it, as well as establishing additional disclosure requirements about the use of fair value to measure assets and liabilities. The Company is in the process of evaluating the impact of SFAS 157 on its results of operations and financial position.

In February 2007 FASB issued SFAS No. 159, *"The Fair Value Option for Financial Assets and Liabilities"* ("SFAS 159"). SFAS 159 provides the option to report certain financial assets and liabilities at fair value, with the intent to mitigate volatility in financial reporting that can occur when related assets and liabilities are recorded on different bases and is effective for fiscal years beginning after November 15, 2007. The Company is in the process of evaluating the impact of SFAS 159, if elected, on its results of operations and financial position.

In September 2006, the FASB issued SFAS No. 158, *"Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans"* ("SFAS No. 158"), an amendment of FASB Statements No. 87, 88, 106 and 132(R). SFAS No. 158 requires the recognition of the funded status of a retiree health plan in the statement of financial position, requires that changes in the funded status be recognized through comprehensive income, changes the measurement date for defined benefit plan assets and obligations to the entity's fiscal year-end and expands disclosures. The recognition and disclosures under SFAS No. 158 are required as of the end of the fiscal year ending after June 15, 2007, while the new measurement date is effective for fiscal years ending after December 15, 2008. SFAS No. 158 requires that previously disclosed but unrecognized gains/losses, prior service costs, and transition obligations of a retiree health plan be recognized at adoption of SFAS No. 158 as a component of shareholder's equity in accumulated other comprehensive income, net of applicable income taxes.

The measurement date for the Company's retiree health plan obligations is currently the Company's fiscal year-end so a change in measurement date is not needed. Had SFAS No. 158 been adopted at December 31, 2006, the Company's accumulated other comprehensive income would have decreased by $1,016, in effect, increasing the member's deficit by $1,016.

In July 2006, the FASB issued Interpretation No. 48, *"Accounting for Uncertainty in Income Taxes"* ("FIN No. 48"), effective for fiscal years beginning after December 15, 2006. Under FIN No. 48, companies are required to make explicit disclosures about uncertainties in their income tax positions, including a detailed roll forward of tax benefits taken that do not qualify for financial statement recognition. Under FIN No. 48, the recognition of a tax benefit would only occur when it is "more-likely-than-not" that the position would be sustained in a dispute with the taxing authority in the "court of last resort." The adoption of FIN No. 48 had no impact on the Company.

4. Long-Term Debt

At June 30, 2007 and December 31, 2006, total debt was $522 million and $524 million, respectively, with $47 million and $49 million outstanding on the $175 million revolving credit facility, respectively.

At June 30, 2007, the interest rate on the Tranche A term loan outstanding was 6.375% and the weighted average interest rate on the revolver was 6.375%. The average interest rate on the debt outstanding was approximately 6.734% and 6.679% at June 30, 2007 and December 31, 2006, respectively. The commitment fee on the unborrowed funds available under the revolver was 0.375% at June 30, 2007 and December 31, 2006.

On July 3, 2007, the Company, as borrower, entered into an Amendment No. 1 under the Credit Agreement dated as of December 14, 2005 (the "Credit Agreement"). The Credit Agreement contains financial covenants requiring the Company to meet certain financial tests on an on-going basis, including minimum interest coverage ratio, minimum fixed charge coverage ratio, and maximum cash flow ratios, based upon consolidated financial results of Morris Communications and substantially all of its subsidiaries (including the Company). The amendment relaxes these financial tests for an 18 month period from and including June 30, 2007 through but excluding December 31, 2008.

Without either an improvement in the Morris Communications consolidated financial results in 2008 or a reduction of the Company's indebtedness, the Company is at risk of failing to meet one or more of the financial covenants as of December 31, 2008, in which event the Company would be unable to borrow on the revolver and may be required to prepay the entire principal due under the Credit Agreement. The Company intends to carefully monitor the consolidated financial results and to take any necessary steps to avoid default, which steps may include (i) further amendments or refinancing of the Credit Agreement, which could increase the Company's cost of capital, or (ii) the sale or transfer of a portion of the assets within the Morris Communications consolidated group to third parties or to affiliates with the sales proceeds being used to reduce the Company's indebtedness.

At June 30, 2007, the Company could borrow and use for general corporate purposes approximately $85 million under the Company's most restrictive covenants which were from the senior bank credit facility and the Company was in compliance with all covenants under its debt arrangements.

5. Goodwill and Other Intangible Assets

Goodwill is the excess of cost over fair market value of tangible net assets acquired. Goodwill is not presently amortized but tested for impairment annually or when the facts or circumstances at any of the Company's reporting units indicate a possible impairment of goodwill as a result of a continual decline in performance or as a result of fundamental changes in a market in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets".

Other intangible assets acquired consist primarily of mastheads and licenses on various acquired properties, customer lists, as well as other assets. Other intangible assets acquired (mastheads and domain names) which have indefinite lives and are not currently amortized, are tested for impairment annually or when facts or circumstances indicate a possible impairment of the intangible assets as a result of a continual decline in performance or as a result of fundamental changes in a market.

Certain other intangible assets acquired (subscriber lists, non-compete agreements and other assets) are amortized over their estimated useful lives (from 5 to 20 years).

During December 2006, the Company performed the required impairment tests of goodwill and the indefinite-lived intangible assets, which resulted in no impairments.

Amortization expense of other intangible assets totaled $1,040 and $1,391 for the three months ended June 30, 2007 and 2006, respectively, and $2,452 and $2,781 for the six months ended June 30, 2007 and 2006, respectively.

The remaining expense for the last six months of 2007 and for the four succeeding years for the existing definite-lived intangible assets is as follows:

Debt Maturities		
2007		11,500
2008		16,500
2009		16,500
Thereafter		497,500
Total	$	542,000

Changes in the carrying amounts of goodwill and other intangible assets of the Company for the six months ended June 30, 2007 were as follows:

	Goodwill	Other intangible assets
Balance at December 31, 2006	$ 188,394	$ 12,267
Additions	-	80
Amortization expense	-	(2,452)
Balance at June 30, 2007	$ 188,394	$ 9,895

Other finite-lived and indefinite-lived intangible assets at June 30, 2007 and December 31, 2006 were as follows:

	Cost	Accumulated amortization	Net cost
June 30, 2007:			
Finite-lived intangible assets			
Subscriber lists*	$ 10,372	$ 5,272	$ 5,100
Non-compete agreements and other assets	61	43	18
Total finite-lived intangible assets	10,433	5,315	5,118
Indefinite-lived intangible assets			
Newspaper mastheads	4,656		4,656
Domain names	121		121
Total Indefinite-lived intangible assets	4,777		4,777
Total other intangible assets	$ 15,210	$ 5,315	$ 9,895
** Eliminated $60,207 in fully amortized assets*			
December 31, 2006:			
Finite-lived intangible assets			
Subscriber lists	$ 70,579	$ 63,033	$ 7,546
Non-compete agreements and other assets	61	37	24
Total finite-lived intangible assets	70,640	63,070	7,570
Indefinite-lived intangible assets			
Newspaper mastheads	4,656		4,656
Domain names	41		41
Total Indefinite-lived intangible assets	4,697		4,697
Total other intangible assets	$ 75,337	$ 63,070	$ 12,267

6. Commitments and Contingencies

The Company and its subsidiaries are parties to several claims and lawsuits arising in the course of their normal business activities. Although the ultimate outcome of these suits cannot be ascertained at this time, it is the opinion of management that these matters, when resolved, will not have a material effect on the Company’s condensed consolidated financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our unaudited condensed consolidated financial statements as of and for the three and six month periods ended June 30, 2007 and 2006 and with our consolidated financial statements for the year ended December 31, 2006 filed on Form 10-K.

Overview

Morris Publishing owns and operates 27 daily newspapers as well as nondaily newspapers, city magazines and free community publications in the Southeast, Midwest, Southwest and Alaska.

While most of our revenue is generated from advertising and circulation from our newspaper operations, we also print and distribute periodical publications and operate commercial printing operations in conjunction with our newspapers. In addition, our newspaper operations generate revenues from both print and online media formats.

Linage, rate and mix of advertisement are the primary components of advertising revenue. The advertising rate depends largely on our market reach, primarily through circulation, online page views and market penetration. The number of copies sold and the amount charged to our customers are the primary components of circulation revenue. Our other revenue consists primarily of commercial printing and other online revenue.

During the first six months of 2007, advertising and circulation revenue represented 81.0% and 15.3%, respectively, of our total net operating revenue. Our advertising revenue consisted of 51.7% in retail, 5.9% in national and 42.4% in classified. Online advertising revenue, included in all advertising categories above, represented 10.4% of our total six month 2007 advertising revenue, up from 7.9% from last year.

Employee and newsprint costs are the primary costs at each newspaper. Our operating performance is affected by newsprint prices, which historically have fluctuated. Newsprint costs have represented 10 - 15% of total operating expenses. Historically, newsprint has been subject to significant price fluctuations from year to year, unrelated in many cases to general economic trends. Supply and demand has typically controlled pricing. We believe that current and future sources of newsprint will be sufficient to meet our current and anticipated requirements.

We continue to see overall declines in circulation at our newspapers which is consistent with the industry as a whole. We continue to focus on circulation retention efforts through lengthened subscriptions periods, new payment methods, and increased service levels.

In addition, we view our industry's currently changing landscape as a great opportunity, with many of our current strategic initiatives embracing these changes to continue to move us forward. While we continue to focus on our core business, we are aggressively pursuing innovation as the key to move our newspapers into a portfolio-model business with a wide variety of products focusing on meeting the changing needs of our core newspaper consumers and customers in all of our markets and helping us to remain the informational leaders in the communities we serve.

Critical accounting policies and estimates

Critical accounting policies are those that are most significant to the portrayal of our financial position and results of operations and require difficult, subjective and complex judgments by management in order to make estimates about the effect of matters that are inherently uncertain. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts in our condensed consolidated financial statements. We evaluate our estimates on an on-going basis, including those related to our allowances for bad debts, asset impairments, post-retirement benefits, self-insurance and casualty, management fees, income taxes and commitments and contingencies. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Although actual results have historically been reasonably consistent with management's expectations, the actual results may differ from these estimates or our estimates may be affected by different assumptions or conditions.

We believe there have been no significant changes during the quarter ended June 30, 2007 to the items that we disclosed as our critical accounting policies and estimates herein and in the Management's Discussion and Analysis of Financial Condition and Results of Operations in our annual report dated December 31, 2006 filed with the Securities and Exchange Commission on Form 10-K.

Information availability

Our quarterly reports on Form 10-Q, annual reports on Form 10-K, current reports on Form 8-K and all amendments to those reports are available free of charge on our Web site, morris.com , as soon as feasible after such reports are electronically filed with or furnished to the Securities and Exchange Commission. In addition, information regarding corporate governance at Morris Publishing and our parent, Morris Communications, is also available on our Web site. The information on our Web site is not incorporated by reference into, or as part of, this Report on Form 10-Q.

Financial summary for the three months ended June 30, 2007 compared to June 30, 2006

Compared to the second quarter last year, operating income was $17.7 million, down $7.0 million, or 28.5%, with total operating revenue of $112.9 million, down $7.3 million, or 6.1%, and total operating costs of $95.3 million, down $0.3 million, or 0.3%.

During the second quarter of 2007, advertising and circulation revenue represented 81.5% and 15.0%, respectively, of our total net operating revenue. Our advertising revenue consisted of 52.3% in retail, 5.2% in national and 42.5% in classified.

Advertising revenue for the quarter was $92.0 million, a decrease of $7.0 million, or 7.1%, from last year, with retail, national and classified advertising revenue down 1.1%, 26.8% and 10.7%, respectively.

Since the second quarter of last year, we have acquired or introduced several non-daily publications in five of our existing markets to better serve changing reader and advertising needs. Excluding the $1.0 million in advertising revenue from these publications, our total advertising revenue was down $8.0 million, or 8.1%, with retail and classified advertising down 2.7% and 11.3%, respectively.

In addition, our second quarter results continue to reflect the industry's shift from print and insert advertising to online advertising. Compared to the second quarter last year, print advertising was $61.4 million, down $9.0 million, or 12.8%, and insert advertising was $17.5 million, down $0.1 million, or 0.6%.

Online advertising revenue, included in all advertising categories above, was $9.8 million, up $1.8 million, or 22.6%, due to the strength in the classified employment and retail advertising categories. Online advertising revenue represented 10.6% of our total second quarter 2007 advertising revenue, up from 8.0% last year, with total page views, a key measure of interest in our Web sites, up 11.3% and traffic from new visitors up 25.3%.

Our second quarter advertising results also exhibit that from time to time, each individual newspaper may perform better or worse than our newspaper group as a whole due to certain local or regional conditions. The material variances in the advertising categories listed above and at each newspaper are discussed in more detail herein and in our results of operations summary, which follows.

The cyclical downturn in the Florida real estate market has adversely impacted not only the classified real estate category, but also many of our other advertising categories dependent on the housing industry. During the second quarter of 2007, our Florida daily newspapers, which account for approximately 33.0% of our total advertising revenue, contributed 99.9% of our net decline in total advertising revenue. We expect the downtown our Florida markets to continue into the third quarter of this year.

Advertising revenue in Jacksonville, our largest newspaper, was down $6.6 million, or 19.7%, with a steep decline in all of the print and insert categories. For comparison purposes, revenue from our Jacksonville newspaper and the nine newly independent Jacksonville *Sun* weeklies, herein, are combined for both periods presented.

As for our other Florida newspapers, Winter Haven was down $0.3 million, or 24.5%, primarily due to the weakness in the retail print and classified print categories, and St. Augustine was down $0.1 million, or 5.1%, with declines in all print and insert categories.

In Savannah, our newspaper's advertising revenue was down $0.5 million or 6.9%, with weakness in all print and insert categories. The gains from telecommunications and real estate were offset by the declines from banks, groceries, and employment.

Our Athens newspaper's advertising revenue was down $0.4 million, or 10.4%, with a strong decline in the classified print and retail print categories. The majority of the declines were from the hospital, auto, banking, employment, and real estate sectors.

In addition, advertising revenue from our Lubbock and Amarillo newspapers was down 1.6% and 1.2%, respectively, or, together, down $0.2 million, due to declines in the national print category. The decline in the national category was from the movie sector and last year's non-recurring Medicare insurance advertising.

Topeka was down $0.1 million, or 1.1%, due to weakness in the retail print and classified print categories, offset somewhat by the strength in the retail inserts and all of the online categories.

Augusta's advertising revenue was up $0.2 million, or 2.1%, with the strength in the retail online and classified online categories offset somewhat by a significant decline in the national print category. The strength from the department store, wireless, electronics and home improvement sectors, were offset by declines in the employment, auto and legal sectors.

Advertising revenue for *Bluffton Today*, our free distribution daily newspaper, was up $0.2 million, or 20.5%, with significant gains in the retail specialty publications produced and distributed by Bluffton, but not a part of the main newspaper.

Total combined advertising revenue from our other 17 daily newspapers was flat with the prior year, with the declines in Kenai, Brainerd, Hannibal, Holland, Independence and Shawnee offset by gains in Conway, Ardmore, Pittsburg, Newton, Grand Island, Juneau and Dodge City.

Advertising revenue from all of our non-daily publications, excluding the Jacksonville Sun weeklies, was up $0.8 million, or 12.9%, due to the acquisition or introduction since the second quarter of last year of publications in five of our existing markets. These publications include the Barnwell (S.C.), Sylvania (Ga.), Hampton County (S.C.), Edgefield (S.C.), North Augusta (S.C.), Richmond Hill (Ga.), and Effingham (Ga.) newspapers, and the Athens' (Ga.) *County Publications*, Lubbock's (Tex.) *Frenship Today* and St. Augustine's (Fla.) *Eco Latino* publications. Excluding these publications, advertising revenue from our non-dailies was down $0.2 million, or 4.1%.

During the second quarter of 2007, circulation revenue was $17.0 million, down $0.3 million, or 1.6%, from the same period last year, with the decline in Jacksonville contributing all of the decrease.

Other income was $4.0 million, down slightly less than $0.1 million, or 1.3%, with decreases in commercial printing revenue and other online revenue.

Total labor and employee benefit costs were up $1.8 million, or 4.1%, newsprint, ink and supplements costs were down $3.0 million, or 20.4%, and other operating costs, excluding depreciation and amortization, were up $1.2 million, or 3.8%. Depreciation and amortization expense was down $0.3 million, or 4.5%.

Excluding the $1.1 million in total operating costs from our recently introduced or acquired publications, total operating costs were down $1.4 million, or 1.5%, with labor and employee benefit costs up 2.6%, newsprint, ink and supplements costs down 20.9%, and other operating costs, excluding depreciation and amortization, up 2.6%.

Interest and loan amortization expense increased by $0.3 million, or 2.9%, due to short-term interest rate increases.

On June 30, 2007, we declared and recorded a $40 million dividend to Morris Communications, in effect, offsetting the loan receivable from Morris Communications by the dividend amounts.

Our effective tax rate was 40.3% for the second quarter of 2007, compared to 37.7% for the same quarter last year.

Net income for the second quarter of 2007 was $4.9 million, down $4.8 million from $9.7 million during the same period last year.

Current initiatives and subsequent events

Enhancing our Web sites to complement our daily newspapers

The rollout of *Yahoo! HotJobs* is now complete at all of our daily newspapers' Web sites.

Yahoo!'s "Search Services" has been launched at our Lubbock newspaper, allowing the newspaper's Web site users to search the internet using *Yahoo!'s* "Web Search". In addition, *Yahoo!*'s "Content Matched Ads" are now on all of Lubbock's Web content pages and *Yahoo!'s* " Sponsored Search Ads" (text ads based on keywords) are on all of Lubbock's search results pages, with Lubbock's users having access to *Yahoo!* advertisers, both locally and nationally. In August, Lubbock began sharing in the revenue generated from these ads, soon to be followed by our remaining daily newspapers' Web sites.

Our Augusta newspaper is currently in the test cross-selling phase of the implementation of *Yahoo!'s*"Graphical Ads Platform". This platform, upon its full implementation in the fourth quarter of 2008, will give *Yahoo!* and each newspaper consortium member the opportunity to cross-sell each other's online ad inventory pursuant to specific sales rules. *Yahoo!* will become the sole provider of the ad serving technology for each member newspaper's Web sites, with each local newspaper Web site exclusively and solely utilizing *Yahoo!* to sell, reserve and display graphical ads. *Yahoo!* and each member newspaper will have complete control over their own ad inventory (including the right to set pricing for that inventory).

As the implementation of the various *Yahoo!* technologies at our daily newspaper's Web sites continues, we view our affiliation in the newspaper consortium with *Yahoo!* as a very strategic move from both a revenue and growth in audience perspective.

Growing advertising revenue

- *Skirt!* magazines

  Since our 2003 acquisition of the original Charleston magazine, we have expanded *Skirt!* and now circulate the magazine in eight southeastern markets. *Skirt!* is a free monthly magazine for women which feature eye-catching graphics and layout, with essays and articles designed to attract women, a major consumer segment.
  Morris currently owns and publishes the magazines in six Southeastern markets and has licensed it in two other Southeastern markets.

  During July of 2007, we entered into agreements to license *Skirt!* magazine for the Memphis, Boston, Houston and Richmond markets and are currently pursuing opportunities in other markets.

  Each licensing agreement provides us with a one time licensing fee, plus periodic royalty fees, based on a percentage of advertising revenues. We believe that these licensing arrangements will facilitate the magazine's expansion, in turn attracting more national advertising exposure and sales.

- Jacksonville's *Sun* publications

  Since the end of 2006, Jacksonville transitioned its geographically-zoned *Sun* publications to nine individual products created for separate communities within the larger market area. The *Sun's* content and format was enhanced and the publications are now published up to three times a week. Web sites were created for many of these publications, on which, we anticipated that much of the content will be reader provided.

  The intent was to provide a marketplace for the smaller local advertiser; however, gains from this new strategy have been slower developing than anticipated, with the aggregate Sun's total advertising revenue down slightly from last year.

  While the aggregate *Sun's* retail advertising revenue results mirrored the performance of our Jacksonville newspaper, the aggregate *Sun's* classified advertising revenue results were well ahead of the second quarter last year. While the addition of a Sunday edition and ad rate increases contributed most of the aggregate *Sun's* classified gains, many real estate and automotive classified advertisers increased advertising in the *Sun* community markets where they do business, versus not spending at all for the Jacksonville market as a whole.

Focusing on cost control.

In Savannah, we have reviewed how we produce and distribute our products, and have made several changes to improve and reduce costs.

In Jacksonville, leveraging what we learned in Savannah, we have identified similar areas for improvement in its product distribution. We have also initiated a process to outsource ad building to an alternate site.

Additionally, upon reviewing our distribution route structures, we have identified less profitable routes that will either be combined with other Morris owned newspapers or eliminated altogether.

We expect the cost savings from these efforts to materialize in the fourth quarter; ramping up to full scale the first of next year.

Centralizing operations to support multiple publications.

In addition, Jacksonville's "retention telemarketing services" and "subscriber services" are being relocated to the Morris Customer Call Center in Augusta. This will reduce circulation costs by leveraging the Shared Services Center's current programs that have been performing these duties for our other newspapers.

Results of operations for the three months ended June 30, 2007 compared to June 30, 2006

Net operating revenue. The table below presents the total net operating revenue and related statistics for the three month periods ended June 30, 2007 and 2006:

(Dollars in thousands)	Three months ended June 30,		Percentage change
	2007	2006	2007 vs. 2006
Net operating revenues			
Advertising			
Retail	$ 48,132	$ 48,664	(1.1%)
National	4,815	6,575	(26.8%)
Classified	39,046	43,749	(10.7%)
Total advertising revenues	91,993	98,988	(7.1%)
Circulation	16,976	17,259	(1.6%)
Other	3,966	4,018	(1.3%)
Total net operating revenues	$ 112,935	$ 120,265	(6.1%)

Retail advertising revenue:

Retail advertising revenue was $48.1 million, down $0.5 million, or 1.1%, from the same period last year.

Insert retail revenue was $15.9 million, flat with the second quarter last year; while print retail advertising revenue was $26.5 million, down $1.6 million, or 5.7%. Retail advertising revenue from specialty products printed by us, but not a part of main newspaper product, was $3.1 million, up $0.3 million, or 10.8%. Retail online revenue was $2.7 million, up $0.8 million, or 41.1%, from the second quarter last year.

Our Jacksonville newspaper's retail advertising revenue was down $1.0 million, or 8.3%, due to the unfavorable comparisons with last year and the declines from retailers dependent on the housing industry. During the second quarter of 2006, Jacksonville was up $1.1 million, or 9.8%, from the prior year, due to the strength from home improvement, department and discount stores and a major retailer's grand opening.

As for our other Florida newspapers, Winter Haven was down $0.2 million, or 26.1%, and St. Augustine was down $0.1 million, or 5.9%, with the gains in the local retail sector offset by losses in major department stores and national retail sectors.

In Savannah, our newspaper's retail advertising revenue was down $0.1 million, or 2.6%; with the losses from the banking, grocery and home improvement sectors offset somewhat by the gains in the telecommunications sector.

In addition, retail advertising revenue from our Lubbock, Athens and Amarillo newspapers was down 0.6%, 4.3% and 1.4%, respectively, or, together, down $0.2 million. Topeka was up slightly from the prior year.

Bluffton's retail advertising revenue was up $0.1 million, or 33.3%, with strength in the specialty publications and print categories.

Augusta was up $0.2 million, or 3.3%, with strength in the online category.

Total retail advertising revenue from our other 17 daily newspapers was flat with last year, with the solid gain in Juneau offset by the declines in Kenai and Independence.

Excluding the $0.8 million in retail advertising revenue from our recently acquired or introduced publications, retail advertising for the non-daily publications was down $0.2 million, or 3.2%.

Classified advertising revenue:

Classified advertising revenue was $39.0 million, down $4.7 million, or 10.7%, from the same period last year.

Online classified advertising revenue was $6.8 million, up $0.9 million, or 15.2%, with most of the increase driven by the employment category. During the second quarter of 2007, classified print advertising revenue was $31.7 million, down $5.5 million, or 14.8%, and classified insert advertising revenue was $0.3 million, down $0.1 million, or 27.0%.

Our Jacksonville newspaper's classified advertising revenue was down $4.6 million, or 26.5%, with large declines in the employment and real estate print category.

As for our other Florida newspapers, St. Augustine was down $0.1 million, or 4.6%, and Winter Haven was down $0.1 million, or 22.2%, primarily from the employment category.

The real estate and employment classified advertising in our Florida markets, which have had large gains during the last several years, have declined to the 2004 to 2005 levels.

In Savannah, our newspaper's classified advertising revenue was down $0.4 million, or 10.0%; all from the auto and employment print category. Savannah's print real estate category was up $0.2 million, or 25.2%.

Bluffton's classified advertising revenue was up less than $0.1 million, or 10.6%.
In addition, classified advertising revenue from our Athens and Topeka newspapers was down 16.9% and 3.0%, respectively, or, together, down $0.4 million, with declines in all print categories.

Augusta, Amarillo and Lubbock were up 3.8%, 2.2% and 3.5%, respectively, or, together, up $0.3 million from the second quarter last year, with all gains from the online categories.

Total classified advertising revenue from our other 17 daily newspapers was up $0.3 million, or 5.1%, with strength in Conway and Independence.

Excluding the $0.3 million in classified advertising revenue from our recently acquired or introduced publications, classified advertising for the non-daily publications was down $0.1 million, or 6.7%.

National advertising revenue:

Total national advertising revenue was $4.8 million, down $1.8 million, or 26.8%, from the second quarter last year, with Jacksonville contributing 50% of the decline.

Jacksonville down $0.9 million, or 24.7%, due to consolidations in the wireless industry and the termination of large programs by an insurance company and a HVAC manufacturer.

Lubbock and Amarillo were down 49.7% and 46.8%, respectively, or, together, down $0.3 million, primarily due to non-recurring Medicare advertising in the prior year.

Savannah was down $0.1 million, or 20.8%, due to a decline in the auto sector. Augusta was down $0.2 million, or 22.7%.

Juneau was down $0.2 million, or 67.0%, due to the non-recurring environmental lobbying advertising last year.

Circulation revenue:

Circulation revenue was $17.0 million, down $0.3 million, or 1.6%, from the same period last year.

Jacksonville was down $0.3 million, or 5.8% and Amarillo was down $0.1 million, or 6.3%. Savannah was up $0.1 million, or 4.7%., benefiting from route conversions.

Circulation revenue from our non-daily publications acquired or introduced since the second quarter of last year was $0.1 million.

Other revenue:

Other revenue was $3.9 million, down $0.1 million, or 1.3%, from the same period last year. Other revenue from our non-daily publications acquired or introduced since the second quarter of last year was $0.1 million.

Including all publications, commercial printing revenue was $2.4 million, down $0.1 million, or 5.6%. Other online revenue was $0.2 million, down $0.2 million, or 48.4%. Other miscellaneous operating revenues were $1.4 million, up $0.3 million, or 22.8%.

Net operating expense. The table below presents the total operating expenses and related statistics for the newspaper operations for the three month periods ended June 30, 2007 and 2006:

(Dollars in thousands)	Three months ended June 30,		Percentage change
	2007	2006	2007 vs. 2006
Operating expenses			
Labor and employee benefits	$ 45,192	$ 43,400	4.1%
Newsprint, ink and supplements	11,886	14,925	(20.4%)
Other operating costs	33,229	32,019	3.8%
Depreciation and amortization	4,960	5,193	(4.5%)
Total operating expenses	$ 95,267	$ 95,537	(0.3%)

Labor and employee benefits:

Salaries and wages were $31.2 million, up $0.8 million, or 2.6%, primarily due to a 3.3% average pay increase, employee severance payments, offset by a 1.2% decrease in average FTE’s (or full time equivalent employees). Jacksonville’s average FTE’s were down 4.1%.

Excluding the employees from our recently acquired or introduced publications, our total salaries and wages were up $0.3 million, or 1.0%, with our total average FTE’s for the quarter down by 3.1%.

Commissions and bonuses were $5.9 million, down $0.1 million, or 2.0%, from the same period last year, due to the decrease in advertising sales.

Employee medical insurance cost was $4.0 million, up $1.1 million, or 40.1%, due to the increase in claims experience and a slight increase in plan participants.

Compared to the second quarter last year, postretirement benefit cost was $0.3 million, down $0.1 million, or 28.4%.

Newsprint, ink and supplements cost:

During the second quarter of 2007, newsprint, ink and supplements cost was $11.9 million, down $3.0 million, or 20.4%.

Compared to the second quarter of 2006, total newsprint expense was $10.2 million, down $2.4 million, or 19.1%, due to the 5.2% decrease in newsprint consumption and the 14.9% decrease in the average cost per tonne of newsprint.

Ink expense decreased 3.0% to $0.7 million due to a decrease in volume, and supplements expense decreased 38.4% to $1.0 million, due to a switch from purchasing our Sunday comics to printing them in house.

Other operating costs:

Excluding the $0.4 million in other operating costs from our publications either acquired or introduced since the second quarter of last year, total other operating costs, excluding depreciation and amortization, were $32.8 million, up $0.8 million, or 2.6%.

The combined technology and shared services fee and management fee charged by our parent under the management agreement totaled $7.3 million for the second quarter, down $0.4 million, or 5.6%, from the second quarter last year, due to the decrease in total operating revenues.

Financial summary for the six months ended June 30, 2007 compared to June 30, 2006

Compared to the first six months last year, operating income was $28.4 million, down $14.2 million, or 33.3%, with total operating revenue of $220.6 million, down $13.6 million, or 5.8%, and total operating costs of $192.2 million, up $0.6 million, or 0.3%.

Advertising revenue for the first six months was $178.8 million, a decrease of $12.6 million, or 6.6%, from last year. Retail, national and classified advertising revenue were down 2.2%, 13.7%, and 10.4%, respectively.

Since the second quarter of last year, we have acquired or introduced several non-daily publications in five of our existing markets to better serve changing reader and advertising needs. Excluding the $1.9 million in advertising revenue from these publications, our total advertising revenue was down $14.5 million, or 7.6%, with retail and classified advertising down 3.7% and 11.0%, respectively.

Compared to the first six months last year, print advertising was $120.3 million, down $16.0 million, or 11.8%, and insert advertising was $32.7 million, down $0.9 million, or 2.7%.

Online advertising revenue, included in all advertising categories above, was $18.6 million, up $3.6 million, or 23.6%, due to the strength in the classified employment and retail advertising categories. Compared to the first six months of last year, total page views, a key measure of interest in our Web sites, were up 12.5%; with traffic from new visitors up 25.3%.

Our total advertising revenue results continued to be impacted by the weak advertising environment in Florida and poor performances from Savannah, Athens and some of our other daily newspapers and non-daily publications. In response to these challenges, we are continuing to look at every part of our business, identifying and implementing initiatives to further reduce our cost of operations. In addition, we are reviewing additional revenue opportunities in each of our metro markets, focusing on achieving very specific targets to increase revenue.

During the first six months of 2007, our Florida daily newspapers, which account for approximately 34% our total advertising revenue, contributed 92.0% of our net decline in total advertising revenue.

Advertising revenue in Jacksonville, our largest newspaper, was down $10.9 million, or 16.7%, with a decline in all categories.

As for our other Florida newspapers, Winter Haven was down $0.7 million, or 29.0%, due to the decline in the retail category, and St. Augustine was down $0.2 million, or 4.3%, due to weakness in the retail print and the classified employment print categories.

In Savannah, our newspaper's advertising revenue was down $1.2 million, or 8.2%, with weakness in the retail and classified auto and employment categories.

Our Athens newspaper's advertising revenue was down $0.6 million, or 9.2%, with significant losses in the retail and classified categories.

In addition, advertising revenue from our Lubbock and Amarillo newspapers was down 1.5% and 2.7%, respectively, or, together, down $0.5 million, due to the weakness in the national and retail categories. Topeka was down $0.1 million, or 1.5%, with weakness in all categories.

Augusta's advertising revenue was up $0.2 million, or 1.4%, with the strength in the retail online and classified employment online categories.

Advertising revenue for *Bluffton Today*, our free distribution daily newspaper, was up $0.2 million, or 13.4%, with significant gains in the retail specialty publications printed by Bluffton, but not a part of the main newspaper.

Total combined advertising revenue from our other 17 daily newspapers was down $0.2 million, or 0.7%, with the gains in Ardmore offset by the declines in Independence and Holland.

Advertising revenue from all of our non-daily publications, excluding the Jacksonville *Sun* weeklies, was up $1.5 million, or 12.9%, primarily due to the acquisition or introduction since the second quarter of last year of publications in five of our existing markets. Excluding our recently acquired or introduced publications, advertising revenue from our non-dailies was down $0.4 million, or 3.4%.

During the first six months of 2007, circulation revenue was $33.8 million, down $1.0 million, or 2.9%, from the same period last year, with the decline in Jacksonville contributing $0.8 million of the net decrease.

Other income was $8.1 million, up less than $0.1 million, or 0.4%.

Total labor and employee benefit costs were up $2.8 million, or 3.2%, newsprint, ink and supplements costs were down $4.8 million, or 16.3%, and other operating costs, excluding depreciation and amortization, were up $2.9 million, or 4.5%. Depreciation and amortization expense was down $0.2 million, or 1.8%, from the same period last year.

Excluding the $2.2 million in total operating costs from our recently introduced or acquired publications, total operating costs were down $1.6 million, or 0.8%, with labor and employee benefit costs up 1.7%, newsprint, ink and supplements costs down 16.9%, and other operating costs, excluding depreciation and amortization, up 3.3%.

Interest and loan amortization expense increased by $0.6 million, or 3.2%, due to short-term interest rate increases.

On June 30, 2007 and March 31, 2006, we declared and recorded $40 million and $15 million in dividends, respectively, to Morris Communications, in effect, reducing the loan receivable from Morris Communications by the dividend amounts.

Our effective tax rate was 41.2% for the first six months of 2007, compared to 38.6% for the same period last year.

Net income for the first six months of 2007 was $5.7 million, down $9.4 million from $15.1 million during the same period last year.

Results of operations for the six months ended June 30, 2007 compared to June 30, 2006

*Net operating revenue.*The table below presents the total net operating revenue and related statistics for the six month periods ended June 30, 2007 and 2006:

(Dollars in thousands)	Six months ended June 30,		Percentage change
	2007	2006	2007 vs. 2006
Net operating revenues			
Advertising			
Retail	$ 92,383	$ 94,462	(2.2%)
National	10,609	12,291	(13.7%)
Classified	75,771	84,608	(10.4%)
Total advertising revenues	178,763	191,361	(6.6%)
Circulation	33,801	34,803	(2.9%)
Other	8,063	8,027	0.4%
Total net operating revenues	$ 220,627	$ 234,191	(5.8%)

Retail advertising revenue:

Retail advertising revenue was $92.4 million, down $2.1 million, or 2.2%, from the first six months last year.

Insert retail revenue was $29.5 million, down $0.5 million, or 1.6%; while retail print advertising revenue was $51.2 million, down $3.9 million, or 7.1%, from the same period last year. Retail advertising revenue from specialty products printed by us, but not a part of main newspaper product, was $6.6 million, up $0.8 million, or 12.8%.

Retail online revenue was $5.1 million, up $1.6 million, or 44.8%, from the first six months last year.

Our Jacksonville newspaper's retail advertising revenue was down $1.6 million, or 7.0%, with declines in the print, insert and online categories.

As for our other Florida newspapers, Winter Haven was down $0.5 million, or 35.3%, primarily due to the decline in the insert category, and St. Augustine was down $0.1 million, or 5.3%, with a decline in the print category.

In Savannah, our newspaper's retail advertising revenue was down $0.4 million, or 6.4%; with gains in the retail online category offset by the declines in the print and insert categories.

Athens' retail advertising revenue was down $0.1 million, or 3.7%.

In addition, retail advertising revenue from our Lubbock, Amarillo and Topeka newspapers was down 0.4%, 2.4% and 2.0%, respectively, or, together, down $0.3 million. Augusta's retail advertising was flat with last year.

Bluffton Today, our free distribution daily newspaper, was up $0.2 million, or 19.8%, with gains in the retail specialty products category.

Total retail advertising revenue from our other 17 daily newspapers was down $0.1 million, or 0.7%, with the solid gains in Juneau, Ardmore and Newton offset by the declines in Grand Island, Independence and Holland.

Excluding the $1.4 million in retail advertising revenue from our recently acquired or introduced publications, retail advertising for the non-daily publications was down $0.4 million, or 4.2%.

Classified advertising revenue:

Classified advertising revenue was $75.8 million, down $8.8 million, or 10.4%, from the first six months last year.

Online classified advertising revenue was $13.1 million, up $1.7 million, or 14.9%, with most of the increase driven by the employment category. During the first six months of 2007, classified print advertising revenue was $61.8 million, down $10.3 million, or 14.3%, and classified insert advertising revenue was $0.6 million, down $0.3 million, or 34.0%.

Our Jacksonville newspaper's classified advertising revenue was down $8.4 million, or 24.6%, with large declines in the employment and real estate print category.

As for our other Florida newspapers, St. Augustine was down $0.1 million, or 4.7%, and Winter Haven was down $0.2 million, or 18.0%.

In Savannah, our newspaper's classified advertising revenue was down $0.8 million, or 10.7%; all from the auto and employment print category.

Our Athens newspaper was down $0.5 million, or 15.5%.

In addition, Augusta, Bluffton and Amarillo were up 2.8%, 9.5% and 1.3%, respectively, or, together, up $0.4 million. Topeka and Lubbock's classified advertising revenue was relatively flat with last year.

Total classified advertising revenue from our other 17 daily newspapers was up $0.4 million, or 3.5%.

Excluding the $0.5 million in classified advertising revenue from our recently acquired or introduced publications, classified advertising for the non-daily publications was down less than $0.1 million, or 2.0%.

National advertising revenue:

Total national advertising revenue was $10.6 million, down $1.7 million, or 13.7%, from the first six months last year.

Jacksonville was down $0.8 million, or 10.9%; Juneau was down $0.4 million or 67.4%; Lubbock was down $0.2 million, or 37.5%, and Amarillo was down $0.2 million, or 44.7%.

Augusta was up $0.1 million, or 6.4%, while Topeka was flat with last year.

Circulation revenue:

Circulation revenue was $33.8 million, down $1.0 million, or 2.9%, from the first six months last year.

Circulation revenue from our non-daily publications acquired or introduced since the second quarter of last year was $0.2 million.

Including all publications, average daily single copies and home delivery copies remained soft, down approximately 4.3% and 1.2%, respectively.

Sunday circulation continued its trend down, with average single copy and home delivery down approximately 4.7% and 1.2%, respectively. Jacksonville contributed most of this decline, experiencing steep declines in single copy and third party sales, due to cut backs on last year's aggressive third party sales programs.

Other revenue:

Other revenue was $8.1 million, up slightly less than $0.1 million, or 0.4%, from the first six months last year. Other revenue from our non-daily publications acquired or introduced since the second quarter of last year was $0.1 million.

Including all publications, commercial printing revenue was $4.9 million, down $0.3 million, or 5.3%. Other online revenue was $0.3 million, down $0.3 million, or 45.7%.

During the first quarter of 2006 and 2007, we licensed *Skirt!* magazine for the Atlanta and Knoxville (Tn) markets, respectively. Under each license agreement, we have or will receive a one-time fee and will continue to receive royalty fees based upon the agreement. The combined license and royalty fees received from these license agreements were $0.2 million and $0.2 million for the first six months of 2007 and 2006, respectively.

Net operating expense. The table below presents the total operating expenses and related statistics for the newspaper operations for the six month periods ended June 30, 2007 and 2006:

(Dollars in thousands)	Six months ended June 30,		Percentage change
	2007	2006	2007 vs. 2006
Operating expenses			
Labor and employee benefits	$ 90,194	$ 87,432	3.2%
Newsprint, ink and supplements	24,841	29,689	(16.3%)
Other operating costs	66,925	64,027	4.5%
Depreciation and amortization	10,282	10,474	(1.8%)
Total operating expenses	$ 192,242	$ 191,622	0.3%

Labor and employee benefits:

Salaries and wages were $62.3 million, up $2.0 million, or 3.4%, primarily due to a 3.0% average pay increase, employee severance payments, and a 0.1% increase in average FTE's (or full time equivalent employees). Jacksonville's average FTE's were down 1.3%.

Excluding the employees from our recently acquired or introduced publications, our total salaries and wages were up $1.0 million, or 1.6%, with our total average FTE's for the quarter down by 1.7%.

Commissions and bonuses were $11.3 million, down $0.7 million, or 5.9%, from the same period last year, due to the decrease in advertising sales.

Employee medical insurance cost was $7.6 million, up $1.6 million, or 26.8%, due to the increase in claims experience and slight increase in plan participants.

Compared to the first six months last year, postretirement benefit cost was $0.6 million, down $0.2 million, or 28.3%.

Newsprint, ink and supplements cost:

During the first six months of 2007, newsprint, ink and supplements cost was $24.8 million, down $4.8 million, or 16.3%.

Compared to the first six months of 2006, total newsprint expense was $21.3 million, down $3.7 million, or 14.9%, due to the 3.9% decrease in newsprint consumption and the 11.4% decrease in the average cost per tonne of newsprint.

Ink expense decreased 2.7% to $1.4 million due to a decrease in volume, and supplements expense decreased 34.0% to $2.1 million, due to a switch from purchasing our Sunday comics to printing them in house.

Other operating costs:

Excluding the $0.8 million in other operating costs from our publications either acquired or introduced since the second quarter of last year, total other operating costs, excluding depreciation and amortization, were $66.2 million, up $2.1 million, or 3.3%, with increases in the production costs, product distribution costs, bad debt expense and other miscellaneous costs. Bad debt expense was up $0.6 million, or 63.9%.

The combined technology and shared services fee and management fee charged by our parent under the management agreement totaled $14.4 million for the first six months of 2007, down $0.9 million, or 5.7%, from the same period last year, due to the decrease in total operating revenues.

Liquidity and capital resources

We believe that our principal sources of liquidity, which are existing cash and cash equivalents, cash flows provided from operating activities, and the borrowing capacity under revolving credit facilities, will be sufficient to meet our ongoing operating needs. Cash flow generated from operations is our primary source of liquidity.

Our primary needs for cash are funding operating expense, debt service on our bank credit facilities and the senior subordinated notes, capital expenditures, income taxes, dividends and loans to affiliates, acquisitions and working capital. We have pursued, and will continue to pursue, a business strategy that includes selective acquisitions and new product development.

Cash was $7.8 million at June 30, 2007, up $0.8 million from $7.0 million at December 31, 2006.

Operating activities. Net cash provided by operations was $23.5 million for the first six months of 2007, down $7.0 million from $30.5 million for the same period in 2006.

Current assets were $64.8 million and current liabilities were $57.8 million as of June 30, 2007 as compared to current assets of $71.2 million and current liabilities of $53.1 million as of December 31, 2006. We manage our working capital through the utilization of our revolving credit facility. The outstanding balance on the revolving credit facility is classified as a long-term liability, in accordance with its terms.

Investment activities. Net cash used in investing activities was $6.7 million for the first six months of 2007 compared to $4.5 million provided by investing activities for the same period in 2006.

For the first six months of 2007, we spent $6.7 million on property, plant and equipment, of which, $2.1 million was spent on Savannah's new printing press. The remaining $1.8 million commitment on the printing press is scheduled to be paid by the end of 2007. Our total capital expenditures for the first six months last year was $2.4 million.

For 2007, we expect our total capital expenditures to be between $13 million and $18 million.

During the third quarter 2005, we sold Savannah’s former production facility to a third party and elected to have the net proceeds deposited into an escrow account in order to potentially fund other acquisitions by ourselves or our parent through a tax-deferred Section 1031 exchange. Our parent identified and acquired $5.3 million in qualified replacement property during the first quarter 2006, with the reductions in the restricted escrow account being offset by an increase in loan receivable from Morris Communications. The remaining $1.5 million in escrow became unrestricted cash at March 27, 2006, the expiration date for the tax-deferred exchange.

During the first six months of 2007 and 2006, we received $0.1 million and $0.1 million in net proceeds from the sale of miscellaneous property and equipment.

During the second quarter of 2007, we acquired the domain name for the *Skirt!* magazines’ Web site for $0.1 million.

Financing activities. Net cash used in financing activities was $16.0 million for the first six months of 2007 compared to $23.9 million used in financing activities for the same period in 2006.

Period end debt summary:

Total debt was $522 million at June 30, 2007, down from $524 million at December 31, 2006. We had $47 million outstanding on our $175 million revolving credit facility, down $2 million from $49 million at December 31, 2006.

As of June 30, 2006, our total debt was $518 million with $43 million outstanding under our $175 million revolving credit facility.

As of June 30, 2007, our annualized cost of debt outstanding was approximately 6.734%, up from 6.725% at the end of the same quarter last year.

At June 30, 2007, we could borrow and use for general corporate purposes approximately $85. 5 million under the most restrictive covenants of our debt arrangements.

Financial covenants:

On July 3, 2007, we, as borrower, entered into an Amendment No. 1 under the Credit Agreement dated as of December 14, 2005 (the "Credit Agreement"). The Credit Agreement contains financial covenants requiring us to meet certain financial tests on an on-going basis, including minimum interest coverage ratio, minimum fixed charge coverage ratio, and maximum cash flow ratios, based upon consolidated financial results of Morris Communications and substantially all of its subsidiaries (including us). The amendment relaxes these financial tests for an 18 month period from and including June 30, 2007 through but excluding December 31, 2008.

Without either an improvement in the Morris Communications consolidated financial results in 2008 or a reduction of our indebtedness, we are at risk of failing to meet one or more of our financial covenants as of December 31, 2008, in which event we would be unable to borrow on the revolver and may be required to prepay the entire principal due under the Credit Agreement. We intend to carefully monitor the consolidated financial results and to take any necessary steps to avoid default, which steps may include (i) further amendments or refinancing of the Credit Agreement, which could increase our cost of capital, or (ii) the sale or transfer of a portion of the assets within the Morris Communications consolidated group to third parties or to affiliates with the sales proceeds being used to reduce our indebtedness.

Loan receivable from Morris Communications:

Our indenture, with certain restrictions described in Note 2 of our financial statements, allows us to make loans to Morris Communications. The total loan (payable)/receivable outstanding at June 30, 2007 was $(2.8) million, down $26.0 million from $23.2 million at December 31, 2006.

The interest-bearing portion of all loans from us to our parent bear the same rate as the borrowings under the Credit Agreement (currently, this rate is LIBOR (adjusted to the nearest 1/16th) + 1.0%). We distinguish between intercompany transactions incurred in the ordinary course of business and settled on a monthly basis (which do not bear interest) and those of a more long-term nature that are subject to an interest accrual. Interest is accrued on the average outstanding long-term balance each month.

Given the historical practice of us and our parent settling a significant portion of the outstanding loan receivable balance with a dividend, this arrangement is considered in substance a capital distribution transaction and is classified as contra-equity within member's deficit. In addition, interest accrued on this loan receivable is reported as contra-equity within member's deficiency in assets for the periods presented. (See Note 2)

We have classified the outstanding loan receivable balances, net of the $4.8 million and $3.6 million in accumulated interest accrued on these receivables as of June 30, 2007 and December 31, 2006, respectively, as part of member's deficiency in assets.

During the six month periods ended June 30, 2007 and 2006, we reported the $1.3 million and $1.0 million, respectively, in accrued loan receivable interest as contra-equity. The average interest rate for the six month periods ended June 30, 2007 and 2006 was 6.271% and 5.81%, respectively, on average loan receivable balances of $38.9 million and $34.6 million, respectively.

Dividends:

We, with certain restrictions under our indenture, may make dividend payments to our parent to fund its cash needs for general business purposes, capital expenditures and acquisitions. At June 30, 2007, we had an additional $70.5 million available for future restricted payments under the notes indenture.

On June 30, 2007 and March 31, 2006, we declared and recorded $40 million and $15 million, respectively, in dividends to Morris Communications that, in turn, utilized the distribution to reduce its debt to us.

Morris Publishing Finance Co. overview

Morris Publishing Finance Co., a wholly-owned subsidiary of Morris Publishing Group, LLC, was incorporated in 2003 for the sole purpose of serving as a co-issuer of our senior subordinated notes in order to facilitate the offering. Morris Publishing Finance Co. does not have any operations or assets of any kind and will not have any revenue.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes regarding the registrants' market risk position from the information provided in our annual report dated December 31, 2006 filed with the Securities and Exchange Commission on Form 10-K.

Although some of the our outstanding debt is at a fixed rate, increases in the interest rates applicable to borrowings under our bank credit facilities would result in increased interest expense and a reduction in our net income. (See the quantitative and qualitative disclosures about market risk are discussed under the caption "Market Risk" in Management's Discussion and Analysis of Financial Condition and Results of Operations in said annual report regarding long-term debt).

Based on our $222.0 million of variable rate debt at June 30, 2007, a 1.0% increase or decrease in interest rates on this variable-rate debt would decrease or increase our annual interest expense by $2.2 million and net income by $1.4 million.

ITEM 4. CONTROLS AND PROCEDURES

Our management carried out an evaluation, with the participation of our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures as of June 30, 2007. Based upon that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission.

There has not been any change in our internal control over financial reporting in connection with the evaluation required by Rule 13A-15(d) under the Exchange Act that occurred during the three month period ended June 30, 2007, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

None.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Exhibit Description
31.1	Rule 13a-14(a) Certifications
31.2	Rule 13a-14(a) Certifications
32.1	Section 1350 Certifications

EXHIBIT 31.1

Certification

I, William S. Morris IV, certify that:

(1) I have reviewed this quarterly report on form 10-Q of Morris Publishing Group, LLC and Morris Publishing Finance Co.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrants as of, and for, the periods presented in this report;

(4) The Registrants' other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrants and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrants, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) [Paragraph omitted pursuant to SEC Release Nos. 33-8238, 33-8545 and 34-47986.]

c) Evaluated the effectiveness of the Registrants' disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Registrants' internal control over financial reporting that occurred during the Registrants' most recent fiscal quarter (the Registrants' fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrants' internal control over financial reporting; and

(5) The Registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrants' auditors and the audit committee of Registrants' board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrants' ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrants' internal control over financial reporting.

Date: August 14, 2007

By : /s/ William S. Morris IV

William S. Morris IV
Chief Executive Officer
(of both registrants)
(Principal Executive Officer)

EXHIBIT 31.2

Certification

I, Steve K. Stone, certify that:

(1) I have reviewed this quarterly report on form 10-Q of Morris Publishing Group, LLC and Morris Publishing Finance Co.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrants as of, and for, the periods presented in this report;

(4) The Registrants' other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrants and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrants, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) [Paragraph omitted pursuant to SEC Release Nos. 33-8238, 33-8545 and 34-47986.]

c) Evaluated the effectiveness of the Registrants' disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Registrants' internal control over financial reporting that occurred during the Registrants' most recent fiscal quarter (the Registrants' fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrants' internal control over financial reporting; and

(5) The Registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrants' auditors and the audit committee of Registrants' board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrants' ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrants' internal control over financial reporting.

Date: August 14, 2007

By : /s/ Steve K. Stone

Steve K. Stone
Chief Financial Officer
(of both registrants)
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Morris Publishing Group, LLC and Morris Publishing Finance Co. (the “Registrants”) on Form 10-Q for the period ended June 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), William S. Morris IV, Chief Executive Officer, and Steve K. Stone, Chief Financial Officer of both Registrants, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrants.

Date: August 14, 2007	BY:	/s/ William S. Morris IV **William S. Morris IV** Chief Executive Officer
Date: August 14, 2007	BY:	/s/ Steve K. Stone **Steve K. Stone** Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Registrants and will be retained by the Registrants and furnished to the Securities and Exchange Commission or its staff upon request.