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NEWS

FROM ADVO, INC.

ADVO Reports Fourth Quarter Results

WINDSOR, Conn. – October 25, 2005 – ADVO, Inc. (NYSE: AD) today reported that revenue and diluted E.P.S. for its fourth fiscal quarter ended September 24, 2005 were \$343.2 million and \$0.27, respectively. The Company's full year fiscal 2005 revenue and diluted E.P.S. were \$1,385.6 million and \$1.27, respectively. These results are within the range of expectations provided by the Company on October 11, 2005.

The Company's fourth quarter year-over-year revenue increase of 7.2% was driven by increases in advertising volumes, with total shared advertising pieces up 12.4% over the prior year quarter. Shared advertising packages were up 10.5% versus the prior year quarter, driven by expansions in the Company's advertising programs. Revenue per piece was down 5.4%, driven by lighter weight preprint circulars and product mix shifts towards lower margin products. Pieces per package for the quarter of 8.45 represents an increase of 1.8% versus prior year.

The Company's fourth quarter operating margin as a percentage of revenue decreased 2.6 percentage points versus the prior year period, to 4.1%. Operating margins were affected by product mix shifts towards lower margin products and lighter weight preprint circulars (1.6 percentage points), losses related to hurricanes Katrina and Rita (0.3 percentage points), and increases in bad debt expense (0.6 percentage points). As expected, the Company's year-over-year operating margin comparisons were also negatively affected by the Company's advertising program expansion in Southern California.

For the full-year, Southern California results finished in line with expectations, and represented an operating investment of \$29 million. Excluding this investment, the Company's operating income for fiscal 2005 was above prior year by \$17 million, driven by volume growth in its core advertising programs.

Scott Harding, ADVO's Chief Executive Officer, said, "During fiscal 2005 we generated revenue gains that outpaced the industry. In our fourth quarter our revenue growth continued at a solid pace despite the disruptive impacts of the hurricanes, and near-term economic uncertainty. We have positioned our Company to benefit from the long-term trend toward more measurable, targeted media, and we continue to realize top-line revenue success. However, we are disappointed in our fourth quarter margin results, which stand in contrast to the positive trends we realized in our third quarter. Margin improvement is a major focus for our Company in fiscal 2006 and beyond, including ensuring we are receiving full value for the strong ROI we deliver, specific focus on better leveraging our distribution costs, and driving operational efficiencies throughout our business. We are committed to translate our continued market share gains into improved profit gains and enable our Company to deliver its full long-term potential."

The Company will hold an analyst conference call to discuss its fourth quarter earnings today at 5:15-6:00 p.m. ET. The call in number is 1-800-562-8369, and the replay number is 888-203-1112 (access code #9053494). The replay will be available until midnight November 11, 2005. The call will also be available via webcast through the Investor Relations section of ADVO's website at www.advo.com.

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Diluted Earnings per Share: Reconciliation of GAAP to Non-GAAP Measures (1)

	Twelve Months Ended	
	September 24, 2005	September 25, 2004
Diluted Earnings per share – As Reported	\$1.27	\$1.59
Charge – Realignment (3Q05)	0.07	--
Charge – Refinancing (1Q04)	--	0.03
Charge – CEO Departure (3Q04)	--	0.08
Diluted Earnings per share – Pro Forma	<u>\$1.34</u>	<u>\$1.70</u>

(1) This non-GAAP financial measure reconciliation is provided because management believes the charges the Company incurred in fiscal 2004 and 2005 are not directly related to operating results for the period, and that reconciling E.P.S. in this manner facilitates comparisons to prior period results. The non-GAAP E.P.S. measure is also comparable to earnings forecasts made by securities analysts and others, which have generally excluded these special items. The above non-GAAP E.P.S. calculation should not be considered a substitute for GAAP E.P.S.

In addition to the financial measures presented in this report, the following table includes certain key internal shared mail metrics the Company uses to evaluate on-going performance:

Key Shared Mail Statistics

	1Q05	2Q05	3Q05	4Q05		FY05	
	% Growth vs. PY	% Growth vs. PY	% Growth vs. PY	Actual	% Growth vs. PY	Actual	% Growth vs. PY
Total Shared Advertising Pieces (billions)	17.5%	13.5%	15.9%	8.7	12.4%	34.2	14.8%
Total Shared Advertising Packages (billions)	21.5%	17.1%	15.8%	1.0	10.5%	4.2	16.1%
Pieces per Package	-3.3%	-3.1%	0.0%	8.45	1.8%	8.23	-1.2%
Revenue per Thousand Pieces	0.2%	-0.8%	-4.0%	\$35.86	-5.4%	37.31	-2.5%

This report contains certain forward looking statements regarding the Company's results of operations and financial position within the meaning of Sections 21E of the Securities Exchange Act of 1934, as amended. Such forward looking statements are based on current information and expectations and are subject to risks and uncertainties which could cause the Company's actual results to differ materially from those in the forward looking statements. The Company's business is promotional in nature, and ADVO serves its clients on a "just in time" basis. As a result, fluctuations in the amount, timing, pages, weight, and kinds of advertising pieces can vary significantly from period to period, depending on its customers' promotional needs, inventories, and other factors. In any particular period these transactional fluctuations are difficult to predict, and can materially affect the Company's revenue and profit results. The Company's business contains additional risks and uncertainties which include, but are not limited to: general changes in customer demand and pricing; the possibility of consolidation in the retail sector; the impact of economic or political conditions on advertising spending and the Company's distribution system; postal and paper prices; possible governmental regulation or legislation affecting aspects of the Company's business; the efficiencies achieved with technology upgrades; fluctuations in interest rates; and other general economic factors.

ADVO is the nation's leading direct mail media company, with annual revenues of nearly \$1.4 billion. Serving 17,000 leading national, regional and local retailers, the company reaches 114 million mailboxes, or 90 percent of the nation's households, with its ShopWise® shared mail advertising. At the same time, the company's industry-leading targeting technology, coupled with its unparalleled logistics capabilities, enable retailers seeking superior ROI to target, version and deliver their print advertising directly to consumers most likely to respond.

Demonstrating ADVO's effectiveness as a print medium, the company's "Have You Seen Me? ®" missing child card, distributed with each ShopWise® package, is the most recognized mail in America. This signature public service program has been responsible for safely recovering 138 children. The program was created in partnership with the National Center for Missing & Exploited Children and the U.S. Postal Service in 1985.

ADVO employs 3,700 people at its 23 mail processing facilities, regional sales offices and headquarters in Windsor, CT. The company can be visited online at www.advo.com.

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ADVO, Inc.
Results of Operations
Quarter and Year Ended September 24, 2005
(In thousands, except per share data)

	<u>Quarter Ended</u>		<u>Year Ended</u>	
	<u>Sept. 24,</u> <u>2005</u> <i>(Unaudited)</i>	<u>Sept. 25,</u> <u>2004</u> <i>(Unaudited)</i>	<u>Sept. 24,</u> <u>2005</u> <i>(Unaudited)</i>	<u>Sept. 25,</u> <u>2004</u>
Revenues	\$ 343,183	\$ 320,271	\$ 1,385,642	\$1,245,838
Cost of sales	267,260	239,588	1,062,382	915,767
Selling, general and administrative	<u>61,856</u>	<u>59,077</u>	<u>254,162</u>	<u>249,093</u>
Operating income	14,067	21,606	69,098	80,978
Interest expense	(1,859)	(1,407)	(6,897)	(5,364)
Write-off debt issue costs	--	--	--	(1,401)
Equity earnings in joint ventures	551	465	2,029	2,601
Other income (expense), net	<u>34</u>	<u>(189)</u>	<u>(306)</u>	<u>(682)</u>
Income before income taxes	12,793	20,475	63,924	76,132
Provision for income taxes	<u>4,399</u>	<u>7,755</u>	<u>23,971</u>	<u>27,408</u>
Net income	<u>\$ 8,394</u>	<u>\$ 12,720</u>	<u>\$ 39,953</u>	<u>\$ 48,724</u>
Basic earnings per share	<u>\$ 0.27</u>	<u>\$ 0.42</u>	<u>\$ 1.29</u>	<u>\$ 1.61</u>
Diluted earnings per share	<u>\$ 0.27</u>	<u>\$ 0.41</u>	<u>\$ 1.27</u>	<u>\$ 1.59</u>
Dividends declared per share	<u>\$ 0.11</u>	<u>\$ 0.11</u>	<u>\$ 0.44</u>	<u>\$ 0.44</u>
Weighted average basic shares	31,196	30,534	30,998	30,193
Weighted average diluted shares	31,524	30,894	31,378	30,680

ADVO, Inc.
Consolidated Balance Sheets
(In thousands)

	<i>September 24, 2005</i>	<i>September 25, 2004</i>
	<i>(Unaudited)</i>	
<i>ASSETS</i>		
Current assets:		
Cash and cash equivalents	\$ 46,238	\$ 30,284
Accounts receivable, net	162,542	149,606
Inventories	2,500	2,123
Prepaid expenses and other current assets	17,107	7,788
Federal income taxes receivable	2,884	--
Deferred income taxes	<u>10,996</u>	<u>15,484</u>
Total current assets	242,267	205,285
Property, plant and equipment	420,738	374,139
Less accumulated depreciation and amortization	<u>(226,735)</u>	<u>(196,202)</u>
Net property, plant and equipment	194,003	177,937
Investment in deferred compensation plan	15,134	12,800
Goodwill	22,824	22,514
Other assets	<u>4,502</u>	<u>8,873</u>
<i>TOTAL ASSETS</i>	<u>\$ 478,730</u>	<u>\$ 427,409</u>
<i>LIABILITIES</i>		
Current liabilities:		
Accounts payable	55,276	51,880
Accrued compensation and benefits	27,919	28,050
Customer advances	7,302	8,650
Federal and state income taxes payable	325	3,405
Other current liabilities	<u>25,468</u>	<u>24,088</u>
Total current liabilities	116,290	116,073
Long-term debt	124,867	125,159
Deferred income taxes	29,641	25,330
Deferred compensation plan	16,172	13,821
Other liabilities	6,475	5,205
<i>STOCKHOLDERS' EQUITY</i>		
Preferred stock, \$.01 par value		
(Authorized 5,000,000 shares, none issued)	---	---
Common stock, \$.01 par value (Authorized		
80,000,000 shares, issued 31,719,419		
and 31,020,658 shares, respectively)	317	310
Additional paid-in capital	180,510	160,145
Unamortized deferred compensation	(3,846)	(1,879)
Accumulated earnings (deficit)	<u>17,182</u>	<u>(9,073)</u>
	194,163	149,503
Less shares of common stock held in treasury, at cost	(8,124)	(6,547)
Less shares of common stock held in deferred compensation trust	(1,038)	(1,021)
Accumulated other comprehensive income (loss)	<u>284</u>	<u>(114)</u>
Total stockholders' equity	<u>185,285</u>	<u>141,821</u>
<i>TOTAL LIABILITIES & STOCKHOLDERS'</i>		
<i>EQUITY</i>	<u>\$ 478,730</u>	<u>\$ 427,409</u>

ADVO, Inc.
Consolidated Statements of Cash Flows
(In thousands)

	<i>Year Ended</i>	
	<i>Sept. 24, 2005</i>	<i>Sept. 25, 2004</i>
	<i>(Unaudited)</i>	
Cash flows from operating activities:		
Net income	\$ 39,953	\$ 48,724
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation	38,359	35,901
Amortization of intangibles and deferred compensation	2,666	1,703
Amortization of debt issue costs	554	627
Deferred income taxes	8,678	2,810
Provision for bad debts	9,610	6,837
Equity earnings from joint ventures	(2,029)	(2,601)
Debt issue costs associated with debt retirement	---	1,401
Other	(10)	53
Change in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable	(22,366)	(34,408)
Inventories	(373)	371
Prepaid expenses and other current assets	(9,319)	2,650
Investment in deferred compensation plan	(445)	(491)
Other assets	1,811	3,917
Accounts payable	3,254	15,385
Accrued compensation and benefits	(156)	2,769
Deferred compensation plan	445	491
Customer advances	(1,353)	3,653
Federal and state income taxes payable	(3,638)	(954)
Other liabilities	<u>2,621</u>	<u>3,580</u>
Net cash provided by operating activities	68,262	92,418
Cash flows from investing activities:		
Acquisitions, net of cash acquired	(219)	(220)
Expenditures for property, plant and equipment	(54,910)	(70,955)
Proceeds from disposals of property, plant and equipment	2,582	97
Distributions from equity joint ventures	<u>1,963</u>	<u>2,559</u>
Net cash used by investing activities	(50,584)	(68,519)
Cash flows from financing activities:		
Payments on term loan	---	(101,250)
Revolving line of credit - net	---	(29,000)
Proceeds on private placement notes	---	125,000
Proceeds from exercise of stock options	13,406	15,230
Treasury stock transactions	(1,577)	(5,179)
Payment of debt issue costs	---	(2,213)
Cash dividends paid	<u>(13,650)</u>	<u>(13,274)</u>
Net cash used by financing activities	(1,821)	(10,686)
Effect of exchange rate changes on cash and cash equivalents	97	59
Change in cash and cash equivalents	15,954	13,272
Cash and cash equivalents at beginning of period	<u>30,284</u>	<u>17,012</u>
Cash and cash equivalents at end of period	<u>\$ 46,238</u>	<u>\$ 30,284</u>