UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 26, 2010

o **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 1-6961

GANNETT CO., INC.

(Exact name of registrant as specified in its charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	**16-0442930** (I.R.S. Employer Identification No.)
7950 Jones Branch Drive, McLean, Virginia (Address of principal executive offices)	**22107-0910** (Zip Code)

Registrant's telephone number, including area code: (703) 854-6000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value $1.00 per share	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No o

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer ☑	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No ☑

The aggregate market value of the voting common equity held by non-affiliates of the registrant based on the closing sales price of the registrant's Common Stock as reported on The New York Stock Exchange on June 25, 2010, was $3,544,790,597. The registrant has no non-voting common equity.

As of January 30, 2011, 239,686,303 shares of the registrant's Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The definitive proxy statement relating to the registrant's Annual Meeting of Shareholders to be held on May 3, 2011, is incorporated by reference in Part III to the extent described therein.

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PART I

ITEM 1. BUSINESS

Company Profile

Gannett was founded by Frank E. Gannett and associates in 1906 and incorporated in 1923. The company went public in 1967. It reincorporated in Delaware in 1972. Its more than 239 million outstanding shares of common stock are held by approximately 8,800 shareholders of record in all 50 states and several foreign countries. The company has approximately 32,600 employees including 1,700 employees for CareerBuilder, LLC. Gannett's headquarters are in McLean, VA, near Washington, DC.

Gannett is an international media and marketing solutions company. The company provides consumers with the information they want and connects them to their communities of interest through multiple platforms including the Internet, mobile, newspapers, magazines and TV stations. Gannett helps businesses grow by providing marketing solutions that reach and engage their customers across the company's diverse platforms. Gannett is an Internet leader with hundreds of newspaper and TV web sites and several national web sites, reaching 52 million unique users monthly or about 24% of the Internet audience, as measured by comScore Media Metrix. These web sites include CareerBuilder.com, the nation's top employment site; USATODAY.com; 81 local MomsLikeMe.com sites; PointRoll, an industry leader in rich media advertising solutions; and ShopLocal, a leader in multichannel shopping and advertising services. Gannett publishes 82 daily U.S. newspapers, including USA TODAY, the nation's largest-selling daily print newspaper, and about 600 magazines and other non-dailies including USA WEEKEND. The company also operates 23 television stations in 19 U.S. markets and Captivate, which operates video screens in office elevators in key urban markets. Gannett subsidiary Newsquest is one of the United Kingdom's leading regional community news providers with 17 daily paid-for titles, more than 200 weekly newspapers, magazines and trade publications, and a network of web sites.

In broadcasting, the company's 23 television stations in 19 U.S. markets with a total market reach of more than 21 million households cover 18.2% of the U.S. population. Each of these stations also operates locally oriented web sites offering news, entertainment and advertising content, in text and video format. Through its Captivate subsidiary, the broadcasting group delivers news, information and advertising to a highly desirable audience demographic on video screens located in elevators of office towers and select hotel lobbies across North America.

Beginning in the third quarter of 2008 and concurrent with the purchase of a controlling interest in CareerBuilder, LLC, the leading U.S. employment web site with expanding overseas operations, and ShopLocal, a provider of online marketing solutions, the company began reporting a separate Digital segment.

In addition to CareerBuilder and ShopLocal, the Digital segment also includes PointRoll, Planet Discover and Schedule Star. Results from CareerBuilder and ShopLocal were initially consolidated in the third quarter of 2008. Results for PointRoll, Planet Discover and Schedule Star, which had been reflected previously in the Publishing segment, have been reclassified to the Digital segment.

PointRoll and ShopLocal, now operating together, provide online advertisers with rich media marketing services, and have achieved significant revenue and earnings gains. Through Schedule Star LLC, the company operates HighSchoolSports.net, a digital content site serving the high school sports audience, and the Schedule Star solution for local athletic directors. National platform opportunities are being developed from the many local communities this business serves.

Complementing its core publishing, digital and broadcasting businesses, the company has made significant strides in its digital strategy through key investments and partnerships in the online space. These include a partnership investment in Classified Ventures, which owns and operates the Cars.com and Apartments.com web sites.

In March 2010, CareerBuilder expanded its reach in the U.K. when it purchased CareerSite.biz, parent of three successful career-related operations there. Founded in 2001, CareerSite.biz operates two online recruitment niche sites focusing on nursing and rail workers as well as a successful virtual career fair business.

In 2008, the company made strategic investments in QuadrantONE, a digital ad sales network; Fantasy Sports Ventures, which operates a group of fantasy sports content web sites; COZI Group, which owns family organization software; and Livestream, an Internet broadcasting service provider.

In late 2007, Metromix LLC was created, which is a digital joint venture focusing on a common model for local online entertainment sites, and then scaling the sites into a national platform under the Metromix brand.

New developments include the purchase of an equity interest in Ongo Inc. Ongo is a personal news service that gives consumers a fundamentally new way to read, discover and share digital news and information. Premiering with more than a dozen top-tier titles in a single interface designed for readability, Ongo delivers full articles and convenient customization features, along with editorial selection that surfaces vital and interesting stories beyond the day's top headlines. Ongo is accessible through any major web browser on computers, smart phones and tablets — so subscribers enjoy their favorite publications on all the devices they own for a single monthly fee. USATODAY.com is among the titles now available from Ongo.

In early January 2011, the company also announced the acquisition of Reviewed.com, a group of 12 product-review web sites that provide comprehensive reviews for technology products such as digital cameras, camcorders and high-definition televisions. Reviewed.com's operation will be integrated with USA TODAY as part of USA TODAY's consumer media strategy.

Business Transformation and Initiatives: The company continues to evolve internally to meet the needs of consumers and business customers in the digital environment and to optimize its opportunities at its core publishing and broadcast operations.

Important steps taken to achieve these objectives include:

- Drive innovation throughout the company to create new digital offerings that either complement the company's news and information businesses, or that take it into new markets with new audiences. Digital revenue companywide in 2010, including the Digital segment and all digital revenues generated by the other business segments, was approximately $1 billion. This represents 18% of total operating revenues, an increase of 8% from 2009.

- Focus on the delivery of content from USA TODAY and the company's 100 plus local sites to mobile devices. In 2010, 1.6 billion mobile page views were served, up 267% from 2009. To leverage this mobile momentum, a build-out of a Gannett-wide mobile platform has begun that gives the company's mobile sites a new look and feel and supports on-demand video for higher-end devices such as the iPhone. At the same time, USA TODAY and the company's local media organizations have the ability to customize their mobile sites to meet the needs of their customers. Most importantly, with this new platform the company is now able to drive innovation across all Gannett mobile sites by pooling technical resources in an efficient and scalable manner. Additionally, USA TODAY's iPad, iPhone and Android apps combined have more than 7 million downloads since launch and consistently ranked at or near the top of the general news category. The USA TODAY app for the iPad received numerous honors in 2010 and has remained one of the most popular iPad news apps with more than 1.6 million downloads since launch.

- Developed key business partnerships. In July 2010, Gannett and Yahoo! announced a local advertising partnership that brings together Gannett's strong local media organization brands, sales capacities and leading web site audiences with Yahoo!'s high-quality audience. All of Gannett's 81 local publishing organizations and seven of its 23 television stations will sell Yahoo! advertising inventory as part of Gannett's local advertising solutions. The roll-out to each of the business units began in the fall 2010 and will continue into 2011. As a result, local advertisers will benefit from expanded digital reach and audience targeting capabilities based on geography, user demographics, interests and more against that expanded audience. In addition, Gannett will be leveraging the targeting and ad ordering capabilities of the APT from Yahoo! Platform for local sales. This partnership will extend Gannett's local media organization reach to cover as much as 80% of the total digital audience in each market.

- Improved core publishing and television operations through transformation of newsrooms into Information Centers. The Information Center concept has enhanced the company's appeal to more customers in the markets that are served, with 24/7 updating to produce unique top quality local content across multiple platforms. Watchdog journalism is emphasized, digital sites are positioned as the primary medium for breaking news and the daily newspapers focus on story depth, analysis and context. Creating superior Sunday newspaper editions is also an important goal. Enhanced Sunday editions were complemented with effective advertiser and consumer sales initiatives, and the results have been very positive. Subscriber retention improved and Sunday home delivery circulation volume has grown at U.S. Community Publishing's operations. Gannett's Sunday home delivery was up on average compared to 2009 for the 32 largest local media organizations in the U.S. Community Publishing division. While the focus is on customer centricity, Information Center initiatives also fulfill the company's responsibilities under the First Amendment.

- Continued the development and enhancement of the ContentOne initiative, through which the company expects to fundamentally change the way content is gathered, shared and sold. ContentOne's focus is to reduce duplication of effort in developing and gathering content and enhancing the sharing of content across the company. A key objective is to find new ways to generate revenue from the company's content, demonstrating usefulness and value beyond its inclusion in the company's newspapers, television broadcasts and web sites. ContentOne builds on the Information Center initiative by creating a national focal point that will serve all of the company's businesses.

- Rollout of a companywide content-management system with installation to begin in early 2011 to better support and leverage the Gannett Information Centers and ContentOne. The common content-management system (CMS) enables U.S. Community Publishing to centralize design of all print products at five design studios which will offer higher-quality design than can be produced at many sites now and maximize efficiencies. Studios will be created in early 2011 in Asbury Park, NJ; Nashville, TN; Louisville, KY; Des Moines, IA; and Phoenix, AZ.

- Reorganized USA TODAY to transform it from a newspaper brand to a media company focusing on efficient, compelling delivery of news and information across multiple platforms, and aligning all business activities in ways that fulfill the needs of consumers and marketers in unique and progressive ways. Content verticals were launched in the areas of Travel, Your Life, Personal Finance and Diversions to create deep, relevant information presented in a vibrant style in the heritage of the USA TODAY brand. Early results have shown significant growth in audience in these content areas. The USA TODAY Sports Media Group was also created and designed to oversee and coordinate business strategy for national sports initiatives across all of Gannett, including USA TODAY, as well as Gannett's community of newspaper properties, television stations, HighSchoolSports.net and BNQT.com.

- Launched five regional Gannett Client Solutions Groups in the U.S. Community Publishing division to provide customized marketing solutions services such as strategic planning, campaign concept and design, digital media execution, event marketing and media buying. At the same time, the company continues its focus on creating a customer-centric world class sales organization in its local community publishing markets.

- Launched GannettLocal to focus on providing personal marketing specialists to small and medium sized businesses. These “Local Marketing Navigators” leverage their knowledge and the company’s delivery network to create affordable, customized local marketing solutions to meet customers’ needs.

- Continued testing new subscription options at three U.S. Community Publishing sites, Greenville, SC; Tallahassee, FL; and St. George, UT, after establishing pay walls in front of their web sites. These tests are helping us better understand consumer response to paid content and what type of business models are sustainable.

- Extended the digital reach of the company’s local television brands by joining with Datasphere, a leading provider of hyper-local web technology, to deliver very localized content on a community and neighborhood basis to consumers and hyper-local digital ad solutions for local small businesses. By enabling advertisers to target audiences down to specific neighborhoods, the company makes their services even more relevant to their customers. The company launched 264 of these neighborhood web sites in 10 markets.

- Maximized the use and deployment of resources throughout the company. In 2010, the company continued its commitment to transforming its business activities, including more consolidation and centralization of functions that do not require a physical presence in each of the company’s markets. In this regard, the company has consolidated numerous production facilities and established centralized accounting, credit and collection functions which now serve nearly all domestic business operations. These efforts have achieved cost efficiencies and permitted improved local focus on content and revenue-producing activities and these efforts will continue to be aggressively pursued in 2011.

- Launched a resource sharing effort by its Phoenix publishing, broadcasting and online operations which brought the company’s channel 12 News television operation into the Republic Media building. The television station is broadcasting from a high-tech street-level studio. The combined new staff is part of a print, broadcast and online collaboration designed to add breadth and depth to coverage for readers and viewers, and initially is focusing on four areas: breaking news, sports, features/entertainment and photo/video.

- Expanded the Digital Employment Sales Center (DESC), a centralized outbound telesales operation based at The Star in Indianapolis, which focuses on selling CareerBuilder.com and other employment advertising solutions in Gannett media markets around the country. Staffing at the DESC grew in 2010 and sales more than tripled over the prior year.

- Employed a customer-centric approach to developing and selling integrated marketing campaigns through a newly created national, cross-divisional sales organization called CustomerOne Solutions.

- Maintained the company’s strong financial discipline and capital structure, preserving its flexibility to make acquisitions, investments and affiliations. The company generated $773 million of cash flow from operating activities in 2010, in the face of an uneven economy. As a result, during 2010 the company’s long-term debt was reduced by $710 million to $2.35 billion, and at the end of the year the company’s senior leverage ratio was 1.97 times, well within the limit of 3.5 times designated by the company’s principal financial covenant. In September 2010, the company completed the private placement of unsecured senior notes totaling $500 million in two tranches: $250 million due in 2015 and $250 million due in 2018. At the same time, the company amended its revolving credit agreements and extended the maturity date for the majority of its lenders from March 15, 2012 to Sept. 30, 2014. Total commitments under the amended revolving credit agreements are $1.63 billion through March 15, 2012 and total extended commitments from March 15, 2012 to Sept. 30, 2014 will be $1.14 billion. With these two actions, the company extended and greatly improved its debt maturity profile.

- Improved the funded status of the Gannett Retirement Plan through voluntary contributions totaling $130 million. As a result of the contributions and a strong investment return for the plan’s assets for 2010, at the end of the year, the plan’s funded status improved to 85%.

- Strengthened the foundation of the company by finding, developing and retaining the best and the brightest employees through a robust Leadership and Diversity program. Gannett’s Leadership and Diversity Council has been charged with attracting and retaining superior talent and developing a diverse workforce that reflects the communities Gannett serves.

Business portfolio: The company operates a diverse business portfolio, established through acquisitions and internal development. Some examples of this diversification are:

- CareerBuilder, the No. 1 employment web site in the U.S.

- PointRoll, a leading rich media marketing company that provides Internet user-friendly technology, allowing advertisers to expand their online space and impact.

- ShopLocal, a leader in multichannel shopping and advertising services.

- Planet Discover, a provider of local, integrated online search and advertising technology.

- MomsLikeMe, an internally developed national brand for social networking among moms-site users at the local level, supplemented with helpful information moms can use.

- QuadrantONE, a digital ad sales network formed with three other top media companies.

- USA WEEKEND, a weekly newspaper magazine carried by more than 700 local newspapers with an aggregate circulation reach of 23 million.

- Clipper Magazine, a direct mail advertising magazine that publishes more than 700 individual market editions under the brands Clipper Magazine, Savvy Shopper and Mint Magazine in more than 30 states.
- Gannett Government Media (formerly Army Times), which publishes military and defense newspapers and has expanded into the broadcasting and online arenas. Gannett Government Media collaborates with Gannett Washington, D.C. TV station WUSA to produce “This Week in Defense News” which airs on Sunday mornings.
- Gannett Healthcare Group publishes Nursing Spectrum, NurseWeek and Nurse.com The Magazine, specializing in news, continuing education opportunities and employment opportunities for registered nurses (RNs) in a combined circulation of 720,000, as well as Today in PT and Today in OT, featuring news, continuing education opportunities and employment opportunities for allied health professionals. Gannett Healthcare Group also operates Gannett Education, which delivers continuing education opportunities to RNs and allied health professionals and includes PearlsReview.com, an online nursing certification and continuing education web site.
- Gannett Offset, a network of five commercial printing operations in the U.S.

Newspaper partnerships: The company owns a 19.49% interest in California Newspapers Partnership, which includes 19 daily California newspapers; a 40.64% interest in Texas-New Mexico Newspapers Partnership, which includes six daily newspapers in Texas and New Mexico and four newspapers in Pennsylvania; and a 13.5% interest in Ponderay Newsprint Company in the state of Washington.

Joint operating agencies: The company’s newspaper subsidiary in Detroit participates in a joint operating agency. The joint operating agency performs the production, sales and distribution functions for the subsidiary and another newspaper publishing company under a joint operating agreement. Operating results for the Detroit joint operating agency are fully consolidated along with a charge for the minority partner’s share of profits. Through May 2009, the company also published the Tucson Citizen through the Tucson joint operating agency in which the company held a 50% interest. Because of challenges facing the publishing industry, combined with the difficult economy, particularly in the Tucson area, the company ceased publication of the Tucson Citizen on May 16, 2009. The company retained its online site and 50% partnership interest in the joint operating agency, which provides service to the remaining non-Gannett newspaper in Tucson. The company’s share of results for its share of the Tucson operations are accounted for under the equity method, and are reported as a net amount in “Equity income (losses) in unconsolidated investee, net.”

Strategic investments: In early January 2011, the company announced the acquisition of Reviewed.com, a group of 12 product-review web sites that provide comprehensive reviews for technology products such as digital cameras, camcorders and high definition televisions. Reviewed.com’s operation will be integrated with USA TODAY as part of USA TODAY’s consumer media strategy.

In October 2010, the company purchased a minority stake in Ongo Inc., which operates a personal news service that gives consumers a fundamentally new way to read, discover and share digital news and information. Premiering with more than a dozen top-tier titles in a single interface designed for readability, Ongo delivers full articles and convenient customization features. Ongo is accessible through any major web browser on computers, smartphones and tablets. USATODAY.com is among the titles now available from Ongo.

In March 2010, CareerBuilder purchased CareerSite.biz, parent of three successful career-related operations in the U.K. Founded in 2001, CareerSite.biz operates two online recruitment niche sites focusing on nursing and rail workers as well as a successful virtual career fair business.

In February 2009, the company purchased a minority interest in Homefinder. Homefinder is a leading national online marketplace connecting homebuyers, sellers and real estate professionals.

In August 2008, the company purchased Pearls Review, Inc., an online nursing certification and continuing education web site operated within Gannett Healthcare Group.

In July 2008, the company purchased a minority stake in Livestream, a company that provides Internet broadcasting services.

In May 2008, the company purchased a minority stake in Cozi Group Inc. (COZI). COZI is a free web service that helps families manage busy schedules, stay in communication and share memories.

In March 2008, the company purchased a minority stake in Fantasy Sports Ventures (FSV). FSV, also known as Big Lead Sports, owns a set of fantasy sports content sites and manages advertising across a group of affiliated sites.

In February 2008, the company formed QuadrantONE, a new digital ad sales network, with three other top media companies.

On Dec. 31, 2007, the company acquired X.com, Inc. (BNQT.com). BNQT.com operates a digital media group of affiliated sites covering eight different action sports including surfing, snow-boarding and skateboarding. BNQT.com is affiliated with the USA TODAY Sports Media Group.

In October 2007, the company, in partnership with another media company, announced the formation of Metromix LLC, a digital joint venture to expand a national network of local entertainment web sites under the Metromix brand. Metromix LLC focuses on a common model for local online entertainment sites, and then scales the sites into a national platform under the Metromix brand.

In October 2007, the company acquired Schedule Star LLC, which operates HighSchoolSports.net, a digital content site serving the high school sports audience, and the Schedule Star solution for local athletic directors.

In May 2007, CareerBuilder became the exclusive content provider to the MSN Careers channel in the U.S. through 2013. Additionally, MSN and CareerBuilder broadened their alliance to include key MSN international sites, facilitating an accelerated expansion overseas for CareerBuilder.

The company owns a 23.6% stake in Classified Ventures, an online business focused on real estate and automotive advertising; and a 19.7% interest in ShermansTravel, an online travel news, advertising and booking service.

With these acquisitions and investments, the company has established important business relationships to leverage its publishing and online assets and operations to enhance its online footprint, revenue base and profits.

Business segments: The company has three principal business segments: publishing, digital and broadcasting. Beginning with the third quarter of 2008, the company began reporting the new "Digital" business segment, which includes CareerBuilder and ShopLocal results from the dates of their full consolidation, on Sept. 3, 2008 and June 30, 2008, respectively, as well as PointRoll, Planet Discover and Schedule Star. Prior period results for PointRoll, Planet Discover and Schedule Star have been reclassified from the publishing segment to the new digital segment. Operating results from the operation of web sites that are associated with publishing operations and broadcast stations are reported in the publishing and broadcast segments.

Financial information for each of the company's reportable segments can be found in the company's financial statements, as discussed under Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and as presented under Item 8 "Financial Statements and Supplementary Data" of this Form 10-K.

Publishing/United States

The company's U.S. publishing operations, including USA TODAY, reach 11.6 million readers every weekday and 12.0 million readers every Sunday — providing critical news and information from their customers' neighborhoods and around the globe.

At the end of 2010, the company operated 82 U.S. daily newspapers, including USA TODAY, the nation's largest-selling daily print newspaper. These newspapers have combined daily paid circulation of 5.1 million and also produce about 600 non-daily local publications in 30 states and Guam. The U.S. Community Publishing (USCP) division and USA TODAY are headquartered in McLean, VA. At the end of 2010, USCP had approximately 22,400 full- and part-time employees.

The company's local newspapers are managed through its USCP division. These newspapers are positioned in major, mid-size and small markets; this geographical diversity is a core strength of the company.

Gannett publishes in major markets such as Phoenix, AZ; Indianapolis, IN; Cincinnati, OH; Des Moines, IA; Nashville, TN; Asbury Park, NJ; Louisville, KY; and Westchester, NY.

Mid-sized markets are represented by Salem, OR; Fort Myers, FL; Appleton, WI; Palm Springs, CA; Montgomery, AL; and Greenville, SC.

St. George, UT; Fort Collins, CO; Sheboygan, WI; Iowa City, IA; and Ithaca, NY, are examples of smaller markets.

USA TODAY was introduced in 1982 as the country's first national, general-interest daily newspaper. It is produced at facilities in McLean, VA, and transmitted via satellite to offset printing plants around the country. It is printed at Gannett plants in 12 U.S. markets and commercially at offset plants, not owned by Gannett, in 20 other U.S. markets.

In 2010, USATODAY.com launched its first two new content verticals, Travel and YourLife. Travel's post-launch average monthly page views increased 61% between 2009 and 2010. The YourLife vertical was launched in November 2010 and generated 2.5 million page views in its first month. The USA TODAY Sports Media Group was also created and designed to oversee and coordinate business strategy for national sports initiatives across all of Gannett, including USA TODAY, as well as Gannett's community of local newspaper properties, television stations, HighSchoolSports.net and BNQT.com. USATODAY.com remains one of the most popular newspaper sites on the web having achieved an average of more than 60 million visits per month between January and December 2010, a 14% increase over the same time period in 2009.

Other businesses that complement, support or are managed and reported within the publishing segment include: USA WEEKEND, Clipper Magazine, Gannett Government Media, Gannett Healthcare Group and Gannett Offset. In 2009, Gannett News Service became part of ContentOne; Gannett Retail Advertising Group represents the company's local newspapers in the sale of advertising to national and regional franchise businesses; Gannett Direct Marketing offers direct-marketing services; and Gannett Media Technologies International (GMTI) develops and markets software and other products for the publishing industry and provides technology support for the company's newspaper and web operations.

News and editorial matters: The overarching mission of the Gannett Information Centers in 2010 was to produce unique, top-quality local content across multiple platforms. To protect excellent local journalism, the U.S. Community Publishing division pursued operational transformation. To be distinctive in local communities, the division emphasized credible journalism available from only its newspapers and digital products.

The division outlined five priorities:

- Enhance watchdog journalism, especially daily work.
- Reposition digital sites as the primary medium for breaking news and social networking.
- Reposition daily newspapers to focus on depth, analysis and context.
- Create superior Sunday editions of newspapers.
- Enhance the sites' positions as local community leaders.

The division's commitment to watchdog journalism was demonstrated by a partnership with the Investigative Reporters and Editors (IRE) organization. IRE trained more than 250 Gannett reporters and editors at three "watchdog bootcamps" held across the country and IRE’s annual conference. The depth and quality of investigative journalism in daily newspapers improved dramatically as a result of the IRE investment.

To enhance Sunday editions, editors at every site focused strategically on enhancements and additions tailored to highly engaged Sunday readers. Advertising and consumer sales initiatives supported this initiative.

Increased retention rates among new subscribers indicate that content and product improvements are enhancing loyalty among readers. Thirteen-week retention improved nearly 2.4% over the year before, while 26-week retention improved nearly 7.4%.

To support the quest for high-quality, unique local journalism, the division took three important steps to promote operational efficiency:

- Work began on the rollout of a companywide content-management system. Cross-divisional teams worked on this massive project throughout 2010 and installation begins in early 2011.

- The common content-management system (CMS) enables U.S. Community Publishing to centralize design of all print products at five design studios. These studios will offer higher-quality design that can be produced at many sites now and maximize the efficiencies of the new content management system. Studios will be created in early 2011 in Asbury Park, NJ; Nashville, TN; Louisville, KY; Des Moines, IA; and Phoenix, AZ.

- A partnership with USA TODAY provides its branded content for use in community newspapers, freeing local journalists for local reporting.

These projects promote top-quality journalism while seeking dramatic operational transformation.

The company's domestic daily newspapers received Gannett's wire service in 2010 and subscribe to The Associated Press. Some newspapers use supplemental news services and syndicated features. The ContentOne initiative helped to efficiently distribute content among sites.

The company operates news bureaus in Washington, DC, and four state capitals — Albany, NY; Baton Rouge, LA; Trenton, NJ; and Tallahassee, FL.

In 2010, Gannett newspapers and journalists received national recognition for excellent work.

Des Moines (IA) Register photographer Mary Chind was awarded the Pulitzer Prize in Breaking News Photography for her dramatic photo of a construction worker rescuing a woman from the Des Moines River. Chind's winning photo showed the construction worker dangling from a crane, reaching to grab the woman from roiling flood waters.

The Asbury Park (NJ) Press was named a finalist in the Pulitzer Prize Public Service category for "Fighting New Jersey's Tax Crush," a series about the archaic property tax system that hurts low-income residents. The newspaper reported how the state's tax structure bankrupts families, destroys businesses and drives low- and moderate-income workers out of New Jersey.

The National Press Foundation awarded Mark Silverman, editor and vice president/content and audience development of The Tennessean in Nashville, the Benjamin C. Bradlee Editor of the Year Award. The award was given to Silverman because of his newspaper's "outstanding coverage of unexpected floods in 2010 and its innovative use of social media platforms to extend that coverage and bind its community together."

The Tennessean's coverage of the flood also received two other honors from the Online News Association annual competition:

- First place in the breaking news/small category.

- Citation in the Best Use of Multimedia/Over 50,000 category for coverage of the flooding.

Other Gannett honors included these 2010 Associated Press Managing Editors (APME) Award winners:

- The Asbury Park (NJ) Press won the Public Service Award for its work on the property tax system in New Jersey.

- Two of the three finalists for Innovator of the Year Award were from Gannett: The Rochester (NY) Democrat and Chronicle was cited for its Picture the Impossible augmented reality game developed in partnership with the Rochester Institute of Technology; and the Statesman Journal in Salem, OR, was cited for its extensive use of social networking in all types of reporting.

- FLORIDA TODAY in Brevard won the Online Convergence Award for a multimedia package that looked at the life of William Dillon, who spent 27 years behind bars for a crime he did not commit. It combined a special Flash presentation, a 44-minute documentary and stories.

Photojournalist Bill Luster of The Courier-Journal at Louisville, KY, was the 2010 recipient of the National Press Photographers Association's Joseph A. Sprague Memorial Award, the organization's highest honor.

APME also honored two Gannett journalists for their longstanding commitment to diversity in newspaper content and newsroom recruiting. The 2010 Robert G. McGruder Awards for Diversity Leadership were given to Randy Lovely, editor and vice president of The Arizona Republic in Phoenix, and Bill Church, executive editor of the Statesman Journal in Salem, OR.

Audience research: As Gannett's publishing businesses continue their mission to meet consumers' news and information needs anytime, anywhere and in any form, the company remains focused on an audience aggregation strategy. The company considers the reach and coverage of multiple products in their communities and measures the frequency with which consumers interact with each Gannett product.

Results from 2010 studies indicate that many Gannett local media organizations are reaching more people more often. For example, in Wilmington, DE, the combination of all Gannett products reach 85% of the adult population, an average of 5.9 times a week for 2.05 million total impressions each week — a 6% increase since 2008.

The company has gathered audience aggregation data for 49 Gannett markets and will continue to add more data in 2011. Aggregated audience data allows advertising sales staff to provide detailed information to advertisers about how best to reach their potential customers including the most effective product combination and frequency. This approach enables the company to increase its total advertising revenue potential while maximizing advertiser effectiveness. Six key advertiser segments were identified and performance within each segment is measured in every study. Through digital growth and the development of ancillary products, Gannett newspapers have maintained their high reach of approximately 70% or more of adults in each of the six segments. The ad sales staff is continually trained on how to best execute an audience-based selling strategy.

Scarborough Research measures 81 of the nation's top markets. In a report on market penetration, the number of adults in a community who access a publication and its related web site, showed that 3 out of 4 adults in the Rochester, NY market in a given week either read the print version of the Rochester Democrat and Chronicle or visited its web site (democratandchronicle.com), making it the top-ranked newspaper in the country for integrated audience penetration. Gannett had three of the top four newspapers (Rochester, the Gannett East Wisconsin Newspapers and The Des Moines Register) in combined newspaper and web site penetration. These markets are industry leaders because they understand and aggressively pursue different audiences for different platforms — true audience aggregation.

In addition to the audience-based initiative, the company continues to measure customer attitudes, behaviors and opinions to better understand its customers' web site use patterns and to use focus groups with audiences and advertisers to better determine their needs. In 2009, the U.S. Community Publishing research group launched an ongoing longitudinal study to measure audience and sentiment of consumers in key markets. To date, the group has conducted more than 11,500 interviews for the study.

Circulation: Detailed information about the circulation of the company's newspapers may be found beginning on page 18. Daily circulation declined in nearly all of the company's newspaper markets, a trend generally consistent with the domestic newspaper industry.

However, 28 U.S. Community Publishing sites increased Sunday home delivery volume compared to the previous year based on the ABC September 2010 Publisher's Statement, including Appleton,WI; Asheville, NC; Binghamton, NY; Burlington, VT; Cincinnati, OH; Clarksville, TN; Lafayette, IN, Des Moines, IA; Fort Myers, FL; Green Bay, WI; Greenville, SC; Lafayette, LA; Lansing, MI; Muncie, IN; Murfreesboro, TN; Nashville, TN; Palm Springs, CA; Pensacola, FL; Phoenix, AZ; Port Huron, MI; Poughkeepsie, NY; Reno, NV; Salem, OR; Salisbury, MD; Sioux Falls, SD; Springfield, MO; Wausau, WI; and Wilmington, DE. In total, U.S. Community Publishing reported home delivery Sunday circulation was up 0.7% with the September 2010 Statement.

Home-delivery prices for the company's newspapers are established individually and range from $1.70 to $3.80 a week for daily local newspapers and $0.85 to $3.40 a copy for Sunday newspapers. Price increases for certain elements of local circulation volume were initiated at five newspapers in 2010.

Three U.S. Community Publishing sites — Greenville, SC; Tallahassee, FL; and St. George, UT — introduced three new consumer subscription options after establishing pay walls for their web sites. Subscriber options include: 1) print, e-Edition and web site; 2) e-Edition and web site; and 3) web site only. E-Editions are exact replicas of the print version, which are served electronically to the consumer. This new subscription model was established in July 2010 and is being closely monitored to identify technology improvements and evaluate consumer feedback.

At the end of 2010, 69 of the company's domestic daily newspapers, including USA TODAY, were published in the morning, and 13 were published in the evening. For local U.S. newspapers, excluding USA TODAY, morning circulation accounts for 98% of total daily volume, while evening circulation accounts for 2%.

On Dec. 8, 2008, the single copy price of USA TODAY at newsstands and vending machines was increased from 75 cents to $1.00. Mail subscriptions are available nationwide and abroad, and home, hotel and office delivery is available in many markets. Approximately 47% of its net paid circulation results from single-copy sales at newsstands, vending machines or to hotel guests, and the remainder is from home and office delivery, mail, educational and other sales.

Advertising: U.S. Community Publishing newspapers have advertising departments that sell retail, classified and national advertising across multiple platforms including the print newspaper, online and niche publications. The company also has a national ad sales force to focus efforts on the largest national advertisers. The company also contracts with outside representative firms that specialize in the sale of national ads. Ad revenues from newspaper affiliated online operations are reported together with revenue from print publishing.

Retail display advertising is associated with local merchants or locally owned businesses. In addition, retail includes regional and national chains — such as department and grocery stores — that sell in the local market.

Classified advertising includes the major categories of automotive, employment, legal, real estate/rentals and private party consumer-to-consumer business for merchandise and services. Advertising for classified segments is published in the classified sections, in other sections within the newspaper, on affiliated web sites and in niche magazines that specialize in the segment.

National advertising is display advertising principally from advertisers who are promoting national products or brands. Examples are pharmaceuticals, travel, airlines, or packaged goods. Both retail and national ads also include preprints, typically stand-alone multiple page fliers that are inserted in the newspaper.

The division's audience aggregation strategy gives it the ability to deliver specific audiences that advertisers want. Although some advertisers want mass reach, many want to target niche audiences by demographics, geography, consumer buying habits or customer behavior.

In 2010, Gannett and Yahoo! announced a local advertising partnership that brings together Gannett's strong local media organization brands, sales capacities and leading web site audiences with Yahoo!'s high-quality audience. All of Gannett's 81 local publishing organizations will sell Yahoo! advertising inventory as part of Gannett's local advertising solutions. As a result, local advertisers will benefit from expanded digital reach and audience targeting capabilities based on geography, user demographics, interests and more against that expanded audience. In addition, Gannett will be leveraging the targeting and ad ordering capabilities of the APT from Yahoo! Platform for local sales. This partnership will extend Gannett's local media organization reach to cover as much as 80% of the total digital audience in each market. Whether it is mass reach or a niche audience, the approach sites use is to identify an advertiser's best target customers and develop advertising schedules that combine products within a site's portfolio to best reach the desired audience with the appropriate frequency.

In 2010, U.S. Community Publishing expanded the use of online reader panels to four additional mid-size markets for measuring advertising recall and effectiveness. The reader panels, now in 16 markets, include nearly 30,000 opt-in respondents who provide valuable feedback regarding the ROI and effectiveness of more than 4,200 advertisements and 2,300 news articles. Reader panels are also used to identify consumer sentiment and trends. This capability allowed markets to provide deeper insights for advertisers and ROI metrics that are in high-demand from customers.

The company's audience-based sales efforts have been directed at all levels of advertisers, from small, locally owned merchants to large, complex businesses. Along with this sales approach, the company has intensified its sales and management training and improved the quality of sales calls. Digital knowledge and a Gannett five step consultative sales process were focus training topics in 2010 with formal training delivered in 34 Gannett markets.

A major company priority is to restructure its sales organizations to match the needs of customers while creating additional efficiencies to lower the cost of sale. The company's newspapers redesigned their sales teams around three general groups of customers: strategic national, key local and small local controllable accounts. The structure aligns sales and support resources to customers' needs and provides efficient service and affordable packages to smaller accounts and customized, innovative solutions to larger, more market-driven clients. The structure also includes digital specialists who work to expand the company's online share in the local market for retail and classified verticals, Cars.com, Homefinder.com and CareerBuilder.com and product specialists in the company's larger markets who focus on growing niche advertisers in non-daily publications.

To better serve top local customers and win more market share, the company created five Gannett Client Solutions Groups. Functioning much like local ad agencies, the groups develop highly designed creative campaigns to give customers a competitive edge in the marketplace. The campaigns are comprehensive and often extend beyond the newspaper's product portfolio, providing a high level of service.

The national newspaper ad sales team is responsible for large national retail accounts. These resources give national customers one point of contact for all Gannett markets, enable the company to have more strategic conversations, respond better to customers' needs, and permit local newspaper sales personnel to focus on advertisers in their markets.

This national team works with the national sales resources for Digital, Broadcast and USA TODAY, to create multi-market, multi-platform solutions for national advertisers scalable across the country.

Digital operations: The overriding objective of the company's online strategy at Gannett newspapers is to provide compelling content that best serves its customers. A key reason customers turn to a Gannett newspaper's online site is to find local news and information. The credibility of the local newspaper, a known and trusted information source, extends to the newspaper's web site and thus differentiates the web site from other Internet sites. This factor allows Gannett newspapers to compete successfully as Internet information providers.

A second objective in the company's online business development is to maximize the natural synergies between the local newspaper and local web site. The local content, customer relationships, news and advertising sales staff, and promotional capabilities are all competitive advantages for Gannett. The company's strategy is to use these advantages to create strong and timely content, sell packaged advertising solutions that meet the needs of advertisers, operate efficiently and leverage the known and trusted brand of the newspaper.

The company's local newspaper web sites achieved significant growth in audience reach in 2010, as page views were up 11%, and visitors rose 14% as measured internally using Omniture. In 2010, in coordination with the Digital division, U.S. Community Publishing successfully piloted a significant redesign of its web sites at two properties, www.indystar.com and www.newarkadvocate.com. The redesign is aimed at creating a more relevant and enjoyable experience for users, driving audience growth, and establishing unique marketing opportunities for advertisers. A rollout of the new design across all web sites will continue during the first quarter of 2011.

Gannett continued to expand its online ad sales capabilities in 2010 locally and nationally. Locally, the company partnered with Yahoo! to enable local sales forces to sell Yahoo! advertising inventory as part of Gannett's local advertising solutions. As a result, local advertisers will benefit from expanded digital reach. Throughout 2010, the national digital sales team sold an increasing amount of local inventory, continuing to execute a strategy established to aggregate the substantial inventory across the Gannett network. Both local and national sales efforts will continue in 2011.

GMTI provides technological support and offerings for the company's domestic newspapers and Internet activities, including ad software and database management, editorial production and archiving, and web site hosting. In addition, GMTI provides similar services to other newspaper companies.

Non-daily operations: The publication of non-daily products continued to be an important part of the company's market strategy for 2010. The company publishes non-daily publications including glossy lifestyle magazines, community newspapers and publications catering to one topic, such as health or cars. The company's strategy for non-daily publications is to appeal to key advertising segments (e.g. affluent women, women with children or young readers). Non-daily products help the company's newspaper operations increase overall impressions and frequency for advertisers looking to reach specific audience segments or in some cases, like community weeklies, provide a lower price point alternative for smaller advertisers with specific geographic targets, thus helping to increase the newspaper operation's local market share.

Gannett has been producing specialty publications across several markets to take advantage of market opportunities. The second First-Time Homebuyers Guide, pegged to the federal government's home-buyer tax credits, was a glossy booklet with uniform editorial content and local advertising. It was mailed to about 250,000 renters across 38 markets. Publication coverage included non-Gannett newspaper markets.

Production: Product quality and efficiency improvements continue in several areas, as improved technology resulted in greater speed and accuracy and led to continued opportunities for consolidation of job functions. That trend will continue through 2011.

In 2007, two Gannett Production Centers were established in Des Moines and Indianapolis to enhance print quality of the photos for the majority of its newspapers. This operation was expanded in 2010 with a commercial contract with another large publisher to process their images. In January 2010, advertising production for the U.S. Community Publishing division was incorporated into these two centers. The objective is to maintain high quality and service for advertisers while improving efficiency. At the end of 2010, ad production work was being completed for 54 sites, producing nearly 20,500 ads weekly. The remaining sites will transition to the centers by mid-year 2011.

At the end of 2010, all 82 domestic daily newspapers were printed by the offset process, and the majority had converted their presses to a 44-inch web. Presently, all U.S. Community Publishing daily newspapers are printed on 45 gram paper. Also by year end, 68% of these newspapers have outsourced their printing to commercial printers or to other Gannett and non-Gannett newspapers. In addition, 54% of the newspapers are designed and paginated in centralized editing hubs.

Competition: The company's newspapers and affiliated web sites compete with other media for advertising principally on the basis of their performance in helping to sell the advertisers' products or services. Newspapers also compete for circulation and readership against other professional news and information operations and individual content creators. While most of the company's newspapers do not have daily newspaper competitors that are published in the same city, in select larger markets, there are competitors. Most of the company's newspapers compete with other newspapers published in suburban areas, nearby cities and towns, free-distribution and paid-advertising publications (such as weeklies), and other media, including magazines, television, direct mail, cable television, radio, outdoor advertising, telephone directories, e-mail marketing, web sites and mobile-device platforms.

Web sites which compete for the principal traditional classified advertising revenue streams such as real estate, employment and automotive, have had the most significant impact on the company's revenue results.

The rate of development of opportunities in, and competition from, digital communications media, including Internet and mobile platforms, is increasing. Through internal development programs, acquisitions and partnerships, the company's efforts to explore new opportunities in news, information, communications and audience generation will keep expanding. The company continues to seek more effective ways to engage with its local communities using all available media platforms and tools.

Environmental regulation: Gannett is committed to protecting the environment. The company's goal is to ensure its facilities comply with federal, state, local and foreign environmental laws and to incorporate appropriate environmental practices and standards in its operations.

The company is one of the industry leaders in the use of recycled newsprint, increasing its purchases of newsprint containing recycled content from 42,000 metric tons in 1989 to 310,679 metric tons in 2010. During 2010, 69% of the company's domestic newsprint purchases contained recycled content, with an average recycled content of 46%.

The company's newspapers use inks, photographic chemicals, solvents and fuels. The use, management and disposal of these substances are sometimes regulated by environmental agencies. The company retains a corporate environmental consultant who, along with internal and outside counsel, oversees regulatory compliance and preventive measures. Some of the company's newspaper subsidiaries have been included among the potentially responsible parties in connection with the alleged disposal of ink or other wastes at disposal sites that have been subsequently identified as requiring remediation. Additional information about these matters can be found in Item 3, Legal Proceedings, in this Form 10-K. The company does not believe that these matters will have a material impact on its financial position or results of operations.

Raw materials — U.S. & U.K.: Newsprint, which is the basic raw material used to publish newspapers, has been and may continue to be subject to significant price changes from time to time. During 2010, the company's total newsprint consumption was 539,000 metric tons, including consumption by USA WEEKEND, USA TODAY, tonnage at non-Gannett print sites and by Newsquest. Newsprint consumption was 10% lower than in 2009. The company purchases newsprint from 18 domestic and global suppliers.

In 2010, newsprint supplies were adequate. The company has and continues to moderate newsprint consumption and expense through press web-width reductions and the use of lighter basis weight paper. The company believes that available sources of newsprint, together with present inventories, will continue to be adequate to supply the needs of its newspapers.

The average cost per ton of newsprint consumed in 2010 declined 15% compared to 2009, driven by reduced consumption and favorable supplier arrangements that acted to mitigate domestic price increases. In 2011, the company expects higher newsprint expenses in the U.S. and in the U.K. attributable to producer supply rationalizations and increased offshore demand. Newsprint consumption is expected to decline in 2011.

Publishing/United Kingdom

Newsquest publishes 17 daily paid-for newspapers and more than 200 weekly newspapers, magazines and trade publications in the U.K., as well as a wide range of niche products. Newsquest operates its publishing activities around regional centers to maximize the use of management, finance, printing and personnel resources. This approach enables the group to offer readers and advertisers a range of attractive products across the market. The clustering of titles and, usually, the publication of a free newspaper alongside a paid-for newspaper, allows cross-selling of advertising among newspapers serving the same or contiguous markets, thus satisfying the needs of its advertisers and audiences. Newsquest produces free and paid-for newspapers with an attractive level of quality local editorial content. Newsquest also distributes a substantial volume of advertising leaflets in the communities it serves. Most of Newsquest's paid-for newspaper distribution is outsourced to wholesalers, although direct delivery is employed as well to maximize circulation sales opportunities.

Newsquest's newspapers operate in competitive markets. Their principal competitors include other regional and national newspaper and magazine publishers, other advertising media such as broadcast and billboard, Internet-based news and other information and communication businesses.

In 2009, Newsquest exited one of its commercial printing units, Southernprint. Newsquest revenues for 2010 were approximately $525 million, down 6% in local currency excluding Southernprint, reflecting the continuing difficult economy. While most advertising revenue categories declined, growth of 1% was achieved in newspaper property advertising, and digital revenues grew by 6%. As with U.S. newspapers, advertising, including ad revenue from online web sites affiliated with the publications, is the largest component of Newsquest's revenue, comprising approximately 73%. Circulation represented 21% of revenue. Although experiencing declining volumes, audited copy sales for Newsquest's daily paid-for titles outperformed major competitor groups in the first half of the year (the most recent period for which audited data was available). Printing for third-party newspaper publishers accounts for most of the remainder of revenue. During 2010, Newsquest won additional third party commercial printing contracts, resulting in growth in that category of revenues of £1.6m (14%).

Editorial quality was recognized through the awards won in the year. The Sunday Herald won the best weekly paper in the 2010 European Newspaper Awards and The Herald is the current Scottish Daily Newspaper of the Year. Newsquest papers also won a number of other regional press awards.

In the north of England, Newsquest launched Northern Farmer in 2010, a sister title to the The Scottish Farmer, immediately contributing to revenues and earnings. Newsquest also established a Digital Employment Service Center sales operation in the U.K. following the same template as the U.S. community newspaper operation.

In 2010, distribution to retailers was reorganized in two markets and outsourced to wholesalers. A centralized telephone operation to canvass lapsed customers from its direct delivery operations in a more cost effective manner was established in the year and is being rolled out.

Significant restructuring in response to the economic unevenness and lower revenues resulted in reducing the number of employees at Newsquest to 4,800 at year end, a decrease of 6% compared to 2009. Cost reduction initiatives included the consolidation of a number of back-office functions, particularly in pre-press, where the management of the transmission of the advertisements to outsourced providers was centralized.

In October 2010, after discussion with its pension plan trustees and employees, the decision was made to close its Newsquest defined benefit plan to future accrual, effective March 31, 2011. The plan closure was made to reduce pension expense and funding volatility and was part of a package of measures to address the plan's deficit. The company expects that some of the savings from closing the defined benefit plan will be partially offset by increased membership in Newsquest's defined contribution plan.

Total costs finished 9% down from 2009 in local currency, as a result of the range of cost reduction measures taken.

Digital operations: Newsquest actively seeks to maximize the value of its local media brands through digital channels. Newsquest's most recent data indicated that an average of 7.5 million unique users accessed the Newsquest site network each month during the period July — December 2010.

Newsquest's total online revenue increased by 6% in local currency. Online banner revenues grew by 16% from 2009, propelled by improved audiences and sales activity.

During 2010, Newsquest's 50% interest in the online employment web site fish4jobs.co.uk was substantially reduced as a result of Newsquest's phased exit from Fish4. As of January 2011, Newsquest's digital employment advertising began being served by Careerbuilder, increasing the potential audience to both Careerbuilder and Newsquest's customers.

In Scotland, the group's wholly owned market leading recruitment web site, s1, increased revenues by 9% from 2009.

Digital operations — Publishing and Broadcasting

Gannett Digital's mission is to provide its connected audience with the most interactive, real-time news and information delivered to any digital device. The company's goal is to engage its local communities in a way that creates conversations and empowers its community members to connect and share common interests. The company's advertisers leverage Gannett's strong marketing services platform to gain access to Gannett's wide, diverse audience in order to effectively brand and market their products.

The audience Gannett aggregates across the company's 100-plus newspaper and broadcast online properties, combined with its unified ad serving platform, enables it to create a large online ad network. In December 2010, Gannett's total online U.S. Internet audience totaled 52 million monthly unique visitors, reaching about 24% of the Internet audience, as measured by comScore Media Metrix. Given the scale across the company's entire network, its strategy is to extend its value proposition beyond those premium brands to audience segments through both contextual and behavioral ad targeting. In 2010, the national digital sales force reorganized under new leadership and achieved solid success in executing this strategy. During the year, an increasing amount of inventory was monetized by the national sales force at premium CPMs, helping to decrease Gannett's reliance on outside ad sales channels.

The company continues to see benefits from the rollout of its unified advertising serving platform, including the establishment of more comprehensive analytics and reporting. To increase efficiency and better serve digital advertisers, in 2010 Gannett created a centralized local advertising operations group based out of McLean, VA, and Fort Myers, FL.

In order to drive audience growth, in 2011 the company will roll out a major redesign of its core newspaper and broadcast web sites that it began piloting in 2010. The redesign is intended to create a more relevant and enjoyable experience for users and also establish an infrastructure that will allow for constant updates. This will allow the company to be more nimble in making future changes to its sites to benefit both users and advertisers. The company believes the redesign project will add appropriate social media and contextual tools to create better experiences for users and will establish unique advertising opportunities that will deliver better engagement and enable stronger connections between advertisers and consumers.

In addition to the infrastructure that will allow for more constant updates to the sites, Gannett is also reorganizing its product development processes, adopting new processes to enable faster releases. This will enable more rapid development and experimentation that will allow Gannett to compete in the rapidly evolving marketplace.

Gannett also continues to execute on its vertical strategy of growing niche audiences. The MomsLikeMe.com network had an average of over 800,000 monthly unique visitors in 2010, according to comScore. MomsLikeMe.com also made significant progress in attracting premier national advertisers, such as Kohl's, Mederma and Nintendo.

Video, both on-demand and live, remained a focus in 2010. Gannett has increased its monthly video views to 25 million in December 2010, by creating and licensing more video content and optimizing its video players for mobile sites and search engines. The company added new video monetization opportunities for advertisers in 2010, such as a video overlay ad unit. Gannett's newspaper properties leveraged Livestream to deliver compelling live video for users, including Louisville's use of four live feeds simultaneously for its election night coverage and USA TODAY's coverage of the Chilean miners rescue. As video represents a key growth area in the online marketplace, in 2011 the company will remain focused on both video content development and monetization.

As Gannett innovates and builds its digital footprint on the web, it also continues to invest in the rapidly growing mobile sector. In 2010, Gannett's properties served 1.6 billion mobile page views, experiencing growth of 267% year over year from 435 million in 2009. Additionally, Gannett invested in growing its staff dedicated to mobile, including a sales team and developers. Additionally, the mobile team is currently rolling out a new mobile content management system that will allow both centralized and local resources to build and manage content (including video), and mobile sites using a common development framework. USA TODAY continued its leadership role in the mobile space with its April launch on the iPad; by January its application reached more than 1.6 million downloads and continues to be ranked one of the top news apps. The iPad application enjoyed considerable advertiser support with PointRoll-powered rich media advertising campaigns from brands such as Marriott, Coca Cola, Capital One and Chrysler. Combined with other USA TODAY mobile applications launched in 2008 and 2009, total application downloads topped 7 million through the end of 2010. Gannett's text messaging program also saw significant growth in 2010, sending over 100 million messages for the year.

Going forward, Gannett Digital will continue to invest in operations to remain competitive and efficient, and, as noted above, will build out and refine the company's sales efforts to drive revenue growth. By leveraging impressive content and audience assets and combining them with technology platforms, Gannett intends to create the next generation of online advertising.

Digital segment

The digital business segment includes CareerBuilder, as well as PointRoll, ShopLocal, Planet Discover and Schedule Star. At the end of 2010, the digital segment had approximately 2,100 full-time and part-time employees.

On Sept. 3, 2008, the company increased its ownership in CareerBuilder to 50.8% from 40.8%, obtaining a controlling interest, and therefore, the results of CareerBuilder since then have been fully consolidated. On June 30, 2008, the company increased its ownership in ShopLocal to 100% from 42.5%, and from that date the results of ShopLocal have been fully consolidated. Prior to these increased investments, the company's equity share of CareerBuilder and ShopLocal results were reported as equity earnings. Subsequent to the CareerBuilder acquisition, the company has reflected a non-controlling interest charge on its Statements of Income (Loss) related to the other partners' ownership interest.

CareerBuilder is the global leader in human capital solutions, helping companies to target, attract and retain talent. Its online job site, CareerBuilder.com, is the largest in North America with the most traffic and revenue. Currently, CareerBuilder operates web sites in 18 countries outside the U.S., including the U.K., France, Germany, Canada, India and China, and is looking to expand global operations further in 2011. CareerBuilder provides resources for everything from talent intelligence and employment branding to recruitment support. Most of the revenues are generated by its own sales force but substantial revenues are also earned through sales of employment advertising placed with CareerBuilder's owners' affiliated newspapers.

In March 2010, CareerBuilder purchased CareerSite.biz, parent of three successful career-related operations in the U.K. Founded in 2001, CareerSite.biz operates two online recruitment niche sites focusing on nursing and rail workers as well as a successful virtual career fair business.

CareerBuilder has a long-term strategic marketing agreement with Microsoft. CareerBuilder is headquartered in Chicago, IL, and at the end of 2010, it had approximately 1,700 full-time and part-time employees.

PointRoll is the leading provider of digital marketing services and technology. PointRoll enables effective digital marketing by delivering the art and science of consumer engagement, allowing advertisers, agencies and publishers to create, deliver and measure interactive and action-inspiring online rich media display, video, mobile, and social campaigns. PointRoll provides the creative tools, insights and analytics, distributed content, and expertise marketers need to effectively engage consumers, make an impression, and convert them into buyers and brand supporters. Powering more than 50% of all rich media campaigns online, PointRoll works with over 1,000 advertisers, thousands of online publishers and serves over 150 billion ad impressions each year. Founded in April 2000, PointRoll has been instrumental in the evolution of digital engagement and has evolved beyond the expandable banner ad to offer marketers the ability to find consumers wherever they are across any digital platform and deliver a relevant brand or direct response experience, dramatically improving ad effectiveness while gaining actionable insights. Recent innovations include dynamic ad creation solution AdControl, creative tool AdArchitect, interactive in-stream video ads, mobile rich media ads and several other best-of-breed technologies. PointRoll is headquartered in Conshohocken, PA, and maintains offices across the U.S. and Canada. PointRoll's revenue and operating profit improved significantly in 2010.

ShopLocal, the retail division of PointRoll and leader in multi-channel shopping services, connects retailers with shoppers through innovative, effective and measurable marketing solutions, enabling over 100 of the nation's top retailers to deliver highly interactive, targeted and engaging localized promotions to shoppers through online circulars, display advertising, search, social media, digital out of home and mobile. The result is highly effective communications that deliver the right message, to the right person, at the right time. Pioneering the use of the Internet for driving in-store sales with online circulars, ShopLocal has spent the past decade developing digital marketing solutions and building a powerful publisher network that connects one-to-one with shoppers. ShopLocal's leading client base includes Target, Best Buy, Home Depot, CVS, Albertsons and Sears. ShopLocal is headquartered in Chicago, IL, and is now operated together with PointRoll. Its revenues and operating profit also improved significantly in 2010.

Planet Discover provides hosted search and advertising services that allow clients to offer consumers robust local information through search. Its innovative technology enables clients to provide specialized, private-label search functionality that gives users a simple-to-use interface for finding all the local information they need, and gives advertisers valuable exposure to local consumers at that critical time when purchases are considered. Planet Discover is headquartered in Fort Mitchell, KY.

Schedule Star LLC is the No. 1 scheduling solution for high school athletic departments. The company has expanded HighSchoolSports.net into a top digital sports media brand, and into a content, technology and advertising solution for the USA TODAY Sports Media Group and a growing number of local newspapers and television stations. HighSchoolSports.net's hyper-local focus, with a home page for over 16,000 U.S. high schools, has attracted national brand marketers by connecting them with a highly engaged audience of teens and parents through integrated custom solutions like a national cheerleading video competition and interactive content features such as Massey Ratings, a computerized ranking of varsity teams by league, state and nation. Schedule Star is headquartered in suburban Pittsburgh, PA.

Competition: For CareerBuilder, the market for online recruitment solutions is highly competitive with a multitude of online and offline competitors. Competitors include other employment related web sites, general classified advertising web sites, professional networking and social networking web sites, traditional media companies, Internet portals, search engines and blogs. The barriers for entry into the online recruitment market are relatively low and new competitors continue to emerge. Recent trends include the rising popularity of professional and social media networking web sites which have gained traction with employer advertisers. The number of niche job boards targeting specific industry verticals has also continued to increase. CareerBuilder's ability to maintain its existing customer base and generate new customers depends to a significant degree on the quality of its services, pricing and reputation among customers and potential customers.

For PointRoll, the market for rich media advertising technology solutions is highly competitive with a dozen or so main competitors. Competitors include divisions of larger public media and technology companies, and several earlier-stage independent rich media, dynamic ad, video, mobile, and social advertising technology specialists. The barriers to entry in the rich media market are moderate. Recent trends include the shift towards audience-centric, exchange-based media buying, entry of dynamic ad generation specialists, the move towards automated creative design tools, and the shift of video content online with associated in-stream advertising opportunities. Increasingly, marketers and their agencies are looking for advertising technology providers that can scale across media platforms, including rich media, video and mobile. PointRoll's ability to maintain and grow its customer base and revenue depends largely on its continued product innovation, level of service quality, depth of marketing analytics and ultimately the effectiveness of its rich media advertising and resulting customer satisfaction.

For ShopLocal, the market for digital store promotions is highly competitive and evolving as digital media transforms marketing programs. ShopLocal competitors in the online circular space are also numerous. Recent trends include the increasingly rapid consumer media shift to digital formats and the growth in research-online-buy-offline shopping behavior. These are driving an evolution and eventual transformation of marketing for the store which creates potential challenges from traditional as well as new competitors. The barriers to entry in the space are moderate. ShopLocal's ability to retain and grow its client base and revenue depends largely on expansion of the types of promotions managed, innovation in distribution methods and continued high-quality service.

Regulation and legislation *(for digital segment businesses and digital operations associated with publishing and broadcasting businesses):* The U.S. Congress has passed legislation that regulates certain aspects of the Internet, including content, copyright infringement, user privacy, advertising and promotional activities, taxation, access charges, liability for third-party activities and jurisdiction. In addition, federal, state, local and foreign governmental organizations have enacted and also are considering other legislative and regulatory proposals that would regulate the Internet. Areas of potential regulation include, but are not limited to, libel, electronic contracting, pricing, quality of products and services and intellectual property ownership. With regard to PointRoll and ShopLocal, there also are legislative and regulatory proposals that would regulate the Internet related to behavioral advertising, which specifically refers to the use of user behavioral data for the creation and delivery of more relevant, targeted Internet advertisements. While PointRoll and ShopLocal leverage certain aspects of user behavioral data in their solutions, the companies are in substantial compliance with all privacy laws and regulations applicable to their businesses.

Broadcasting

At the end of 2010, the company's broadcasting division, headquartered in McLean, VA, included 23 television stations in markets with 21 million households covering 18.2% of the U.S. population. The broadcasting division also includes Captivate Network.

At the end of 2010, the broadcasting division had approximately 2,550 full-time and part-time employees, approximately 1% more than at the end of 2009. Broadcasting revenues accounted for approximately 14% of the company's reported operating revenues in 2010, 11% in 2009 and 12% in 2008.

The principal sources of the company's television revenues are: 1) local advertising focusing on the immediate geographic area of the stations; 2) national advertising; 3) retransmission of the company's television signals on satellite and cable networks; 4) advertising on the stations' web sites; and 5) payments by advertisers to television stations for other services, such as the production of advertising material. The advertising revenues derived from a station's local news programs make up a significant part of its total revenues. Captivate derives its revenue principally from national advertising on video screens in elevators of office buildings and select hotel lobbies. As of year-end, Captivate had over 9,500 video screens located in 25 major cities across North America.

Advertising rates charged by a television station are based on the ability of a station to deliver a specific audience to an advertiser. The larger a station's ratings in any particular day part, the more leverage a station has in asking for a price advantage. As the market fluctuates with supply and demand, so does the station's pricing. Almost all national advertising is placed through independent advertising representatives. Local advertising time is sold by each station's own sales force.

Generally, a network provides programs to its affiliated television stations and sells on its own behalf commercial advertising for certain of the available ad spots within the network programs. The company's television stations produce local programming such as news, sports, and entertainment programming.

The company broadcasts local newscasts in High Definition (HD) in 12 cities: Denver, CO; Washington, DC; St. Louis, MO; Atlanta, GA; Cleveland, OH; Minneapolis, MN; Phoenix, AZ; Tampa, FL; Sacramento, CA; Jacksonville, FL; Little Rock, AR; and Columbia, SC. These telecasts have been well received given the dramatic increase in sales of HD televisions.

For all of its stations, the company is party to network affiliation agreements as well as cable and satellite carriage agreements. The company's 12 NBC-affiliated stations have agreements that expire on Jan. 1, 2017. The agreements for the company's six CBS affiliates expire on Dec. 31, 2015. The company's three ABC affiliates have agreements which expire on Feb. 28, 2014. The company's two MyNetworkTV-affiliated stations have agreements that expire in October 2011.

In 2010, the company finalized a retransmission agreement with one of its largest distributors. Virtually all cable company, telephone company and satellite company retransmission deals were completed in 2008 and 2009. All are multi-year agreements that provide the company with significant and steady revenue streams. There are no incremental costs associated with this revenue and therefore all of these revenues contribute directly to operating income. Retransmission revenues are expected to grow again in 2011.

Federal law required all full-power television broadcast stations to stop broadcasting in analog format and convert to an all-digital format on June 12, 2009. The transition to DTV has provided the company with the ability to offer additional services to its viewers. These include "multicast" channels that are made possible by increased efficiencies associated with DTV transmissions. The company is very active in creating a Mobile DTV service for viewers nationwide. In 2010, Gannett was one of a nine station group that founded Pearl, LLC. Pearl, in partnership with FOX, NBC and ION, formed a nationwide Mobile DTV business called Mobile Content Venture (MCV). In 2010, Gannett was part of a commercial trial in Washington, DC. MCV announced it will power up the mobile transmitter for the FOX and NBC station in each of the 21 markets where the joint venture owns either the FOX or NBC affiliate. Gannett will power up the mobile transmitters for eight of its markets in 2011.

Programming and production: The costs of locally produced and purchased syndicated programming are a significant portion of television operating expenses. Syndicated programming costs are determined based upon largely uncontrollable market factors, including demand from the independent and affiliated stations within the market. In recent years, the company's television stations have emphasized their locally produced news and entertainment programming in an effort to provide programs that distinguish the stations from the competition, to increase locally responsible programming, and to better control costs.

The company's television stations continue to refine their Information Centers with an emphasis on using new technologies that allow more journalists to be actively involved in the news gathering and disseminating processes. The stations have aggressively trained the rapidly growing number of Multi-Media Journalists (MMJs), which has led to more enterprise content and a more streamlined workflow. The unique, local entertainment content for the company's local Metromix web sites has led to some special television programming associated with that content and helps the company reach a more diverse demographic. Gannett Broadcasting launched hyperlocal sites in several markets in partnership with DataSphere in 2010. The properties expanded content and social networking capabilities on MomsLikeMe.com. Targeted products such as HighSchoolSports.net, Moms Like Me, Metromix and the company's local community sites allow us to provide hyper local targeted content to the company's audiences and clients.

In early 2011, the company's Phoenix station launched a resource sharing effort with the company's Phoenix publishing and online operations which brought the company's channel 12 News television operation into the Republic Media building. The television station is broadcasting from a high-tech street-level studio. The combined news staff is part of a print, broadcast and online collaboration designed to add breadth and depth to coverage for readers and viewers, and initially is focusing on four areas: breaking news, sports, features/entertainment and photo/video.

The broadcast division achieved quality improvements and efficiencies by centralizing the graphics production through the Gannett Graphics Group (G3). Broadcasting installed information technology tools to enable the sharing of weather information and music across the group. The stations are also moving toward an updated newsroom workflow solution that allows them to share content seamlessly throughout the entire company.

ContentOne has become an integral part of the day to day operations of the stations. The Broadcast Division is working closely with USA TODAY and U.S. Community Publishing to share content on all platforms and reduce the amount of repetition in the news-gathering processes. The divisions have worked together on breaking news, investigative reporting, severe weather situations, political conventions and elections, sports and many other day to day stories in order to enhance and differentiate coverage that affect Gannett's customers locally, nationally and internationally.

The Broadcast Division has established several centralized operations including Gannett Graphics Group (G3), "hubbing centers" for each of its three network affiliate groups for master control monitoring, and the Center for Credit and Collections (CCC). Operational efficiencies and cost reductions have been realized from these centers. In 2010, the Broadcast Division established a centralized traffic center called Gannett Traffic Operation (GTO). While GTO created some efficiencies and permitted a slight reduction in workforce, the key strategic reason for centralizing was to give the company a mechanism to better standardize best practices with inventory, and better position us for future opportunities for business with a single point of entry to our inventory.

Broadcasting stations were recognized with several regional and national awards. Forty-four Regional Edward R. Murrow Awards were awarded to Gannett television stations including KARE in Minneapolis-St. Paul, WXIA in Atlanta, KUSA in Denver, and KTHV in Little Rock. Three stations were presented with National Edward R. Murrow Awards honoring outstanding achievements in electronic journalism from the Radio Television Digital News Association for a variety of locally produced work at KARE in Minneapolis-St. Paul, WXIA in Atlanta, and WGRZ in Buffalo. KUSA in Denver also won the DuPont Silver Baton Award for excellence in Broadcast Journalism. The DuPont awards are among the most prestigious in journalism.

Competition: In each of its broadcasting markets, the company's stations and affiliated web sites compete for revenues with other network-affiliated and independent television and radio broadcasters and with other advertising media, such as cable television, newspapers, magazines, direct mail, outdoor advertising and Internet media. The stations also compete in the emerging local electronic media space, which includes Internet or Internet-enabled devices, handheld wireless devices such as mobile phones and iPads and digital spectrum opportunities associated with digital television (DTV). The company's broadcasting stations compete principally on the basis of their audience share, advertising rates and audience composition.

Gannett station's ratings are very strong across the country. Through the 2009 downturn and this year's mixed and uneven recovery, the broadcast division increased its percentage of resources devoted to local content and brand. As an indication of that, KUSA in Denver was the top rated station in the country for the 2010 Winter Olympics in Vancouver with the key advertising demographic of adults 25-54. KUSA also out-performed the national average rating by 75% with adults 25-54. Two other Gannett NBC television stations joined KUSA in placing among the Top 5 highest rated local television stations: KSDK in St. Louis ranked third and KARE in Minneapolis-St. Paul was fourth. In addition, WKYC in Cleveland placed eighth, giving Gannett NBC-affiliated stations four of the Top 10 stations with adults 25-54. And on election night in November 2010, among all stations in the top 25 markets, Gannett stations in St. Louis, Minneapolis, and Denver were ranked first, second, and third respectively in adults 25-54.

Local news and information is highly important to a station's success, and there is a growing emphasis on other forms of programming that relate to the local community. Network and syndicated programming constitute the majority of all other programming broadcast on the company's television stations, and the company's competitive position is directly affected by viewer acceptance of this programming. Other sources of present and potential competition for the company's broadcasting properties include pay cable, home video and audio recorders and players, direct broadcast satellite, Internet-distributed video offerings, low-power television, video offerings (both wire line and wireless) of telephone companies as well as developing video services.

Regulation: The company's television stations are operated under the authority of the Federal Communications Commission (FCC), the Communications Act of 1934, as amended (Communications Act), and the rules and policies of the FCC (FCC Regulations).

Television broadcast licenses are granted for periods of eight years. They are renewable upon application to the FCC and usually are renewed except in rare cases in which a petition to deny, a complaint or an adverse finding as to the licensee's qualifications results in loss of the license. The company believes it is in substantial compliance with all applicable provisions of the Communications Act and FCC Regulations. All of the company's stations have converted to digital television operations in accordance with applicable FCC regulations. Nine of the company's stations filed for FCC license renewals in 2004, eight did so in 2005, another five in 2006 and the remaining station filed on Feb. 1, 2007. As of February 2010, 18 of the 23 applications were granted and the company expects the remaining five pending renewals to be granted in the ordinary course.

FCC Regulations also prohibit concentrations of broadcasting control and regulate network and local programming practices. FCC Regulations governing multiple ownership limit, or in some cases prohibit, the common ownership or control of most communications media serving common market areas (for example, television and radio; television and daily newspapers; or radio and daily newspapers). In addition, the Communications Act includes a national ownership cap under which one company is permitted to serve no more than 39% of all U.S. television households. (The company's 23 television stations currently reach 18.2% of U.S. television households.) FCC rules permit common ownership of two television stations in the same market in certain circumstances provided that at least one of the commonly owned stations is not among the market's top four rated stations at the time of acquisition. It is under this standard that the company acquired additional television stations in Jacksonville, FL, Denver, CO, and Atlanta, GA.

In 2007, the FCC revised its ownership regulations by adopting a modified cross-ownership rule. In adopting this new rule, the FCC granted a permanent waiver authorizing the company's continued ownership of both KPNX-TV and The Arizona Republic in Phoenix, AZ. The revised rule may be of limited value in permitting expanded ownership opportunities because it contains presumptions that (i) common ownership of a television station and a daily newspaper may be permitted in the top 20 television markets only if the television station is not one of the top four rated stations, and (ii) in all other television markets, common ownership of a newspaper and television station in the same market is not in the public interest. (Most of the company's stations are rated number one or two in their markets.) Applicants for proposed combinations that are presumed not to be in the public interest will be required to satisfy specified criteria to rebut the presumption against common ownership, including demonstrating (i) the level of concentration in the designated market area, (ii) a significant increase in the amount of local news after the transaction, (iii) the existence of separate editorial staffs; (iv) the financial condition of either property if a newspaper is financially troubled; and (v) the new owner's commitment to invest in newsroom operations. The FCC did not revise any other aspect of the FCC ownership rules. The FCC decision is subject to agency reconsideration as well as review by a federal appeals court. An appeal is pending and is unlikely to be resolved until late in 2011 or early 2012. In addition, the FCC has commenced a new review of its ownership rules, and this review may result in additional rule modifications. This review process is expected to continue throughout 2011 and is likely to be followed by court appeals.

Other FCC Regulations also have been proposed to be amended by the agency, including rules and policies concerning the specific amount and type of public-interest programming required to be carried by broadcast stations to satisfy their license obligations and requirements concerning the disclosure of such programming efforts.

Employees

At the end of 2010, the company and its subsidiaries had approximately 32,600 full-time and part-time employees including 1,700 for CareerBuilder. Headcount reductions were made in 2010 as part of multiple efficiency and consolidation efforts taken in response to the uneven recoveries in the U.S. and U.K. economies and declining revenues, particularly in the company's publishing businesses.

Approximately 12% of those employed by the company and its subsidiaries in the U.S. are represented by labor unions. They are represented by 66 local bargaining units, most of which are affiliated with one of seven international unions under collective bargaining agreements. These agreements conform generally with the pattern of labor agreements in the publishing and broadcasting industries. The company does not engage in industrywide or companywide bargaining. The company's U.K. subsidiaries bargain with two unions over working practices, wages and health and safety issues only.

The company provides competitive group life and medical insurance programs for full-time domestic employees at each location. The company pays a substantial portion of these costs and employees contribute the balance.

The company and its subsidiaries have various retirement plans, including plans established under some collective bargaining agreements.

The company has a 401(k) Savings Plan, which is available to most domestic non-represented employees and unionized employees who have bargained participation in the plan.

In June 2008, the Board of Directors approved amendments to each of (i) the Gannett Retirement Plan; (ii) the Gannett Supplemental Retirement Plan (SERP); (iii) the Gannett 401(k) Savings Plan (401(k) Plan); and (iv) the Gannett Deferred Compensation Plan (DCP). The amendments were designed to improve the 401(k) Plan while reducing the amount and volatility of future pension expense. As a result of the amendments to the Gannett Retirement Plan and SERP, most participants in these plans had their benefits frozen as of Aug. 1, 2008. Participants whose Gannett Retirement Plan and, if applicable, SERP benefits were frozen will have their frozen benefits periodically increased by a cost of living adjustment until benefits commence. Effective Aug. 1, 2008, most participants whose benefits were frozen under the Gannett Retirement Plan and, if applicable, the SERP, receive higher matching contributions under the 401(k) Plan. Under the new formula, the matching contribution rate generally increased from 50% of the first 6% of compensation that an employee elects to contribute to the plan to 100% of the first 5% of compensation. The company also makes additional employer contributions to the 401(k) Plan on behalf of certain long service employees. The DCP was amended to provide for Gannett contributions on behalf of certain employees whose benefits under the 401(k) Plan are capped by IRS rules.

Newsquest employees have local staff councils for consultation and communication with local Newsquest management. Newsquest had provided the majority of its employees with the option to participate in a retirement plan that incorporates life insurance. In October 2010, after discussion with its pension plan trustees and employees, the decision was made to close its Newsquest defined benefit plan to future accrual, effective March 31, 2011. The plan closure was made to reduce pension expenses and funding volatility and was part of a package of measures to address the plan's deficit. The company expects that some of the savings from closing the defined benefit plan will be partially offset by increased membership in Newsquest's defined contribution plan.

A key initiative for the company is its Leadership and Diversity program that focuses on finding, developing and retaining the best and the brightest employees and a diverse workforce that reflects the communities Gannett serves.

Environmental Initiatives

During 2010, the company continued "green" initiatives in the areas of recycling, waste paper and plastics, using recycled materials, reducing energy consumption, using environmentally safe products and maintaining "green" news sites to report environmental news and provide tips to consumers. In addition, the company invested about $500,000 (investment net of rebates and repair offsets) to upgrade HVAC equipment at nine sites which reduced annual energy use by 4 million kilowatt hours and annual energy expense by $440,000.

MARKETS WE SERVE

DAILY NEWSPAPERS AND AFFILIATED ONLINE SITES

State Territory	City	Newspaper/Online site	Circulation Morning	Circulation Afternoon	Circulation Sunday	Founded
Alabama	Montgomery	Montgomery Advertiser *www.montgomeryadvertiser.com*	34,121		43,194	1829
Arizona	Phoenix	The Arizona Republic *www.azcentral.com*	332,577		483,495	1890
Arkansas	Mountain Home	The Baxter Bulletin *www.baxterbulletin.com*	9,354			1901
California	Palm Springs	The Desert Sun *www.mydesert.com*	40,214		46,115	1927
	Salinas	The Salinas Californian *www.thecalifornian.com*	10,324			1871
	Visalia	Visalia Times-Delta/Tulare Advance-Register *www.visaliatimesdelta.com* *www.tulareadvanceregister.com*	20,465			1859
Colorado	Fort Collins	Fort Collins Coloradoan *www.coloradoan.com*	21,602		26,037	1873
Delaware	Wilmington	The News Journal *www.delawareonline.com*	87,757		111,368	1871
Florida	Brevard County	FLORIDA TODAY *www.floridatoday.com*	66,758		87,964	1966
	Fort Myers	The News-Press *www.news-press.com*	67,492		89,333	1884
	Pensacola	Pensacola News Journal *www.pnj.com*	42,927		59,567	1889
	Tallahassee	Tallahassee Democrat *www.Tallahassee.com*	37,746		47,714	1905
Guam	Hagatna	Pacific Daily News *www.guampdn.com*	18,179		16,592	1944
Indiana	Indianapolis	The Indianapolis Star *www.indystar.com*	180,382		279,387	1903
	Lafayette	Journal and Courier *www.jconline.com*	27,843		36,188	1829
	Muncie	The Star Press *www.thestarpress.com*	22,656		28,687	1899
	Richmond	Palladium-Item *www.pal-item.com*	10,568		15,873	1831
Iowa	Des Moines	The Des Moines Register *www.desmoinesregister.com*	111,193		204,573	1849
	Iowa City	Iowa City Press-Citizen *www.press-citizen.com*	10,610			1860
Kentucky	Louisville	The Courier-Journal *www.courier-journal.com*	161,268		234,065	1868
Louisiana	Alexandria	Alexandria Daily Town Talk *www.thetowntalk.com*	22,038		27,593	1883
	Lafayette	The Daily Advertiser *www.theadvertiser.com*	30,588		42,848	1865
	Monroe	The News-Star *www.thenewsstar.com*	27,588		29,449	1890
	Opelousas	Daily World *www.dailyworld.com*	5,963		7,300	1939
	Shreveport	The Times *www.shreveporttimes.com*	42,800		54,832	1871

DAILY NEWSPAPERS AND AFFILIATED ONLINE SITES

State Territory	City	Newspaper/Online site	Circulation Morning	Circulation Afternoon	Circulation Sunday	Founded
Maryland	Salisbury	The Daily Times *www.delmarvanow.com*	18,284		23,226	1900
Michigan	Battle Creek	Battle Creek Enquirer *www.battlecreekenquirer.com*	15,823		22,890	1900
	Detroit	Detroit Free Press *www.freep.com*	264,645		491,812	1832
	Lansing	Lansing State Journal *www.lansingstatejournal.com*	44,984		67,397	1855
	Livingston County	Daily Press & Argus *www.livingstondaily.com*	12,229		16,656	1843
	Port Huron	Times Herald *www.thetimesherald.com*	18,106		28,854	1900
Minnesota	St. Cloud	St. Cloud Times *www.sctimes.com*	22,991		31,786	1861
Mississippi	Hattiesburg	Hattiesburg American *www.hattiesburgamerican.com*		12,939	16,112	1897
	Jackson	The Clarion-Ledger *www.clarionledger.com*	63,655		76,679	1837
Missouri	Springfield	Springfield News-Leader *www.news-leader.com*	40,172		66,124	1893
Montana	Great Falls	Great Falls Tribune *www.greatfallstribune.com*	27,664		29,835	1885
Nevada	Reno	Reno Gazette-Journal *www.rgj.com*	43,706		54,564	1870
New Jersey	Asbury Park	Asbury Park Press *www.app.com*	112,765		159,716	1879
	Bridgewater	Courier News *www.mycentraljersey.com*	18,437		22,218	1884
	Cherry Hill	Courier-Post *www.courierpostonline.com*	50,967		65,288	1875
	East Brunswick	Home News Tribune *www.mycentraljersey.com*	35,033		42,595	1879
	Morristown	Daily Record *www.dailyrecord.com*	23,732		26,281	1900
	Vineland	The Daily Journal *www.thedailyjournal.com*	13,974			1864
New York	Binghamton	Press & Sun-Bulletin *www.pressconnects.com*	37,641		53,746	1904
	Elmira	Star-Gazette *www.stargazette.com*	17,267		25,936	1828
	Ithaca	The Ithaca Journal *www.theithacajournal.com*	11,994			1815
	Poughkeepsie	Poughkeepsie Journal *www.poughkeepsiejournal.com*	28,577		38,464	1785
	Rochester	Rochester Democrat and Chronicle *www.democratandchronicle.com*	122,823		177,445	1833
	Westchester County	The Journal News *www.lohud.com*	82,640		103,304	1829
North Carolina	Asheville	Asheville Citizen-Times *www.citizen-times.com*	34,724		51,113	1870

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DAILY NEWSPAPERS AND AFFILIATED ONLINE SITES

State Territory	City	Newspaper/Online site	Circulation Morning	Circulation Afternoon	Circulation Sunday	Founded
Ohio	Bucyrus	Telegraph-Forum *www.bucyrustelegraphforum.com*	4,194			1923
	Chillicothe	Chillicothe Gazette *www.chillicothegazette.com*		9,531	11,412	1800
	Cincinnati	The Cincinnati Enquirer *www.cincinnati.com*	161,635		256,662	1841
	Coshocton	Coshocton Tribune *www.coshoctontribune.com*		4,508	5,262	1842
	Fremont	The News-Messenger *www.thenews-messenger.com*		7,349		1856
	Lancaster	Lancaster Eagle-Gazette *www.lancastereaglegazette.com*		8,567	10,242	1807
	Mansfield	News Journal *www.mansfieldnewsjournal.com*	19,294		28,268	1885
	Marion	The Marion Star *www.marionstar.com*	7,989		9,579	1880
	Newark	The Advocate *www.newarkadvocate.com*		12,775	15,513	1820
	Port Clinton	News Herald *www.portclintonnewsherald.com*		3,430		1864
	Zanesville	Times Recorder *www.zanesvilletimesrecorder.com*	13,619		15,215	1852
Oregon	Salem	Statesman Journal *www.statesmanjournal.com*	38,349		46,676	1851
South Carolina	Greenville	The Greenville News *www.greenvilleonline.com*	58,857		100,511	1874
South Dakota	Sioux Falls	Argus Leader *www.argusleader.com*	35,789		54,682	1881
Tennessee	Clarksville	The Leaf-Chronicle *www.theleafchronicle.com*	15,279		19,402	1808
	Jackson	The Jackson Sun *www.jacksonsun.com*	24,029		31,149	1848
	Murfreesboro	The Daily News Journal *www.dnj.com*	11,944		16,275	1848
	Nashville	The Tennessean *www.tennessean.com*	130,657		202,781	1812
Utah	St. George	The Spectrum *www.thespectrum.com*	18,875		21,969	1963
Vermont	Burlington	The Burlington Free Press *www.burlingtonfreepress.com*	32,504		42,239	1827
Virginia	McLean	USA TODAY *www.usatoday.com*	1,817,405			1982
	Staunton	The Daily News Leader *www.newsleader.com*	14,648		16,813	1904
Wisconsin	Appleton	The Post-Crescent *www.postcrescent.com*	41,104		56,598	1853
	Fond du Lac	The Reporter *www.fdlreporter.com*		10,984	14,202	1870
	Green Bay	Green Bay Press-Gazette *www.greenbaypressgazette.com*	45,590		68,120	1915
	Manitowoc	Herald Times Reporter *www.htrnews.com*		10,881	12,854	1898
	Marshfield	Marshfield News-Herald *www.marshfieldnewsherald.com*		8,811		1927
	Oshkosh	Oshkosh Northwestern *www.thenorthwestern.com*	15,360		20,603	1868
	Sheboygan	The Sheboygan Press *www.sheboyganpress.com*	15,131		19,443	1907
	Stevens Point	Stevens Point Journal *www.stevenspointjournal.com*		8,571		1873
		Central Wisconsin Sunday			19,367	
	Wausau	Wausau Daily Herald *www.wausaudailyherald.com*		16,810	23,297	1903
	Wisconsin Rapids	The Daily Tribune *www.wisconsinrapidstribune.com*		8,612		1914

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DAILY PAID-FOR NEWSPAPERS AND AFFILIATED ONLINE SITES/NEWSQUEST PLC

		Circulation		
City	Newspaper/Online site	Monday-Friday	Saturday	Founded
Basildon	Echo *www.echo-news.co.uk*	31,721		1969
Blackburn	Lancashire Telegraph *www.lancashiretelegraph.co.uk*	25,746	23,825	1886
Bolton	The Bolton News *www.theboltonnews.co.uk*	24,845	20,858	1867
Bournemouth	Daily Echo *www.bournemouthecho.co.uk*	28,044	31,129	1900
Bradford	Telegraph & Argus *www.thetelegraphandargus.co.uk*	29,115	27,504	1868
Brighton	The Argus *www.theargus.co.uk*	26,599	25,271	1880
Colchester	The Gazette *www.gazette-news.co.uk*	18,084		1970
Darlington	The Northern Echo *www.thenorthernecho.co.uk*	44,308	42,867	1870
Glasgow	Evening Times *www.eveningtimes.co.uk*	61,761	33,008	1876
Glasgow	The Herald *www.theherald.co.uk*	54,163	59,199	1783
Newport	South Wales Argus *www.southwalesargus.co.uk*	25,208	22,176	1892
Oxford	Oxford Mail *www.oxfordmail.co.uk*	20,804	19,594	1928
Southampton	Southern Daily Echo *www.dailyecho.co.uk*	33,427	39,903	1888
Swindon	Swindon Advertiser *www.swindonadvertiser.co.uk*	19,584	17,647	1854
Weymouth	Dorset Echo *www.dorsetecho.co.uk*	17,858	19,374	1921
Worcester	Worcester News *www.worcesternews.co.uk*	15,253	14,601	1937
York	The Press *www.thepress.co.uk*	27,250	27,375	1882

Circulation figures are according to ABC results for the period Jan-Jun 2010.

Non-daily publications: Essex, London, Midlands, North East, North West, South Coast, South East, South and East Wales, South West, Yorkshire

GANNETT DIGITAL

CareerBuilder: *www.careerbuilder.com*
Headquarters: Chicago, IL
Sales offices: Atlanta, GA; Boston, MA; Seattle, WA; Chicago, IL; Cincinnati, OH; Dallas, TX; Denver, CO; Detroit, MI; Edison, NJ; Houston, TX; Irvine, CA; Long Island, NY; Los Angeles; McLean, VA; Minneapolis, MN; Nashville, TN; New York, NY; Orlando, FL; Overland Park, KS; Philadelphia, PA; Phoenix, AZ; San Mateo, CA; Washington, DC
International offices: Belgium; Canada; China; France; Germany; Greece; India; Italy; Netherlands; Spain; Sweden; United Kingdom

Planet Discover: *www.planetdiscover.com*
Headquarters and sales office: Cincinnati, OH
Technology office: Cedar Rapids, IA

PointRoll, Inc.: *www.pointroll.com*
Headquarters: Conshohocken, PA
Sales offices: Chicago, IL; Detroit, MI; Los Angeles, CA; New York, NY; San Francisco, CA

ShopLocal: *www.shoplocal.com*
Headquarters: Chicago, IL
Sales office: Chicago, IL

Mobile:

Gannett powers more than 100 local mobile sites and mobile applications and also partners with 4INFO and other mobile service providers to power news alerts and mobile marketing campaigns via text messaging. Gannett has also developed and deployed leading applications for iPad, iPhone and Android.

TELEVISION STATIONS AND AFFILIATED ONLINE SITES

State	City	Station/Online site	Channel/Network	Weekly Audience (a)	Founded
Arizona	Flagstaff	KNAZ-TV	Channel 2/NBC	(b)	1970
	Phoenix	KPNX-TV	Channel 12/NBC	1,276,000	1953
		www.azcentral.com/12news			
Arkansas	Little Rock	KTHV-TV	Channel 11/CBS	437,000	1955
		www.todaysthv.com			
California	Sacramento	KXTV-TV	Channel 10/ABC	887,000	1955
		www.news10.net			
Colorado	Denver	KTVD-TV	Channel 20/MyNetworkTV	733,000	1988
		www.my20denver.com			
		KUSA-TV	Channel 9/NBC	1,223,000	1952
		www.9news.com			
District of Columbia	Washington	WUSA-TV	Channel 9/CBS	1,826,000	1949
		www.wusa9.com			
Florida	Jacksonville	WJXX-TV	Channel 25/ABC	434,000	1989
		WTLV-TV	Channel 12/NBC	482,000	1957
		www.firstcoastnews.com			
	Tampa-St. Petersburg	WTSP-TV	Channel 10/CBS	1,180,000	1965
		www.wtsp.com			
Georgia	Atlanta	WATL-TV	Channel 36/MyNetworkTV	1,111,000	1954
		www.myatltv.com			
		WXIA-TV	Channel 11/NBC	1,704,000	1948
		www.11alive.com			
	Macon	WMAZ-TV	Channel 13/CBS	203,000	1953
		www.13wmaz.com			
Maine	Bangor	WLBZ-TV	Channel 2/NBC	108,000	1954
		www.wlbz2.com			
	Portland	WCSH-TV	Channel 6/NBC	317,000	1953
		www.wcsh6.com			
Michigan	Grand Rapids	WZZM-TV	Channel 13/ABC	406,000	1962
		www.wzzm13.com			
Minnesota	Minneapolis-St. Paul	KARE-TV	Channel 11/NBC	1,400,000	1953
		www.kare11.com			
Missouri	St. Louis	KSDK-TV	Channel 5/NBC	1,018,000	1947
		www.ksdk.com			
New York	Buffalo	WGRZ-TV	Channel 2/NBC	516,000	1954
		www.wgrz.com			
North Carolina	Greensboro	WFMY-TV	Channel 2/CBS	597,000	1949
		www.digtriad.com			
Ohio	Cleveland	WKYC-TV	Channel 3/NBC	1,150,000	1948
		www.wkyc.com			
South Carolina	Columbia	WLTX-TV	Channel 19/CBS	287,000	1953
		www.wltx.com			
Tennessee	Knoxville	WBIR-TV	Channel 10/NBC	480,000	1956
		www.wbir.com			

Captivate Network: *www.captivatenetwork.com*
Headquarters: Chelmsford, MA
Advertising offices: Chicago, IL; Dallas, TX; Los Angeles, CA; New York, NY; Toronto, Canada.

(a) Weekly audience is number of TV households reached, according to the November 2010 Nielsen book.

(b) Audience numbers fall below minimum reporting standards.

USA TODAY: *www.usatoday.com*
Headquarters and editorial offices: McLean, VA
Print sites: Atlanta, GA; Brevard County, FL; Chandler, AZ; Columbia, SC; Denver, CO; Everett, WA; Fort Lauderdale, FL; Houston, TX; Indianapolis, Ind; Kankakee, IL; Las Vegas, NV; Lawrence, KS; Milwaukee, WI; Minneapolis, MN; Mobile, AL; Nashville, TN; Newark, OH; Norwood, MA; Plano, TX; Rockaway, NJ; St. Louis, MO; Salisbury, NC; Salt Lake City, UT; San Bernardino, CA; San Jose, CA; Springfield, VA; Sterling Heights, MI; Tampa, FL; Warrendale, PA; Wilmington, DE; Winston-Salem, NC
Advertising offices: Atlanta, GA; Chicago, IL; Dallas, TX; Detroit, MI; Los Angeles, CA; McLean, VA; New York, NY; San Francisco, CA

USATODAY.com
Headquarters and editorial offices: McLean, VA
Advertising offices: Atlanta, GA; Chicago, IL; Dallas, TX; Detroit, MI; Los Angeles, CA; McLean, VA; New York, NY; San Francisco, CA

USA WEEKEND: *www.usaweekend.com*
Headquarters and editorial offices: McLean, VA
Advertising offices: Chicago, IL; Detroit, MI; Los Angeles, CA; New York, NY; San Francisco, CA

Schedule Star/High School Sports: *www.schedulestar.com; www.highschoolsports.net*
Headquarters: Bridgeville, PA

Clipper Magazine: *www.clippermagazine.com; www.couponclipper.com; www.doubletakedeals.com*
Headquarters: Mountville, PA

Gannett Healthcare Group: *www.gannetthg.com; www.getcedirect.com;www.Nurse.com; www.TodayinPT.com; www.TodayinOt.com; www.PearlsReview.com*
Headquarters: Falls Church, VA
Regional offices: Dallas, TX; Hoffman Estates, IL; San Jose, CA
Publications: Nursing Spectrum, NurseWeek, Today in PT, Today in OT

Gannett Government Media Corp.
Headquarters: Springfield, VA
Regional office: Los Angeles, CA
Publications: Army Times: *www.armytimes.com*, Navy Times: *www.navytimes.com*, Marine Corps Times: *www.marinecorpstimes.com*, Air Force Times: *www.airforcetimes.com*, Federal Times: *www.federaltimes.com*, Defense News: *www.defensenews.com*, Armed Forces Journal: *www.armedforcesjournal.com*, C4ISR Journal: *www.c4isrjournal.com*, Training and Simulation Journal: *www.tsjonline.com*, Military Times EDGE: *www.militarytimesedge.com*

Gannett Media Technologies International: *www.gmti.com*:
Headquarters: Norfolk, VA
Regional offices: Cincinnati, OH; Phoenix, AZ

ContentOne
Headquarters: McLean, VA
Bureau: Washington, DC

Non-daily publications
Weekly, semi-weekly, monthly or bimonthly publications in Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Guam, Indiana, Iowa, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Wisconsin

Gannett Media Sales Group: McLean, VA

Gannett Offset: *www.gannettoffset.com*
Headquarters: Springfield, VA
Offset sites: Atlanta, GA; Minneapolis, MN; Norwood, MA; St. Louis, MO; Springfield, VA

Gannett Direct Marketing Services, Inc.: *www.gdms.com*:
Headquarters: Louisville, KY

Gannett Satellite Information Network: McLean, VA

National Web Sites:
www.bnqt.com;
www.careerbuilder.com;
www.highschoolsports.net;
www.metromix.com;
www.momslikeme.com;
www.reviewed.com;
www.usatoday.com
www.usaweekend.com

GANNETT ON THE NET: *News and information about Gannett is available on its web site, www.gannett.com. In addition to news and other information about Gannett, the company provides access through this site to its annual report on Form 10-K, its quarterly* *reports on Form 10-Q, its current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after the company files or furnishes them electronically to the Securities and Exchange Commission (SEC). Certification by Gannett's Chief Executive Officer and Chief Financial Officer are included as exhibits to the company's SEC reports (including the company's Form 10-K filed in 2010).*

Gannett also provides access on this web site to its Principles of Corporate Governance, the charters of its Audit, Digital Technology, Executive Compensation and Nominating and Public Responsibility Committees and other important governance documents and policies, including its Ethics and Inside Trading Policies. Copies of all of these corporate governance documents are available to any shareholder upon written request made to the company's Secretary at our headquarters address. In addition, the company will disclose on this web site changes to, or waivers of, its corporate Ethics Policy.

ITEM 1A. RISK FACTORS

In addition to the other information contained or incorporated by reference into this Form 10-K, prospective investors should consider carefully the following risk factors before investing in our securities. The risks described below may not be the only risks we face. Additional risks that we do not yet perceive or that we currently believe are immaterial may also adversely affect our business and the trading price of our securities.

Deterioration in economic conditions in the markets we serve in the U.S. and the UK may depress demand for our products and services

Our operating results depend on the relative strength of the economy in our principal publishing, digital and television markets as well as the strength or weakness of national and regional economic factors. Generally soft economic conditions and uneven recoveries in the U.S. and U.K. have had a significant adverse impact on the company’s businesses, particularly publishing. If conditions remain challenging or worsen in the U.S. or U.K. economy, all key advertising revenue categories could be significantly impacted.

Competition from alternative forms of media may impair our ability to grow or maintain revenue levels in core and new businesses

Advertising produces the predominant share of our publishing, broadcasting and affiliated web site revenues as well as digital segment revenues. With the continued development of alternative forms of media, particularly electronic media including those based on the Internet, our businesses may face increased competition. Alternative media sources may also affect our ability to generate circulation revenues and television audience. This competition may make it difficult for us to grow or maintain our broadcasting, print advertising and circulation revenues, which we believe will challenge us to expand the contributions of our online and other digital businesses.

A decline in the company’s credit ratings and continued volatility in the U.S. credit markets could significantly impact the company’s ability to obtain new financing to fund its operations and strategic initiatives or to refinance its existing debt at reasonable rates as it matures

At the end of 2010, the company had approximately $2.35 billion in long-term debt, of which $221 million was in the form of borrowings under bank credit facilities, $180 million is a term loan and the balance was in the form of unsecured notes. Approximately $613 million of this debt matures beginning in mid-2011 with remaining maturities in 2012-2018. While the company’s cash flow is expected to be sufficient to pay amounts when due, if operating results deteriorate significantly, a significant portion of these maturities may need to be refinanced. Access to the capital markets may at times be affected by our credit ratings and conditions in the economy. A decline in our corporate credit rating could make future borrowings more expensive, and volatile credit markets could make it harder for us to obtain debt financings generally. However, the company did access the capital markets in September 2010 with $500 million of unsecured financing. In September, the company also amended its revolving credit agreements and extended the maturity date with the majority of its lenders from March 15, 2012 to September 30, 2014. Total commitments under the amended revolving credit agreements are $1.63 billion through March 15, 2012 and total extended commitments from March 15, 2012 to September 30, 2014 will be $1.14 billion. At the end of 2010, the company had approximately $1.4 billion of additional borrowing capacity under its revolving credit facilities.

Volatility in global financial markets directly affects the value of our pension plan assets

While asset returns were strongly positive in 2010 and 2009, the company’s principal U.S. retirement plan, the Gannett Retirement Plan, is underfunded by $346 million. Depending on various factors, including future investment returns, discount rates and potential pension legislative changes, the company may be required to make up this underfunding with contributions in future years.

Foreign exchange variability could adversely affect our consolidated operating results

Weakening of the British pound-to-U.S. dollar exchange rate could diminish Newsquest’s earnings contribution to consolidated results. Newsquest results for 2010 were translated to U.S. dollars at the average rate of 1.55. CareerBuilder, with expanding overseas operations, also has foreign exchange risk but to a significantly lesser degree.

Changes in the regulatory environment could encumber or impede our efforts to improve operating results or value of assets

Our publishing and broadcasting operations are subject to government regulation. Changing regulations, particularly FCC regulations which affect our television stations, may result in increased costs and adversely impact our future profitability. For example, FCC regulations required us to construct digital television stations in all of our television markets, despite the fact that the new digital stations are unlikely to produce significant additional revenue. In addition, our television stations are required to possess television broadcast licenses from the FCC; when granted, these licenses are generally granted for a period of eight years. Under certain circumstances the FCC is not required to renew any license and could decline to renew our license applications that are currently pending in 2011.

The degree of success of our investment and acquisition strategy may significantly impact our ability to expand overall profitability

We will continue efforts to identify and complete strategic investments, partnerships and business acquisitions. These efforts may not prove successful. Strategic investments and partnerships with other companies expose us to the risk that we may not be able to control the operations of our investee or partnership, which could decrease the amount of benefits we reap from a particular relationship. The company is also exposed to the risk that its partners in strategic investments and infrastructure may encounter financial difficulties which could lead to disruption of investee or partnership activities.

Acquisitions of other businesses may be difficult to integrate with our existing operations, could require an inefficiently high amount of attention from our senior management, might require us to incur additional debt or divert our capital from more profitable expenditures, and might result in other unanticipated problems and liabilities.

The value of our intangible assets may become impaired, depending upon future operating results

Goodwill and other intangible assets were approximately $3.4 billion as of Dec. 26, 2010, representing approximately 49% of our total assets. We periodically evaluate our goodwill and other intangible assets to determine whether all or a portion of their carrying values may no longer be recoverable, in which case a charge to earnings may be necessary, as occurred in the last three years (see Notes 3 and 4 to the Consolidated Financial Statements). Any future evaluations requiring an asset impairment charge for goodwill or other intangible assets would adversely affect future reported results of operations and shareholders' equity, although such charges would not affect our cash flow.

The collectability of accounts receivable under current soft economic conditions could deteriorate to a greater extent than provided for in the company's financial statements and in its projections of future results

Generally soft economic conditions and uneven recoveries in the U.S. and U.K. have increased the company's exposure to losses resulting from the potential bankruptcy of its advertising customers. The company's accounts receivable are stated at net estimated realizable value and its allowance for doubtful accounts has been determined based on several factors, including receivable agings, significant individual credit risk accounts and historical experience. If such collectability estimates prove inaccurate, adjustments to future operating results could occur.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Publishing/United States

Generally, the company owns many of the plants that house all aspects of the publication process. Certain U.S. Community Publishing operations have outsourced printing to non-Gannett newspapers or commercial printers. In the case of USA TODAY, at Dec. 26, 2010, 20 non-Gannett printers were used to print the newspaper in U.S. markets where there are no company publishing sites with appropriate facilities. Non-Gannett printers in 11 foreign countries publish and distribute an international edition of USA TODAY under a royalty agreement. USA WEEKEND, Clipper Magazine and Gannett Healthcare Group are also printed under contracts with commercial printing companies. Many of the company's newspapers have outside news bureaus and sales offices, which generally are leased. In several markets, two or more of the company's newspapers share combined facilities; and in certain locations, facilities are shared with other non-Gannett newspaper properties. At the end of 2010, 68% of the company's U.S. daily newspapers were either printed by non-Gannett printers or printed in combination with other Gannett newspapers. The company's publishing properties have rail siding facilities or access to main roads for newsprint delivery purposes and are conveniently located for distribution purposes.

During the past five years, new or substantial additions or remodeling of existing facilities have been completed or are at some stage of construction at 10 of the company's publishing operations. Gannett continues to make investments in renovations where necessary for operational efficiency.

During 2010, the company continued its efforts to consolidate certain of its U.S. publishing facilities to achieve savings and efficiencies. The company's facilities are adequate for present operations. A listing of publishing centers and key properties may be found on pages 18-20.

Publishing/United Kingdom

Newsquest owns certain of the plants where its newspapers are produced and leases other facilities. Newsquest headquarters is in Weybridge, Surrey. Additions to Newsquest's printing capacity and color capabilities have been made since Gannett acquired Newsquest in 1999. Newsquest has consolidated certain of its facilities to achieve savings and efficiencies. Certain Newsquest operations have outsourced printing to non-Newsquest newspaper companies. All of Newsquest's properties are adequate for present purposes. A listing of Newsquest publishing centers and key properties may be found on page 21.

Digital

Generally, the company's digital businesses lease their facilities. This includes facilities for executive offices, sales offices and data centers. The company's facilities are adequate for present operations. The company also believes that suitable additional or alternative space, including those under lease options, will be available at commercially reasonable terms for future expansion. A listing of key digital facilities can be found on page 21.

Broadcasting

The company's broadcasting facilities are adequately equipped with the necessary television broadcasting equipment. The company owns or leases transmitter facilities in 23 locations. All of the company's stations have converted to digital television operations in accordance with applicable FCC regulations. The company's broadcasting facilities are adequate for present purposes. A listing of television stations can be found on page 22.

Corporate facilities

The company's headquarters and USA TODAY are located in McLean, VA. The company also owns data and network operations centers in nearby Maryland and in Phoenix, AZ. Headquarters facilities are adequate for present operations.

ITEM 3. LEGAL PROCEEDINGS

Information regarding legal proceedings may be found in Note 12 of the Notes to Consolidated Financial Statements.

Environmental

Some of the company's newspaper subsidiaries have been identified as potentially responsible parties (PRP) for cleanup of contaminated sites as a result of their alleged disposal of ink or other wastes at disposal sites that have been subsequently identified as requiring remediation. In four such matters that involve a governmental authority as a party, the company's liability could exceed $100,000.

Poughkeepsie Newspapers is required by a consent order with the U.S. EPA to fund a portion of the remediation costs at the Hertel Landfill site in Plattekill, NY. Poughkeepsie Newspapers has paid and expensed its share of the initial clean up but remains liable for a share of follow-up testing and potential further remediation at the site. Such remaining liability is not expected to be material.

In conjunction with the sale of property in Norwich, CT, in May 2007, Gannett Satellite Information Network, Inc. (GANSAT) submitted a Transfer of Establishment form to the Connecticut Department of Environmental Protection (CDEP). Because there is evidence of soil and groundwater contamination at the property, GANSAT will conduct a site investigation, and, if necessary, remediation, in accordance with the requirements of the Connecticut Transfer Act. The site investigation cost is not expected to be material. The cost of remediation, if any, will not be known until the conclusion of the site investigation.

In December 2004, the U.S. Forest Service advised by letter that it considers "Shiny Rock Mining Corporation" to be legally responsible for a release of hazardous substances at a closed mine site in Oregon. Shiny Rock Mining Corporation is a former Gannett subsidiary that donated the property at issue to Friends of Opal Creek (Friends) in 1992. Gannett tendered this matter to Friends pursuant to an indemnification agreement, and Friends and the Forest Service entered into a Consent Agreement to conduct a site investigation. Friends has been funding the investigation by using proceeds from an insurance policy, now expired. In December 2008, Friends notified Gannett that it may not have sufficient resources to fund its indemnification responsibilities if site costs exceed the proceeds available under the insurance policy. Whether Gannett will be required to fund further site work, and how much that might cost, depends on whether additional site investigation and/or remediation will be required, both unknown at this time.

Gannett Suburban Newspapers has been identified as a PRP — along with approximately 200 other governmental and private entities — at the Ellis Road Superfund site in Jacksonville, FL. Pursuant to an Administrative Order on Consent entered into in 1989, Gannett and other PRPs paid for certain cleanup actions at the site. Gannett was allocated approximately 0.06% of the cost of that cleanup, resulting in a payment of $3,250. In 2009, EPA determined that additional investigation and cleanup of the Ellis Road Site is required. Because EPA has not yet disclosed the scope and cost of any additional cleanup, Gannett is unable to reasonably estimate its potential liability with respect to this matter; however, Gannett expects such liability will be nominal.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Gannett Co., Inc. shares are traded on the New York Stock Exchange with the symbol GCI.

Information regarding outstanding shares, shareholders and dividends may be found on pages 1, 3 and 46 of this Form 10-K. Information about debt securities sold in private transactions may be found on pages 43 and 44 of this Form 10-K.

Gannett Common stock prices

High-low range by fiscal quarters based on NYSE-composite closing prices.

Year	Quarter	Low	High
2000	First	$ 61.75	$ 83.25
	Second	$ 59.25	$ 72.13
	Third	$ 49.25	$ 60.06
	Fourth	$ 48.69	$ 63.06
2001	First	$ 56.50	$ 67.74
	Second	$ 59.58	$ 69.38
	Third	$ 55.55	$ 69.11
	Fourth	$ 58.55	$ 71.10
2002	First	$ 65.03	$ 77.85
	Second	$ 71.50	$ 79.87
	Third	$ 63.39	$ 77.70
	Fourth	$ 66.62	$ 79.20
2003	First	$ 67.68	$ 75.10
	Second	$ 70.43	$ 79.70
	Third	$ 75.86	$ 79.18
	Fourth	$ 77.56	$ 88.93
2004	First	$ 84.50	$ 90.01
	Second	$ 84.95	$ 91.00
	Third	$ 79.56	$ 86.78
	Fourth	$ 78.99	$ 85.62
2005	First	$ 78.43	$ 82.41
	Second	$ 71.13	$ 80.00
	Third	$ 66.25	$ 74.80
	Fourth	$ 59.19	$ 68.62
2006	First	$ 58.81	$ 64.80
	Second	$ 53.22	$ 60.92
	Third	$ 51.67	$ 57.15
	Fourth	$ 55.92	$ 61.25
2007	First	$ 55.76	$ 63.11
	Second	$ 54.12	$ 59.79
	Third	$ 43.70	$ 55.40
	Fourth	$ 35.30	$ 45.85
2008	First	$ 28.43	$ 39.00
	Second	$ 21.79	$ 30.75
	Third	$ 15.96	$ 21.67
	Fourth	$ 6.09	$ 17.05
2009	First	$ 1.95	$ 9.30
	Second	$ 2.20	$ 5.48
	Third	$ 3.18	$ 10.14
	Fourth	$ 9.76	$ 15.63
2010	First	$ 13.53	$ 17.25
	Second	$ 13.73	$ 18.67
	Third	$ 11.98	$ 15.11
	Fourth	$ 11.76	$ 15.78
2011	First*	$ 14.49	$ 17.18

* Through February 11, 2011

Purchases of Equity Securities

There were no repurchases of common stock in 2010. The dollar value of shares that may yet be purchased under the company's share repurchase program described on page 46 is $808,936,610. While there is no expiration date for the repurchase program, the Board of Directors reviews the authorization of the program annually and did so in October 2010.

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Comparison of shareholder return — 2006 to 2010

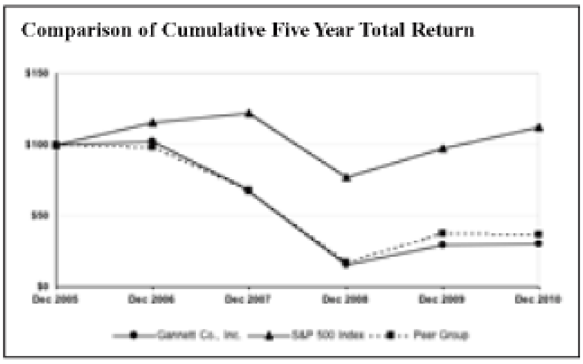
The following graph compares the performance of the company's common stock during the period Dec. 25, 2005, to Dec. 26, 2010, with the S&P 500 Index, and a Peer Group Index selected by the company.

The company has established an index of peer group companies because of changes in 2007 to the S&P 500 Publishing Index. At the end of 2006, the S&P 500 Publishing Index included Gannett Co., Inc., Dow Jones & Co., Inc., The McGraw-Hill Companies, Meredith Corporation, The New York Times Company and Tribune Company. During 2007, Dow Jones was purchased by News Corp. and Tribune Company was taken private, and both companies therefore were removed from the S&P 500 Publishing Index. The Washington Post Company, which holds substantial non-publishing/broadcast interests, was added to the S&P 500 Publishing Index.

Because of these changes, the company believes the S&P 500 Publishing Index no longer comprises a representative group of peer companies. The company therefore selected a Peer Group which it believes to be more representative based upon the strong publishing/broadcasting orientation of the companies selected. This Peer Group is comprised of Gannett Co., Inc., A.H. Belo Corp., The E.W. Scripps Company, Journal Communications, Inc., Lee Enterprises, Inc., The McClatchy Company, Media General, Inc. and The New York Times Company.

The S&P 500 Index includes 500 U.S. companies in the industrial, utilities and financial sectors and is weighted by market capitalization.

The graph depicts the results of investing $100 in the company's common stock, the S&P 500 Index and the Peer Group Index at closing on Dec. 25, 2005. It assumes that dividends were reinvested monthly with respect to the company's common stock, daily with respect to the S&P 500 Index and monthly with respect to the Peer Group.

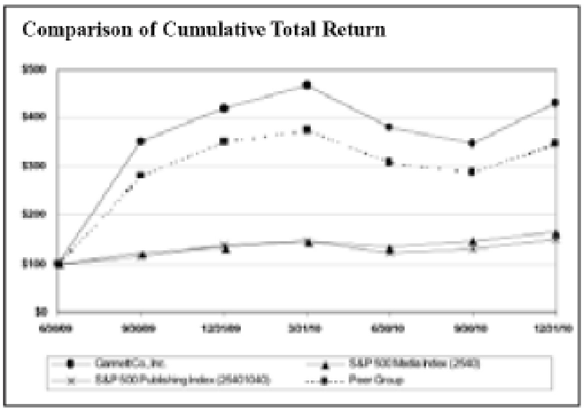


	2005	2006	2007	2008	2009	2010
Gannett Co., Inc.	100	101.89	67.76	15.42	29.65	30.47
S&P 500 Index	100	115.79	122.16	76.96	97.33	111.99
Peer Group	100	98.27	67.70	17.55	37.96	37.50

Comparison of shareholder return — June 30, 2009 to Dec. 31, 2010

The following graph compares the total return to shareholders of the company's common stock during the period from June 30, 2009 (the date the National Bureau of Economic Research announced as the end of the recession in the U.S.) to December 31, 2010 with the performance of the S&P 500 Media Index, the S&P 500 Publishing Index and the company's 2010 Peer Group over the same period of time.

The graph depicts the results of investing $100 in the company's common stock, the S&P 500 Media Index, the S&P 500 Publishing Index and the company's Peer Group at closing prices on June 30, 2009, assuming that dividends are reinvested on a monthly basis.



The S&P 500 Media Index is comprised of Cablevision, Systems Corporation, CBS Corporation, Comcast Corporation, The DirecTV Group, Inc., Discovery Communications Inc., Gannett Co., Inc., The Interpublic Group of Companies, Inc., The McGraw-Hill Companies, Inc., Meredith Corporation, News Corporation, Omnicom Group, Inc., Scripps Networks Interactive, Inc., Time Warner Cable Inc., Time Warner Inc., Viacom Inc., The Walt Disney Company, and The Washington Post Company and the S&P 500 Publishing Index consists of Gannett Co., Inc., The McGraw-Hill Companies, Inc., Meredith Corporation, and The Washington Post Company.

ITEM 6. SELECTED FINANCIAL DATA

Selected financial data for the years 2006 through 2010 is contained under the heading "Selected Financial Data" on page 78 and is derived from the company's audited financial statements for those years. Certain reclassifications have been made to previously reported financial data to reflect the creation of a new digital segment, as more fully discussed in Note 1 to the Consolidated Financial Statements.

The information contained in the "Selected Financial Data" is not necessarily indicative of the results of operations to be expected for future years, and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 and the consolidated financial statements and related notes thereto included in Item 8 of this Form 10-K.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain factors affecting forward-looking statements

Certain statements in this Annual Report on Form 10-K contain forward-looking information. The words "expect," "intend," "believe," "anticipate," "likely," "will" and similar expressions generally identify forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results and events to differ materially from those anticipated in the forward-looking statements. The company is not responsible for updating or revising any forward-looking statements, whether the result of new information, future events or otherwise, except as required by law.

Potential risks and uncertainties which could adversely affect the company's results include, without limitation, the following factors: (a) increased consolidation among major retailers or other events which may adversely affect business operations of major customers and depress the level of local and national advertising; (b) a continuance of the generally soft economic conditions in the U.S. and the U.K. or a further economic downturn leading to a continuing or accelerated decrease in circulation or local, national or classified advertising; (c) a further decline in general newspaper readership and/or advertiser patterns as a result of competitive alternative media or other factors; (d) an increase in newsprint or syndication programming costs over the levels anticipated; (e) labor disputes which may cause revenue declines or increased labor costs; (f) acquisitions of new businesses or dispositions of existing businesses; (g) a decline in viewership of major networks and local news programming; (h) rapid technological changes and frequent new product introductions prevalent in electronic publishing; (i) an increase in interest rates; (j) a weakening in the British pound to U.S. dollar exchange rate; (k) volatility in financial and credit markets which could affect the value of retirement plan assets and the company's ability to raise funds through debt or equity issuances; (l) changes in the regulatory environment; (m) an other than temporary decline in operating results and enterprise value that could lead to further non-cash goodwill, other intangible asset, investment or property, plant and equipment impairment charges; (n) credit rating downgrades, which could affect the availability and cost of future financing; and (o) general economic, political and business conditions.

Executive Summary

Gannett Co., Inc. is a leading international media and marketing solutions company operating primarily in the United States and the United Kingdom (U.K.). Approximately 90% of 2010 consolidated revenues are from domestic operations and approximately 10% are from foreign operations, primarily in the U.K.

The company's goal is to be the leading source of news and information in the markets it serves, and be customer centric by delivering quality products and results for readers, viewers, advertisers and other customers. Gannett believes that well-managed newspapers, television stations, electronic media including Internet and mobile products and services, magazine/specialty publications and programming efforts will maximize profits for the company's shareholders as will our customer-centric solutions approach to advertising. To that end, the company's strategy has the following elements:

- Become a leading digital destination for consumers and advertisers.
- Create new business opportunities in the digital space through internal innovation, acquisitions or affiliations. The company established a new Digital segment in 2008.
- Transform its sales organization from transactional advertising to a culture of customer-focused marketing solutions and ideas.
- Create highly relevant content that delivers what consumers want and advertisers need to engage with their audiences on multiple platforms.
- Maintain strong financial discipline throughout its operations.
- Maximize existing resources through efforts to enhance revenues and control or reduce costs. For businesses that do not fit with the company's long-term strategic goals, a reallocation of resources will be undertaken.
- Strengthen the foundation of the company by finding, developing and retaining the best and brightest employees through a robust Leadership and Diversity program.

Gannett implements its strategy and manages its operations through three business segments: publishing, digital and broadcasting (television). The publishing segment includes the operations of 99 daily newspapers in the U.S., U.K. and Guam, about 600 non-daily local publications in the United States and Guam and more than 200 such titles in the U.K. Its 82 U.S. daily newspapers, including USA TODAY, the nation's largest-selling daily print newspaper, with an average circulation of approximately 1.8 million, have a combined daily average paid circulation of 5.3 million, which is the nation's largest newspaper group in terms of circulation. Together with the 17 daily paid-for newspapers its Newsquest division publishes in the U.K., the total average daily circulation of its 99 domestic and U.K. daily newspapers was approximately 5.7 million for 2010. All daily newspapers also operate web sites which are tightly integrated with publishing operations. The company's newspapers also have strategic business relationships with online affiliates including CareerBuilder, Classified Ventures, ShopLocal.com, Topix and Metromix LLC.

The publishing segment also includes commercial printing; newswire; marketing and data services operations.

Through its broadcasting segment, the company owns and operates 23 television stations with affiliated web sites covering 18.2% of the U.S. population in markets with a total of more than 21 million households. This segment also includes the results of Captivate Network, a national news and entertainment network that delivers programming and full-motion video advertising on video screens located in elevators of office towers and select hotel lobbies across North America.

Fiscal year: The company's fiscal year ends on the last Sunday of the calendar year. The company's 2010 fiscal year ended on Dec. 26, 2010, and encompassed a 52-week period. The company's 2009 and 2008 fiscal years also encompassed 52-week periods.

Discontinued operations: Unless stated otherwise, as discussed in the section titled "Discontinued operations," all of the information contained in Management's Discussion and Analysis of Financial Condition and Results of Operations relates to continuing operations. Therefore, the results of The Honolulu Advertiser and its related assets, which were sold to Oahu Publications in May 2010, and a small directory publishing operations sold to Yellow Book in June 2010, are excluded for all periods covered by this report. These transactions are discussed in more detail on page 32 in the business acquisitions, investments, dispositions and discontinued operations section of this report.

Presentation of certain pro forma and non-GAAP information: The discussion below is focused mainly on changes in historical financial results, however certain operating information for the newly formed Digital Segment is also presented on a pro forma basis, which assumes that all properties owned at the end of 2010 were owned throughout the periods covered by the discussion. The company consistently uses, for individual businesses and for aggregated business data, pro forma reporting of operating results in its internal financial reports because it enhances measurement of performance by permitting comparisons with prior period historical data. Likewise, the company uses this same pro forma data in its external reporting of key financial results and benchmarks.

In addition to the results reported in accordance with accounting principles generally accepted in the United States ("GAAP"), the company has provided in this report amounts for operating expenses, operating income, non-operating expenses, income taxes, income from continuing operations, net income attributable to Gannett Co., Inc. and earnings per share excluding certain special items (non GAAP basis). Management believes results excluding these items better reflect the ongoing performance of the company and enables management and investors to meaningfully trend, analyze and benchmark the performance of the company's operations. These measures are also more comparable to financial measures reported by the company's competitors. These results should not be considered a substitute for amounts calculated and reported in accordance with GAAP.

Results from continuing operations and special charges and credits: Income from continuing operations attributable to Gannett Co., Inc. for 2010 was $567 million or $2.35 per share.

The table below reconciles diluted earnings per share from continuing operations reported in accordance with GAAP to adjusted earnings per share excluding special items:

Diluted Earnings Per Share	**Fifty-two weeks ended Dec. 26, 2010**	**Fifty-two weeks ended Dec. 27, 2009**	**Fifty-two weeks ended Dec. 28, 2008**
Earnings (loss) per share from continuing operations (GAAP basis)	$ 2.35	$ 1.49	$ (29.02)
Operating items:			
Facility consolidation and asset impairment charges	0.17	0.37	31.20
Workforce restructuring and related expenses	0.03	0.08	0.33
Pension gain	—	(0.10)	(0.13)
Non-operating items:			
Impairment of newspaper publishing partnerships and other equity method investments	0.01	0.03	1.09
Debt exchange gain	—	(0.11)	—
Impairment of publishing assets sold	—	0.10	—
Tysons land sale gain	—	—	(0.07)
Release of prior year tax reserves, net	(0.11)	—	—
Adjusted earnings per share (non-GAAP basis)	**$ 2.44**(a)	**$ 1.85**(a)	**$ 3.40**

(a) Total per diluted share amount does not sum due to rounding.

Discussion of special charges and credits affecting reported results: Difficult business conditions required the company to perform impairment tests on certain assets including goodwill, other intangible assets, other long lived assets and investments accounted for under the equity method during 2010, 2009 and 2008. As a result, the company has recorded non-cash impairment charges to reduce the book value of certain of those assets of $60 million ($43 million after-tax or $.18 per share), $142 million ($95 million after-tax or $.40 per share) and $8.3 billion ($7.4 billion after-tax or $32.29 per share) in 2010, 2009 and 2008, respectively. In addition, an impairment charge of $28 million ($24 million after-tax or $.10 per share) was taken in 2009 to reduce the value of certain commercial printing assets which were then sold. The 2008 and 2009 impairment charges were driven by poor business trends amid recessions in the U.S. and U.K. Concurrent with the decline in business conditions, there was broad-based downward pressure on equity share values in 2008 and early 2009 and the company's stock price declined significantly. These factors led to the reassessment of asset carrying values and the determination that non-cash impairment write downs to underlying estimated fair value were required. These non-cash impairment charges are detailed in Notes 3 and 4 to the Consolidated Financial Statements.

For the years 2010, 2009 and 2008 the company recorded workforce restructuring related costs totaling $12 million ($7 million after-tax or $.03 per share), $28 million ($18 million after-tax or $.08 per share), and $115 million ($75 million after-tax or $.33 per share), respectively. These charges were taken in connection with workforce reductions related to facility consolidation and outsourcing efforts and as part of a general program to fundamentally change the company's cost structure.

In 2010, the company booked a net tax benefit of $28.7 million ($.12 per share) primarily due to the expiration of the statutes of limitations including the release of certain reserves related to the sale of a business in a prior year. The benefit was partially offset by a $2.2 million ($.01 per share) tax charge related to health care reform legislation and the resultant loss of tax deductibility for certain health care costs covered by Medicare retiree drug subsidies.

During 2009, the company reached an agreement with one of its unions for a complete withdrawal from the union's underfunded pension plan and release from any future obligations with respect thereto. As a result of this agreement, the company recognized a pension settlement gain of $40 million ($25 million after-tax or $.10 per share).

During 2008, the company made changes to its domestic benefit plans by improving its 401(k) plan while freezing benefits under certain company sponsored defined benefit pension plans. As a result, the company recognized a curtailment gain from its domestic pension plans of $47 million ($29 million after-tax or $.13 per share).

In connection with the debt exchange offer completed in May 2009, the company recorded a gain of approximately $43 million ($26 million after-tax or $.11 per share) which is classified in "Other non-operating items" in the Statement of Income (Loss). This gain resulted from recording its new 2015 and 2016 notes at fair value as of the time of the exchange and extinguishing the old notes at their historical book values.

In 2008, the company realized a $26 million ($16 million after-tax or $.07 per share) gain on the sale of a parcel of land adjacent to its headquarters building in McLean, VA.

Operating results summary: Operating revenues were $5.4 billion in 2010, a decline of 1% from $5.5 billion in 2009. Total revenue comparisons sequentially improved quarterly throughout the year and modest revenue growth was achieved in the third and fourth quarters of 2010.

Publishing revenues were $4.1 billion for 2010 or 6% below 2009 levels. The rate of decline narrowed over the course of the year as economic conditions continued to improve.

Digital segment revenues totaled $618 million for 2010, an increase of 5%, reflecting strong revenue growth at CareerBuilder, PointRoll and ShopLocal.

Broadcast revenues for 2010 were $770 million or 22% better than 2009 levels, reflecting advertising revenue of $107 million associated with elections and Winter Olympic Games, as well as higher core television advertising and significant growth at Captivate.

Digital revenues company-wide including the Digital segment and all digital revenues generated by other business segments were approximately $1.0 billion, 18% of total operating revenues and an increase of 8% over last year.

As indicated, total revenue comparisons sequentially improved throughout the year and modest revenue growth was achieved in the third and fourth quarters of 2010. The table below presents the percentage change in revenues compared to 2009 for each quarter and for the full year, for the company as a whole and for its three business segments.

Revenue Comparison 2010 vs. 2009

	Q1	Q2	Q3	Q4	Full Year
Publishing	(7%)	(6%)	(5%)	(5%)	(6%)
Digital	(2%)	8%	10%	5%	5%
Broadcast	17%	20%	22%	27%	22%
Total	(4%)	(2%)	0.0%	0.4%	(1%)

Total operating costs declined 7% to $4.44 billion for 2010, primarily due to the impact of cost efficiency efforts company-wide and a substantial decline in newsprint expense, offset partially by higher expenses in broadcasting related to higher revenue. There was also a substantial decline in impairment and restructuring charges in 2010 compared with 2009. Operating costs, excluding these special items discussed above, declined 6% for the year.

Newsprint expense for publishing was significantly less than in 2009, declining 23% as a 10% reduction in consumption was combined with a 15% decrease in average usage prices.

The company reported operating income for 2010 of $1.0 billion compared to $719 million in 2009, a 39% increase. These amounts include net special items charges in 2010 of $69 million compared to $121 million in 2009. Absent the special items from both years, the company's operating income would have been $1.07 billion for 2010, an increase of 27% compared to 2009.

The company reported income of $19 million from its equity share of results from unconsolidated investees for 2010, a significant increase over 2009, due to better results from its newspaper publishing partnerships and certain digital investments, as well as a reduction in the amount of impairment charges taken for certain investees. Absent these special impairment charges in 2010 ($3 million) and 2009 ($9 million), equity income in unconsolidated investees would have increased 65% to $22 million.

Interest expense was $173 million in 2010, down 2% from 2009, reflecting significantly lower average debt balances partially offset by higher average interest rates. From its strong operating cash flow and its tightly disciplined liquidity management, the company reduced its long-term debt by $710 million or 23% in 2010 and by $1.46 billion or 38% over the last two years.

The company reported net income attributable to Gannett Co., Inc. of $588 million or $2.43 per diluted share for 2010 compared to $355 million or $1.51 per diluted share for 2009. Income from continuing operations attributable to Gannett Co., Inc. was $567 million or $2.35 per diluted share for 2010. Absent the special items in both years, the company would have reported an increase in income from continuing operations attributable to Gannett and diluted earnings per share of 35% and 32%, respectively.

Net income attributable to noncontrolling interests was $35 million in 2010, an increase of 28% or $8 million over 2009, reflecting significantly improved operating results at CareerBuilder.

Challenges for 2011: Looking forward to 2011, the company faces several challenges including comparisons against $107 million of political and Olympic advertising in its broadcast segment in 2010, higher newsprint prices as well as uncertainty surrounding the U.S. and U.K. economies.

Basis of reporting

Following is a discussion of the key factors that have affected the company's accounting for or reporting on the business over the last three fiscal years. This commentary should be read in conjunction with the company's financial statements, Selected Financial Data and the remainder of this Form 10-K.

Critical accounting policies and the use of estimates: The company prepares its financial statements in accordance with generally accepted accounting principles (GAAP) which require the use of estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosure of contingent matters. The company bases its estimates on historical experience, actuarial studies and other assumptions, as appropriate, concerning the carrying values of its assets and liabilities and disclosure of contingent matters. The company re-evaluates its estimates on an ongoing basis. Actual results could differ from these estimates.

Critical accounting policies for the company involve its assessment of the recoverability of its long-lived assets, including goodwill and other intangible assets, which are based on such factors as estimated future cash flows and current fair value estimates of businesses. Similarly the company evaluates the recoverability of the carrying value of its property, plant and equipment and its investments in minority-owned unconsolidated investees, including its newspaper publishing partnerships and certain online/new technology business investments.

The company's accounting for pension and retiree medical benefits requires the use of various estimates concerning the work force, interest rates, plan investment return, and involves the use of advice from consulting actuaries. The company's accounting for income taxes in the U.S. and foreign jurisdictions is sensitive to interpretation of various laws and regulations therein, and to accounting rules regarding the repatriation of earnings from foreign sources. The company must also exercise significant judgment in assessing the recoverability of its deferred tax assets.

Refer to Note 1 to the Consolidated Financial Statements for a more complete discussion of all of the company's significant accounting policies.

Reclassifications of certain items within the Consolidated Financial Statements: In the third quarter of 2008, the company began reporting a new digital segment and a separate digital revenues line in its Statements of Income (Loss). This revenue line includes only revenue from the businesses that comprise the new digital segment. It therefore includes all revenues from CareerBuilder and ShopLocal beginning with the full consolidation of these businesses in the third quarter of 2008, and revenues from PointRoll, Schedule Star and Planet Discover. Revenues from PointRoll, Schedule Star and Planet Discover had previously been reported within the publishing segment and were included in the "All other" revenue line in the Statement of Income (Loss). "All other" revenue is now comprised principally of commercial printing revenues. All periods presented reflect these reclassifications.

Operating results from web sites that are associated with publishing operations and broadcast stations continue to be reported in the publishing and broadcast segments.

Business acquisitions, investments, dispositions and discontinued operations

2010**:** In March 2010, CareerBuilder expanded its reach in the U.K. when it purchased CareerSite.biz, parent of three successful career-related operations there. Founded in 2001, CareerSite.biz operates two online recruitment niche sites focusing on nursing and rail workers as well as a successful virtual career fair business.

In October 2010, the company purchased a minority stake in Ongo Inc. Ongo is a personal news service that gives consumers a fundamentally new way to read, discover and share digital news and information.

In the second quarter of 2010, the company completed the sale of The Honolulu Advertiser as well as a small directory publishing operation in Michigan. In connection with these transactions, the company recorded a net after tax gain of $21.2 million in discontinued operations. Income from continuing operations for all periods presented exclude operating results from these former properties which have been reclassified to discontinued operations. Amounts applicable to these discontinued operations are as follows:

In thousands of dollars

	2010	2009	2008
Revenues	$ 32,710	$ 103,390	$ 127,968
Pretax (loss)/income	(758)	6,262	(33,753)
Net (loss)/income	(322)	3,790	(20,626)
Gains (after tax)	21,195	—	—

Total cash paid in 2010 for business acquisitions and investments was $15.2 million and $11.0 million, respectively.

In early January 2011, the company also announced the acquisition of Reviewed.com, a group of 12 product-review web sites that provide comprehensive reviews for technology products such as digital cameras, camcorders and high-definition televisions. Reviewed.com's operation will be integrated with USA TODAY as part of USA TODAY's consumer media strategy.

***2009*: In February 2009, the company purchased a minority interest in Homefinder, a leading national online marketplace connecting homebuyers, sellers and real estate professionals.

In July 2009, Newsquest sold one of its commercial printing businesses, Southernprint Limited.

Total cash paid in 2009 for business acquisitions (principally post-acquisition consideration) and investments was $9.6 million and $9.7 million, respectively.

***2008*: On Dec. 31, 2007, the first day of the company's 2008 fiscal year, the company purchased X.com, Inc. (BNQT.com), which operates a digital media group of affiliated sites covering eight different action sports including surfing, snowboarding and skateboarding. BNQT.com is affiliated with the USA TODAY Sports Media Group.

In February 2008, the company formed QuadrantONE, a new digital ad sales network, with three other large media companies.

In March 2008, the company purchased a minority stake in Fantasy Sports Ventures (FSV). FSV, also known as Big Lead Sports, owns a set of fantasy sports content sites and manages advertising across a group of affiliated sites.

In May 2008, the company purchased a minority stake in Cozi Group Inc. (COZI). COZI is a free web service that helps families manage busy schedules, stay in communication and share memories.

In July 2008, the company purchased a minority stake in Livestream, a company that provides Internet broadcasting services. Also in July 2008, the company increased its investment in 4INFO, maintaining its approximate ownership interest.

In August 2008, the company purchased 100% of the outstanding shares of Pearls Review, Inc., an online nursing certification and continuing education review site, which is operated with Gannett Healthcare Group.

In June 2008, the company acquired from Tribune Company and The McClatchy Company their minority ownership interests in ShopLocal LLC, a leading marketing and database services company for major retailers in the U.S. The company now owns 100% of ShopLocal and began consolidating its results in the digital segment at the beginning of the third quarter of 2008. ShopLocal collaborates with PointRoll to create ads that dynamically connect retail advertisers and consumers, online and in the store.

In September 2008, the company acquired an additional 10% stake in CareerBuilder from Tribune Company increasing its investment to 50.8% so that it became the majority and controlling owner.

The total cash paid in 2008 for business acquisitions was $168.6 million and for investments was $46.8 million.

RESULTS OF OPERATIONS

Consolidated summary — continuing operations

A consolidated summary of the company's results is presented below.

In millions of dollars, except per share amounts

	2010	Change	2009	Change	2008
Operating revenues	$ 5,439	(1%)	$ 5,510	(17%)	$ 6,640
Operating expenses	$ 4,439	(7%)	$ 4,791	(64%)	$ 13,368
Operating income (loss)	$ 1,000	39%	$ 719	***	$ (6,728)
Non-operating expense, net	$ 154	3%	$ 149	(72%)	$ 537
Income (loss) from continuing operations					
Per share — basic	$ 2.38	59%	$ 1.50	***	$ (29.02)
Per share — diluted	$ 2.35	58%	$ 1.49	***	$ (29.02)

Results for all periods reflect certain special items that are included in either operating or non-operating expense and which are further discussed on page 30 and in Notes 3 and 4 to the Consolidated Financial Statements.

In the tables below and in certain other tables and discussions that follow, the effect of these special items has been removed from key financial measures to better reflect the ongoing performance of the company.

Operating and non-operating expenses adjusted to remove the effect of certain special items are as follows:

In millions of dollars

	2010	Change	2009(a)	Change	2008(a)
Operating expense (GAAP basis)	$ 4,439	(7%)	$ 4,791	(64%)	$ 13,368
Remove favorable (unfavorable) special items:					
Facility consolidation and asset impairment charges	$ (57)	(57%)	$ (133)	(98%)	$ (7,940)
Workplace restructuring and related expenses	$ (12)	(59%)	$ (28)	(75%)	$ (115)
Pension gains	$ —	***	$ 40	(14%)	$ 47
Adjusted operating expenses (non-GAAP basis)	$ 4,370	(6%)	$ 4,669	(13%)	$ 5,359

(a) *Numbers do not sum due to rounding.*

In millions of dollars

	2010	Change	2009(a)	Change	2008
Non-operating expense,(b) net (GAAP basis)	$ 154	3%	$ 149	(72%)	$ 537
Remove favorable (unfavorable) special items:					
Impairment of newspaper publishing partnerships and other equity method investments	$ (3)	(71%)	$ (9)	(98%)	$ (382)
Debt exchange gain	$ —	***	$ 43	***	$ —
Impairment of publishing assets sold	$ —	***	$ (28)	***	$ —
Tysons land sale gain	$ —	***	$ —	***	$ 26
Adjusted nonoperating expense (non-GAAP basis)	$ 151	(2%)	$ 154	(15%)	$ 181

(a) Numbers do not sum due to rounding.

(b) Includes interest expense, equity income in unconsolidated investees and other non-operating items.

Operating income adjusted to remove the effect of certain special items is as follows:

In millions of dollars

	2010(a)	Change	2009	Change	2008
Operating income (GAAP basis)	$ 1,000	39%	$ 719	***	$ (6,728)
Remove (favorable) unfavorable special items:					
Facility consolidation and asset impairment charges	$ 57	(57%)	$ 133	(98%)	$ 7,940
Workforce restructuring and related expenses	$ 12	(59%)	$ 28	(75%)	$ 115
Pension gains	$ —	***	$ (40)	(14%)	$ (47)
Adjusted operating income (non-GAAP basis)	$ 1,068	27%	$ 840	(34%)	$ 1,280

(a) *Numbers do not sum due to rounding.*

On an as adjusted basis using non-GAAP amounts for expenses, operating results were as follows:

In millions of dollars

	Consolidated Summary-Non-GAAP Basis				
	2010(a)	Change	2009(a)	Change	2008(a)
Operating revenues	$ 5,439	(1%)	$ 5,510	(17%)	$ 6,640
Operating expenses	$ 4,370	(6%)	$ 4,669	(13%)	$ 5,359
Operating income	$ 1,068	27%	$ 840	(34%)	$ 1,280
Non-operating expense	$ 151	(2%)	$ 154	(15%)	$ 181
Income from continuing operations per share-diluted	$ 2.44	32%	$ 1.85	(46%)	$ 3.40

(a) *Numbers do not sum due to rounding.*

A discussion of operating results of the company's publishing, digital and broadcasting segments, along with other factors affecting net income attributable to Gannett, is as follows:

Publishing segment

In addition to its domestic local newspapers and affiliated web sites, the company's publishing operations include USA TODAY, USA WEEKEND, Newsquest, which publishes daily and non-daily newspapers in the U.K., Clipper Magazine, Gannett Healthcare Group, Gannett Government Media, Gannett Offset commercial printing and other advertising and marketing services businesses. The publishing segment in 2010 contributed 74% of the company's revenues.

Publishing operating results were as follows:

In millions of dollars

	2010	Change	2009	Change	2008
Revenues	$ 4,051	(6%)	$ 4,292	(23%)	$ 5,586
Expenses	$ 3,403	(10%)	$ 3,776	(70%)	$ 12,578
Operating income (loss)	$ 648	25%	$ 516	***	$ (6,992)

Operating expenses for publishing include the effects of the special items which are more fully discussed on page 30 and in Notes 3 and 4 to the Consolidated Financial Statements. Operating expenses adjusted for the effect of special items are as follows:

In millions of dollars

	2010(a)	Change	2009(a)	Change	2008
Operating expenses (GAAP basis)	$ 3,403	(10%)	$ 3,776	(70%)	$ 12,578
Remove favorable (unfavorable) special items:					
Facility consolidation and asset impairment charges	$ (36)	(64%)	$ (99)	(99%)	$ (7,915)
Workforce restructuring and related expenses	$ (10)	(64%)	$ (27)	(72%)	$ (98)
Pension gains	$ —	***	$ 40	7%	$ 37
Adjusted operating expenses (non-GAAP basis)	$ 3,358	(9%)	$ 3,689	(20%)	$ 4,602

(a) *Numbers do not sum due to rounding.*

Publishing operating results excluding the effects of the above special items were as follows:

In millions of dollars

	Publishing Summary-Non-GAAP Basis				
	2010	Change	2009	Change	2008
Operating revenues	$ 4,051	(6%)	$ 4,292	(23%)	$ 5,586
Operating expenses	$ 3,358	(9%)	$ 3,689	(20%)	$ 4,602
Operating income	$ 693	15%	$ 603	(39%)	$ 984

Foreign currency translation: The average exchange rate used to translate U.K. publishing results was 1.55 for 2010, 1.56 for 2009 and 1.86 for 2008. Therefore, publishing segment revenue, expense and operating income trend lower from 2008 to 2009 and 2009 to 2010 because of rate declines.

Publishing operating revenues: Publishing operating revenues are derived principally from advertising and circulation sales, which accounted for 67% and 27%, respectively, of total publishing revenues in 2010. Ad revenues include those derived from advertising placed with affiliated Internet sites which include revenue in the classified, retail and national ad categories. Other publishing revenues are mainly from commercial printing.

The table below presents the principal components of publishing revenues for the last three years.

Publishing operating revenues, in millions of dollars

	2010(a)	Change	2009(a)	Change	2008
Advertising	$ 2,711	(6%)	$ 2,888	(29%)	$ 4,041
Circulation	$ 1,087	(5%)	$ 1,145	(4%)	$ 1,197
Commercial printing and other	$ 254	(2%)	$ 260	(25%)	$ 348
Total	$ 4,051	(6%)	$ 4,292	(23%)	$ 5,586

(a) Numbers do not sum due to rounding.

The table below presents the principal components of publishing advertising revenues for the last three years. These amounts include ad revenue from printed publications as well as online ad revenue from web sites affiliated with the publications.

Advertising revenues, in millions of dollars

	2010	Change	2009	Change	2008
Retail	$ 1,384	(6%)	$ 1,480	(22%)	$ 1,896
National	$ 501	(4%)	$ 522	(22%)	$ 670
Classified	$ 826	(7%)	$ 886	(40%)	$ 1,475
Total ad revenue	$ 2,711	(6%)	$ 2,888	(29%)	$ 4,041

Publishing revenue comparisons 2010-2009:

Advertising Revenue: Advertising revenues for 2010 decreased $178 million or 6%. The rate of decline generally narrowed over the course of the year as economic conditions slowly stabilized and sales initiatives took hold. Early in the year, revenue declines were the most pronounced due in large measure to the more severe global economic conditions.

The table below presents the percentage change in 2010 compared to 2009 for each of the major ad revenue categories, by quarter.

Advertising Revenue Comparisons by Quarter

	Q1	Q2	Q3	Q4
Retail	(9%)	(6%)	(6%)	(5%)
National	(4%)	(4%)	1%	(8%)
Classified	(9%)	(6%)	(6%)	(6%)
Total advertising	(8%)	(6%)	(5%)	(6%)

Ad revenues were lower in both the U.S. and the U.K.

In the U.K., in local currency, ad revenues were down more than in the U.S. U.K. ad revenue declines were impacted by a slightly lower average exchange rate for 2010. In U.S. dollars, Newsquest ad revenues were down 8% compared with a 5% decline for U.S. publishing.

The table below presents the percentage change for the retail, national, and classified categories for 2010 compared to 2009.

Advertising Revenue Year Over Year Comparisons

	U.S. Publishing	Newsquest (in pounds)	Total Publishing (constant currency)
Retail	(7%)	(5%)	(6%)
National	(3%)	(5%)	(3%)
Classified	(4%)	(9%)	(6%)
Total	(5%)	(8%)	(6%)

Retail ad revenues were down $96 million or 6% in 2010. In the U.S., revenues were lower in most principal categories, with the more significant declines occurring in the department store, financial and telecommunications categories, partially offset by an increase in retail online advertising. Retail ad revenues were slightly better in the U.K. and on a constant currency basis were down 5% in 2010. Retail revenue declines narrowed throughout the year, and the fourth quarter was the best comparison quarter of the year.

National ad revenues were down $21 million or 4% in 2010, primarily due to lower ad sales for USA TODAY and its associated businesses, partially offset by an increase in national ad revenues for U.S. Community Publishing. At USA TODAY, print ad revenues were down 13% for the year, reflecting weakness in travel, telecommunications and pharmaceutical, partially offset by an increase in the automotive and retail categories. Paid ad pages were down 1% for the year and totaled 2,299 in 2010 compared to 2,326 in 2009. National advertising revenues excluding USA TODAY and USA WEEKEND were 3% higher in 2010.

The table below presents the percentage change in classified categories for 2010 compared to 2009.

Classified Revenue Year Over Year Comparisons

	U.S. Publishing	Newsquest (in pounds)	Total Publishing (constant currency)
Automotive	5%	(7%)	3%
Employment	3%	(17%)	(5%)
Real Estate	(19%)	1%	(13%)
Legal	(3%)	—	(3%)
Other	(7%)	(10%)	(8%)
Total	(4%)	(9%)	(6%)

Classified ad revenues decreased $60 million or 7% in 2010 with a decline of 4% in the U.S. and 10% in the U.K. Domestically, classified advertising improved sequentially throughout the year. Automotive and employment were especially strong and were up 5% and 3%, respectively. Real estate continued to reflect the housing issues nationwide and was down 19% for the year. Classified advertising in the U.K. continues to remain challenging. Real estate was a bright spot and was up 1% in pounds for the year, while automotive and employment were down 7% and 17%, respectively.

Digital revenues in the publishing segment were up for the year in the U.S. as well as at Newsquest in the U.K. U.S. Community Publishing digital revenues were up 11%, reflecting strong increases in most categories. Digital revenues at USA TODAY increased 12% for the year, while digital revenues at Newsquest increased 6% in local currency.

Publishing advertising revenues in millions.

Looking to 2011, the company expects continuing challenges in the retail and national segments and in the real estate category of classified. If the economy moves forward, continued gains in auto and employment may be achieved.

Circulation Revenue: Newspaper circulation revenues declined $58 million or 5% over 2009 as circulation revenues for both U.S. and U.K. newspapers were generally lower. Revenue comparisons reflect generally lower circulation volumes partially offset by limited price increases. Daily net paid circulation, excluding USA TODAY, declined 7%, while Sunday net paid circulation declined 4%. Daily and Sunday net paid circulation comparisons improved sequentially throughout the year as greater focus was placed on increasing home delivery circulation. U.S. Community Publishing newspapers reported that Sunday home delivery circulation was up 1% in the September 2010 Publisher's Statement, with 28 publishing sites showing year over year Sunday circulation gains.

Circulation revenues were lower at USA TODAY, reflecting lower average daily circulation. USA TODAY's average daily circulation for 2010 decreased 5% to 1,817,405. USA TODAY reported an average daily paid circulation of 1,830,594 in the Audit Bureau of Circulations (ABC) Publisher's Statement for the 26 weeks ended Sept. 26, 2010, a 4% decrease over the comparable period in 2009. In the fourth quarter of 2010, average daily net paid circulation comparisons for USA TODAY improved sequentially and were only 6,000 copies lower than the fourth quarter of 2009.

For local newspapers, morning circulation accounted for approximately 94% of total daily volume, while evening circulation accounted for 6%.

Publishing circulation revenues in millions.

Circulation volume for the company's local newspapers is summarized in the table below. In 2010, the company reclassified certain net paid circulation volume from evening to morning distribution due to changes in delivery times. All prior periods have been restated to conform to the new classifications.

Average net paid circulation volume, in thousands

	2010	Change	2009	Change	2008
Local Newspapers					
Morning	3,700	(7%)	3,969	(12%)	4,495
Evening	229	(8%)	249	(12%)	283
Total daily	3,929	(7%)	4,218	(12%)	4,778
Sunday	4,845	(4%)	5,030	(7%)	5,396

Other Revenue: Commercial printing and other publishing revenues decreased 2% to $254 million in 2010 due primarily to the sale of a U.K. commercial printing business early in the third quarter of 2009, partially offset by gains in delivery revenue for non-company publications.

Publishing revenue comparisons 2009-2008:

Advertising Revenue: Advertising revenues for 2009 decreased $1.15 billion or 29%. The rate of decline narrowed over the course of the year as economic conditions slowly stabilized. Early in the year, revenue declines were the most pronounced due in large measure to the severe global economic recession. Real estate and employment advertising were especially hampered by the recession. As the year progressed, ad revenue declines narrowed in each successive quarter.

Ad revenues were lower in both the U.S. and the U.K.

In the U.K., in local currency, ad revenues were down more than in the U.S. U.K. ad revenue declines were exacerbated by a lower average exchange rate for 2009. In U.S. dollars, Newsquest ad revenues were down 44% compared with a 25% decline for U.S. publishing.

Retail ad revenues were down $416 million or 22% in 2009. In the U.S., revenues were lower in most principal categories, with the more significant declines occurring in the department store, furniture, entertainment, financial and telecommunications categories. Retail ad revenues declined at a greater rate in the U.K. due to the currency impact. On a constant currency basis, retail ad revenues in the U.K. were down 19%. Retail revenue declines narrowed in the third and again in the fourth quarter.

National ad revenues were down $148 million or 22% in 2009, primarily due to lower ad sales for USA TODAY branded publications and national ad revenues for U.S. Community Publishing. In the fourth quarter, the decline in national ad revenues moderated significantly and in the month of December national ad revenues were higher than 2008 levels. At USA TODAY, ad revenues were down 29% for the year, reflecting the continued slowdown in the travel and lodging industries. Paid ad pages were down 26% for the year and totaled 2,326 in 2009 compared to 3,158 in 2008. Fourth quarter comparisons were the best of the year.

Classified ad revenues decreased $589 million or 40% in 2009 with a decline of 35% in the U.S. and 50% in the U.K. The currency impact contributed to the U.K. decline. On a constant currency basis, classified ad revenues in the U.K. were down 39%. Classified revenue in both countries was affected by the global recession and particularly the weakness in employment and housing. Classified revenue declines occurred in all three principal categories of employment (down 58%), real estate (down 43%), and automotive (down 34%). Declines in all categories narrowed over the course of the year.

Circulation Revenue: Newspaper circulation revenues declined $52 million or 4% over 2008 as circulation revenues for U.S. and U.K. newspapers were lower. Revenue comparisons reflect lower circulation volumes partially offset by price increases. Daily net paid circulation, excluding USA TODAY, declined 12%, while Sunday net paid circulation declined 7%. Volumes were affected, in part, by single copy and home delivery price increases at most U.S. newspapers and by selective culling of distribution in certain areas.

Circulation revenues were lower at USA TODAY, reflecting lower average daily circulation, partially offset by a December 2008 increase in the single copy price of the newspaper at newsstands and vending machines from $.75 to $1.00. USA TODAY's average daily circulation for 2009 decreased 16% to 1,904,362. USA TODAY reported an average daily paid circulation of 1,900,116 in the Audit Bureau of Circulations (ABC) Publisher's Statement for the 26 weeks ended Sept. 27, 2009, a 17% decrease over the comparable period in 2008. The circulation volume decline at USA TODAY reflected the general recessionary economic conditions particularly as they contributed to lower business and leisure travel.

For local newspapers, morning circulation accounted for approximately 94% of total daily volume, while evening circulation accounted for 6%.

Other Revenue: Commercial printing and other publishing revenues declined 25% to $260 million in 2009 due primarily to generally lower commercial printing revenue in the U.S. and U.K. and from the sale of a U.K. commercial printing business early in the third quarter of 2009.

Publishing expense comparisons 2010-2009: Publishing operating costs declined 10% to $3.4 billion in 2010, primarily due to the impact of strategic efforts to implement operating efficiencies and facility consolidations and significantly lower newsprint expense. Absent special items in both years, as reflected in the table on page 34, publishing segment expense was down 9%.

Significant cost savings were achieved through tight cost control measures in the U.S. and the U.K. as well as by permanently restructuring the company's cost base and creating operating efficiencies wherever possible. Efforts included numerous facility consolidations, centralization, compensation actions and outsourcing. Savings reflect the impact of headcount reductions in 2010 and 2009. Lower newsprint expense was also a significant contributor to the savings.

Publishing payroll costs were down 5%, reflecting the impact of headcount reductions partially offset by lower savings from furloughs in 2010 than in 2009.

Newsprint expense was down 23%, reflecting lower consumption, down 10%, including savings from web width reductions and greater use of light weight newsprint. Newsprint usage prices rose throughout the year but still finished down 15% for the full year.

Other factors contributing to the decline in costs include the impact of a lower U.K. exchange rate, and the sale in the early third quarter of 2009 of a commercial printing business in the U.K.

Publishing expense comparisons 2009-2008: Publishing operating costs declined 70% to $3.78 billion in 2009, primarily due to non cash impairment charges incurred in 2008. Absent the special items in both years, as reflected in the table on page 34, publishing segment expense was down 20% from 2008.

Significant cost savings were achieved in 2009 through strict cost control measures in the U.S. and the U.K. as well as by means of permanently restructuring the company's cost base and creating efficiencies wherever possible. Efforts included numerous facility consolidations, centralization, furloughs and outsourcing. Savings reflect the impact of substantial headcount reductions in 2009 and 2008. Lower newsprint expense was also a significant contributor to the savings.

Publishing payroll costs were down 23% in 2009, reflecting the impact of headcount reductions in both years as well as the furloughs the majority of company employees were required to take in the first and second quarters of 2009.

Newsprint expense was down 34%, reflecting sharply lower consumption, down 31%, including savings from web width reductions and greater use of light weight newsprint. Newsprint usage prices declined sharply throughout the second half of the year and finished down 4% for the full year.

Other factors contributing to the decline in costs include the impact of a lower U.K. exchange rate, and the sale in the early third quarter of 2009 of a commercial printing business in the U.K. partially offset by higher pension cost.

Outlook for 2011: The company expects publishing expenses to decline in 2011, reflecting headcount reductions, facility consolidations and lower pension expense. These factors will be partially offset by higher newsprint expense driven by higher prices partially offset by lower consumption.

Publishing operating results 2010-2009: Publishing operating income increased to $648 million in 2010 from $516 million in 2009. The principal factors affecting reported operating results comparisons for the full year were the following:

- higher reported operating results at many of the company's larger domestic daily newspapers and significantly lower newsprint expense;
- higher reported operating results at Newsquest over 2009;
- continued cost containment efforts throughout U.S. and U.K. operations; and
- lower charges in 2010 from special items, particularly those related to facility consolidations and asset impairment.

Excluding special items described in more detail on page 34 and Notes 3 and 4 of the Consolidated Financial Statements, publishing operating income increased 15%.

Publishing operating results 2009-2008: Publishing operating income increased to $516 million in 2009 from a loss of $6.99 billion in 2008. Excluding special items described in more detail on page 34 and Notes 3 and 4 of the Consolidated Financial Statements, publishing operating income declined 39%. However, operating income comparisons excluding special items improved each quarter of 2009. The principal factors affecting operating results comparisons for the full year were the following:

- lower operating results at most U.S. and U.K. properties as all ad revenue categories were affected by difficult economic conditions. Operating results improved throughout the year and many properties had increased operating income against last year in the fourth quarter;
- ad revenue losses attributed to increased competition from other media, particularly the Internet;
- sharply lower newsprint usage and a decline in usage price led to significant savings;
- favorable impact in 2009 of workforce restructuring actions;
- furloughs in the first and second quarter for the majority of employees;
- negative impact of currency translation at a lower rate in 2009; and
- cost control efforts throughout U.S. and U.K. operations contributed to significant year-over-year savings.

Digital

Beginning with 2008, a new digital business segment was reported, which includes CareerBuilder and ShopLocal from the dates of their full consolidation, as well as PointRoll, Planet Discover, and Schedule Star. Prior period results for PointRoll, Planet Discover and Schedule Star have been reclassified from the publishing segment to the new digital segment.

On Sept. 3, 2008, the company increased its ownership in CareerBuilder to 50.8% from 40.8%, obtaining a controlling interest, and therefore, the results of CareerBuilder since then have been fully consolidated. On June 30, 2008, the company increased its ownership in ShopLocal to 100% from 42.5%, and from that date the results of ShopLocal have been fully consolidated. Prior to the increased investment ownership, the company's equity share of CareerBuilder and ShopLocal results were reported as equity earnings. Subsequent to the CareerBuilder consolidation, the company reflects a noncontrolling interest charge in its Statements of Income (Loss) related to the other partners' ownership interest. This charge is reflected as "Net income attributable to noncontrolling interests."

Over the last three years since the digital segment was formed, reported digital revenues, expenses and operating income were as follows:

In millions of dollars

	2010	Change	2009	Change	2008
Revenues	$ 618	5%	$ 586	***	$ 281
Expenses	$ 535	(1%)	$ 543	***	$ 262
Operating income	$ 83	93%	$ 43	***	$ 19

Reported digital revenues increased $32 million or 5% over 2009, reflecting significant gains at CareerBuilder, PointRoll and ShopLocal.

Digital expenses in 2010 decreased 1% to $535 million, primarily due to a decrease in asset impairment charges, which totaled $13 million in 2010 and $25 million in 2009.

Excluding special impairment charges, operating costs for digital increased 1%. Operating income excluding special items rose $29 million or 43%, reflecting strong gains in 2010 for CareerBuilder, PointRoll and ShopLocal.

CareerBuilder operations are predominately based in North America, however expansion efforts are underway in parts of Europe and Asia. CareerBuilder is the nation's largest online recruitment and career advancement source for employers, employees, recruiters and job seekers. Its North American network revenue is driven mainly from its own sales force but it also derives revenues from its owner affiliated newspapers, including the company's newspapers, which sell various CareerBuilder employment products including upsells of print employment ads from newspapers. For the company's financial reporting purposes, CareerBuilder revenues exclude amounts recorded at Gannett-owned newspapers. North American network revenue increased 3%, compared to last year, with all of the increase attributable to revenues CareerBuilder derived from its own sales efforts. Revenues derived from its owner-affiliated newspapers were down slightly, while revenues from its own sales efforts were up 4% in 2010.

Digital results 2009-2008: Reported digital revenues increased $305 million and reported digital costs increased $280 million from 2008. The year-over-year increase is primarily due to the full consolidation of CareerBuilder and ShopLocal beginning with the third quarter of 2008. Digital costs in 2009 also include $25 million in special impairment charges, while costs in 2008 include $17 million in special workforce restructuring and impairment charges. Operating income excluding special items rose $32 million or 89%. Operating income for the digital segment reflects solid results in 2009 for CareerBuilder, PointRoll and ShopLocal. Earnings from these businesses were partially offset by investments in other digital businesses.

On a pro forma basis, digital revenues decreased 15% in 2009. This reflects softer employment advertising demand that impacted CareerBuilder results, offset partially by strong revenue growth at PointRoll and ShopLocal. Excluding the special items and on a pro forma basis, operating costs for digital would have been 21% lower, reflecting significant savings at CareerBuilder and ShopLocal.

Outlook for 2011: The company expects digital segment revenues and profits to grow again in 2011, with improved results at its key business units.

Broadcasting

The company's broadcasting operations at the end of 2010 included 23 television stations and affiliated web sites in markets with a total of more than 21 million households reaching 18.2% of the U.S. population. The Broadcasting Division also includes Captivate Network.

Broadcasting revenues accounted for approximately 14%, 11% and 12% of the company's reported operating revenues in 2010, 2009 and 2008, respectively.

Over the last three years, broadcasting revenues, expenses and operating income were as follows:

In millions of dollars

	2010(a)		Change	2009		Change	2008	
Revenues	$	770	22%	$	631	(18%)	$	773
Expenses	$	440	6%	$	415	(11%)	$	467
Operating income	$	329	52%	$	216	(29%)	$	306

(a) *Numbers do not sum due to rounding.*

Broadcast revenues increased $138 million or 22% for 2010. Year-over-year revenue comparisons were favorably impacted by $107 million in ad revenues associated with the Winter Olympics and political/election-related advertising in 2010. Excluding the impact of Olympic and political-related advertising in both years, broadcast revenues were up 8% in 2010. This reflects a significant increase in core advertising, led by the automotive and financial categories. Higher retransmission and Captivate revenues also contributed to the increase.

Excluding Captivate, broadcast revenues increased 22%. Local television revenues increased 12% while national revenues increased 44%. Excluding the impact of political in both years, local revenues increased 7% and national revenues 17%.

Broadcast costs increased 6% to $440 million in 2010. Excluding special item charges in both years, broadcast expenses increased 6%. The increase reflects higher sales and marketing costs in 2010 associated with higher revenues, partially offset by the absence of furlough savings in 2010 compared to 2009.

Reported operating income increased 52% to $329 million in 2010 reflecting higher political, Olympic, core, retransmission and Captivate revenue, partially offset by modestly higher expense associated with the increased revenue.

Broadcast results 2009-2008: Broadcast revenues decreased $141 million or 18% for 2009. Year-over-year revenue comparisons were unfavorably impacted by $118 million in ad revenues associated with the 2008 Summer Olympics and political/election-related advertising. Excluding the impact of Olympic- and political-related advertising in both years, broadcast revenues were down 6% in 2009. This decline reflects losses in several core categories, especially automotive, partially offset by an almost threefold increase in retransmission revenues.

Excluding Captivate, broadcast revenues declined 19%. Local television revenues declined 21% while national revenues declined 31%. Excluding the impact of political in both years, local revenues declined 18% and national revenues 15%.

Broadcast costs declined 11% to $415 million in 2009. Excluding special item charges in both years, broadcast expenses declined 11%. The decline reflects ongoing efforts to control costs and create efficiencies, the carryover impact of workforce restructuring in 2008 as well as payroll savings from furloughs and salary reductions in the first and second quarters of 2009.

Reported operating income declined 29% to $216 million in 2009 reflecting the impact of lower core revenues and the absence of incremental Olympic and political revenue achieved in 2008. These factors were partially offset by increased retransmission revenue in 2009 and continued savings from strong efforts to control costs.

Broadcasting revenues in millions, as reported.

Outlook for 2011: Revenue comparisons for 2011 will be challenging against the strong 2010 Olympics and politically related advertising of $107 million, as well as the absence of the Super Bowl from the company's CBS stations. Partially offsetting the absence of these revenues, the company expects core advertising and retransmission revenue improvement for television and higher revenues at Captivate. Operating profits are expected to be lower, however.

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Consolidated operating expenses

Over the last three years, the company's consolidated operating expenses were as follows:

Consolidated operating expenses, in millions of dollars

	2010	Change	2009	Change	2008
Cost of sales	$ 2,980	(8%)	$ 3,230	(18%)	$ 3,916
Selling, general and admin. expenses	$ 1,188	—	$ 1,187	(5%)	$ 1,253
Depreciation	$ 183	(12%)	$ 208	(9%)	$ 228
Amortization of intangible assets	$ 31	(5%)	$ 33	6%	$ 31
Facility consolidation and asset impairment charges	$ 57	(57%)	$ 133	(98%)	$ 7,940
Total	$ 4,439	(7%)	$ 4,791	(64%)	$ 13,368

Total operating expenses adjusted to remove the effect of certain special items are as follows:

In millions of dollars

	2010	Change	2009(a)	Change	2008(a)
Operating expenses (GAAP basis)	$ 4,439	(7%)	$ 4,791	(64%)	$ 13,368
Remove favorable (unfavorable) special items:					
Facility consolidation and asset impairment charges	$ (57)	(57%)	$ (133)	(98%)	$ (7,940)
Workforce restructuring and related expenses	$ (12)	(59%)	$ (28)	(75%)	$ (115)
Pension gains	$ —	***	$ 40	(14%)	$ 47
Adjusted operating expenses (non-GAAP basis)	$ 4,370	(6%)	$ 4,669	(13%)	$ 5,359

(a) Numbers do not sum due to rounding.

Total reported operating expense decreased 7% to $4.44 billion in 2010. Consolidated operating costs excluding special items declined 6%. Both operating expenses and non-GAAP operating expenses declined due in part to sharply lower newsprint expense (down 23%) reflecting lower consumption and lower prices. Payroll savings were also significant, from reduced headcount resulting from consolidations and other restructuring efforts, partially offset by lower furlough savings in 2010 than in 2009. Strong cost controls were in place throughout the company, however expenses increased modestly in broadcasting associated with the significant increase in revenue.

Depreciation expense was 12% lower in 2010, reflecting reduced capital spending, reduced depreciation resulting from recent impairment charges and certain assets reaching the end of their depreciable life.

The non-cash facility consolidation and asset impairment charges for all years are more fully discussed on page 30 and in Notes 3 and 4 to the Consolidated Financial Statements.

Payroll, benefits and newsprint costs (along with certain other production material costs), the largest elements of the company's normal operating expenses, are presented below, expressed as a percentage of total pre-tax operating expenses (excluding the special items discussed on page 30).

	2010	2009	2008
Payroll and employee benefits	48.2%	47.4%	47.8%
Newsprint and other production material	12.2%	13.4%	16.8%

Operating expense comparisons 2009-2008: The 13% decline in 2009 in consolidated operating costs excluding special items is attributable in part to sharply lower newsprint expense (down 34%) reflecting lower consumption and lower prices. Payroll savings were also significant, from reduced headcount resulting from consolidations and other restructuring/downsizing efforts as well as from furloughs. Other savings were achieved from generally strong overall cost controls and cost comparisons were also favorably affected by a lower foreign exchange rate for U.K. expenses. The effect of these cost reduction factors was partially offset by the consolidation of CareerBuilder and ShopLocal for only part of 2008 but for all of 2009.

Total reported operating expense decreased 64% to $4.79 billion primarily due to the special items in 2008. On a pro forma basis and excluding special items, total operating expense declined 18%.

Selling, general and administrative expenses declined $66 million or 5% reflecting strong cost controls, furloughs in the first and second quarters of 2009, savings from workforce restructuring in prior periods, partially offset by the full consolidation of CareerBuilder and ShopLocal for all of 2009.

Depreciation expense was 9% lower in 2009, reflecting reduced capital spending, reduced depreciation resulting from recent impairment charges and certain assets reaching the end of their depreciable life.

The non-cash facility consolidation and asset impairment charges for all years are more fully discussed on page 30 and in Notes 3 and 4 to the Consolidated Financial Statements.

Outlook for 2011: Excluding the effect of special items charges in 2010, the company expects that total operating expenses may increase modestly in 2011, reflecting higher newsprint expense and added digital segment costs associated with higher anticipated revenues. Payroll, pension and depreciation expenses are expected to be lower in 2011.

With respect to potential goodwill impairment charges, the company does not believe that any of its major reporting units, including the U.K. and U.S. community newspaper publishing and broadcast groups and its principal digital business, are at risk of requiring an impairment charge in the foreseeable future. Refer to Note 1 to the Consolidated Financial Statements for a discussion of the goodwill impairment test.

The company will undertake further facility consolidation, workforce restructuring and other actions, depending upon developing business conditions.

Non-operating income and expense

Equity earnings: This income statement category reflects results from unconsolidated minority interest investments, including the company's equity share of operating results from its newspaper partnerships, including the Tucson joint operating agency, the California Newspapers Partnership and the Texas-New Mexico Newspapers Partnership, as well as from investments in certain other digital/new technology businesses.

The company's net equity income in unconsolidated investees for 2010 was $19 million, an increase of $15 million over 2009. Both years included impairment charges related to certain digital business investments totaling $3 million in 2010 and $9 million in 2009. Absent special impairment charges, the company's net equity income in unconsolidated investees would have increased $9 million or 65% in 2010. This increase reflects better results at certain newspaper partnerships and digital investments, particularly Classified Ventures.

The company's net equity loss in unconsolidated investees for 2008 includes $382 million of impairment charges related to equity investments in newspaper partnerships and certain other businesses (discussed more fully on page 30 of this report and Note 3 to the Consolidated Financial Statements). Absent the special impairment charges in 2009 and 2008, the company's net equity income in unconsolidated investees increased $8 million for 2009, reflecting significantly improved performance at certain of the company's digital investments, particularly Classified Ventures.

Interest expense: Interest expense decreased $3 million or 2% in 2010 as compared to 2009, reflecting significantly lower average debt balances, partially offset by higher rates.

Interest expense decreased $15 million or 8% in 2009 as compared to 2008, reflecting lower average debt balances and lower rates.

The company reduced its long-term debt by $710 million or 23% in 2010. At the end of 2010, the company's senior leverage ratio was 1.97x, well under the ceiling designated by the financial covenant under its revolving credit facilities.

A further discussion of the company's borrowing and related interest cost is presented in the "Liquidity and capital resources" section of this report beginning on page 43, and in Note 7 to the Consolidated Financial Statements.

Other non-operating items: In 2010, the company realized net gains on its investments offset by currency losses resulting in non-operating income of $111,000. In 2009, the company realized a $43 million non-cash debt exchange gain offset partially by a $28 million non-cash charge for the write-down of certain publishing business assets sold.

In 2008, the company realized a gain on the sale of a parcel of land adjacent to its headquarters building along with several other gains including those realized from the sale of investments and other assets. These gains were partially offset by foreign currency losses.

Outlook for 2011: The company expects its net interest expense to be flat for the year, reflecting lower average debt balances, offset by higher rates due to the recent fixed rate debt financing and revolving credit agreement extensions.

Provision (benefit) for income taxes on income (loss) from continuing operations

The company reported pre-tax income attributable to Gannett of $811 million for 2010. This pre-tax income includes facility consolidation and asset impairment charges and workforce restructuring costs as described on page 30. In addition, the provision for income taxes reflects a special net tax benefit primarily from the release of certain state tax reserves due to the lapse of statutes of limitations. The effective tax rate on this pre-tax income is 30.1%. Excluding the effects of all special items, the company's effective tax rate is 33.1%.

The company reported pre-tax income attributable to Gannett of $543 million for 2009. This pre-tax income includes facility consolidation and asset impairment charges, workforce restructuring costs and certain gains, as described on page 30. The effective tax rate on this pre-tax income is 35.2%. Excluding the effects of all special items, the company's effective tax rate is 33.6%.

The company reported a pre-tax loss attributable to Gannett of $7.27 billion for 2008. This pre-tax loss includes impairment charges for intangible and other assets, the majority of which are not deductible for income tax purposes. Therefore, the effective tax benefit rate on the pre-tax losses, including the impairment charges, was 8.9%. Excluding the effects of all special items, the company's effective tax rate was 28.7%.

The lower effective tax rate for 2010 compared to 2009 is due to the release of state tax reserves primarily related to the sale of a business in a prior year upon the expiration of statutes of limitations, as further noted in the Discussion of Special Charges and Credits on page 30.

For 2009, excluding the effect of special items, the increase in the company's effective tax rate compared with 2008 is due primarily to the benefits in 2008 of favorable U.S. state and U.K tax settlements and the release of certain state tax reserves upon the expiration of statutes of limitations.

Further information concerning income tax matters is contained in Note 10 of the Consolidated Financial Statements.

Income (loss) from continuing operations attributable to Gannett Co., Inc.

Income (loss) from continuing operations attributable to Gannett Co., Inc. and related per share amounts are presented in the table below.

In millions of dollars, except per share amounts

	2010	Change	2009	Change	2008
Income (loss)	$ 567	61%	$ 351	***	$ (6,627)
Per diluted share	$ 2.35	58%	$ 1.49	***	$ (29.02)

Income (loss) attributable to Gannett Co., Inc. consists of income from continuing operations reduced by net income attributable to noncontrolling interests, primarily from CareerBuilder. Net income attributable to noncontrolling interests was $35 million, $27 million and $7 million in 2010, 2009 and 2008, respectively. The increase in 2009 from 2008 is attributable to the full consolidation of CareerBuilder beginning in September of 2008.

The 2010 results reflect unfavorable operating and non-operating after-tax special items charges of $50 million and $26.5 million in special net tax benefits.

The 2009 results reflect unfavorable operating and non-operating after-tax special items of $86 million, while 2008 reflects unfavorable operating and non-operating after-tax special items of $7.40 billion.

The special items referred to in the preceeding paragraphs are described in detail on page 30 of this report.

Income from continuing operations attributable to Gannett Co., Inc. and related per share amounts excluding the impact of special items are presented in the table below.

In millions of dollars, except per share amounts

	2010	Change	2009	Change	2008
Income	$ 591	35%	$ 438	(44%)	$ 775
Per diluted share	$ 2.44	32%	$ 1.85	(46%)	$ 3.40

Discontinued operations

Earnings from discontinued operations represent the combined operating results (net of income taxes) of The Honolulu Advertiser and its related assets as well as a small directory publishing operation in Michigan, each sold during the second quarter of 2010. The revenues and expenses from each of these properties have, along with associated income taxes, been removed from continuing operations and reclassified into a single line item amount on the Statements of Income (Loss) titled "(Loss) income from the operation of discontinued operations, net of tax" for each period presented. The loss from discontinued operations for 2008 reflects the intangible and other asset impairment charges recorded that year that were associated with these two businesses.

In 2010 the company reported earnings per diluted share of $.08 for the gain on the disposition of these properties.

Discontinued Operations

In thousands, except per share amounts

	2010	Change	2009	Change	2008
(Loss) income from operation of discontinued operations, net of tax	$ (322)	***	$ 3,790	***	$ (20,626)
Per share — diluted	—	***	$ 0.02	***	$ (0.09)
Gain on disposal of publishing businesses, net of tax	$ 21,195	***	—	***	—
Per share — diluted	$ 0.08	***	—	***	—

Net income (loss) attributable to Gannett Co., Inc., and related per share amounts are presented in the table below, and include income from continuing and discontinued operations.

In millions of dollars, except per share amounts

	2010	Change	2009	Change	2008
Net income (loss)	$ 588	66%	$ 355	***	$ (6,648)
Per basic share	$ 2.47	63%	$ 1.52	***	$ (29.11)
Per diluted share	$ 2.43	61%	$ 1.51	***	$ (29.11)

FINANCIAL POSITION

Liquidity and capital resources

The company's cash flow from operating activities was $773 million in 2010, down from $867 million in 2009, primarily reflecting the impact of voluntary pension contributions to the Gannett Retirement Plan of $130 million.

Net cash provided by investing activities totaled $63 million. This reflects capital spending of $69 million, $15 million for acquisitions, and $11 million for equity investments, which were more than offset by proceeds from the sale of certain assets of $113 million and proceeds from investments of $45 million.

Cash used for financing activities totaled $751 million in 2010. This reflects the payment of dividends of $38 million, the payment of borrowings under revolving credit facilities of $1,160 million and payments of other indebtedness totaling $50 million. These financing cash flows were partially offset by proceeds of $494 million from private debt offerings completed in September 2010.

Certain key measurements of the elements of working capital for the last three years are presented in the following chart:

Working capital measurements

	2010	2009	2008
Current ratio	1.3-to-1	1.2-to-1	1.1-to-1
Accounts receivable turnover	7.4	6.9	7.4
Newsprint inventory turnover	5.1	4.5	5.7

The company's operations have historically generated strong positive cash flow which, along with the company's program of maintaining bank revolving credit availability, has provided adequate liquidity to meet the company's requirements, including those for acquisitions.

Long-term debt

The long-term debt of the company is summarized below:

In thousands of dollars

	Dec. 26, 2010	Dec. 27, 2009
Unsecured notes bearing fixed rate interest at 5.75% due June 2011	$ 433,196	$ 432,648
Unsecured floating rate term loan due July 2011	180,000	230,000
Unsecured notes bearing fixed rate interest at 6.375% due April 2012	306,397	306,260
Borrowings under revolving credit agreements expiring September 2014	221,000	1,381,000
Unsecured notes bearing fixed rate interest at 8.75% due November 2014	246,924	246,304
Unsecured notes bearing fixed rate interest at 10% due June 2015	58,007	56,684
Unsecured notes bearing fixed rate interest at 6.375% due September 2015	247,535	—
Unsecured notes bearing fixed rate interest at 10% due April 2016	165,950	162,531
Unsecured notes bearing fixed rate interest at 9.375% due November 2017	246,830	246,524
Unsecured notes bearing fixed rate interest at 7.125% due September 2018	246,403	—
Total long-term debt	$ 2,352,242	$ 3,061,951

Total average debt outstanding in 2010 and 2009 was $2.7 billion and $3.6 billion, respectively. The weighted average interest rate on all debt was 6.0% for 2010 and 4.5% for 2009.

During 2010 and 2009, the company completed a series of financing transactions which significantly improved its debt maturity profile.

In September 2010, the company completed a private placement offering of unsecured senior notes totaling $500 million in two tranches: $250 million with a coupon of 6.375% due 2015 and $250 million with a coupon of 7.125% due 2018. The 2015 notes were priced at 98.970% of face value, resulting in a yield to maturity of 6.625%. The 2018 notes were priced at 98.527% of face value, resulting in a yield to maturity of 7.375%. On or after Sept. 1, 2014, the 2018 notes may be redeemed or purchased by the company at the applicable redemption price (expressed as a percentage of the principal amount of the 2018 notes) plus accrued but unpaid interest thereon to the redemption date, if redeemed during the 12-month period commencing on Sept. 1 of the following years: 2014 — 103.563%, 2015 — 101.781% and 2016 and thereafter 100.000%. The company used the net proceeds of the offering to partially repay borrowings outstanding under its revolving credit facilities and term loan.

In September 2010, the company amended its revolving credit agreements and extended the maturity date with the majority of its lenders from March 15, 2012 to Sept. 30, 2014. Total commitments under the amended revolving credit agreements are $1.63 billion through March 15, 2012 and total extended commitments from March 15, 2012 to Sept. 30, 2014 will be $1.14 billion.

In October 2009, the company completed a private placement offering of $250 million in aggregate principal amount of 8.750% senior notes due 2014 and $250 million in aggregate principal amount of 9.375% senior notes due 2017. The 2014 notes were priced at 98.465% of face value, resulting in a yield to maturity of 9.125%. The 2017 notes were priced at 98.582% of face value, resulting in a yield to maturity of 9.625%. On or after November 15, 2013, the 2017 notes may be redeemed or purchased by the company at the applicable redemption price (expressed as a percentage of principal amount of the 2017 notes) plus accrued but unpaid interest thereon to the redemption date, if redeemed during the 12-month period commencing on November 15 of the following years: 2013 — 104.688%, 2014 — 102.344% and 2015 and thereafter 100.000%. The company used the net proceeds from the offering to partially repay borrowings outstanding under its revolving credit facilities and term loan.

In May 2009, the company completed a private exchange offer related to its 5.75% fixed rate notes due June 2011 and its 6.375% fixed rate notes due April 2012. The company exchanged approximately $67 million in principal amount of its 2011 notes for approximately $67 million principal amount of new 10% senior notes due 2015, and approximately $193 million in principal amount of its 2012 notes for approximately $193 million principal amount of new 10% senior notes due 2016.

In connection with the May 2009 exchange transactions and in accordance with the modifications and extinguishments requirements of ASC Topic 470, “Debt,” the company recorded a gain of approximately $42.7 million which was classified in “Other non-operating items” in the Statement of Income (Loss) for the second quarter of 2009. This gain resulted from recording the notes at fair value as of the time of the exchange and extinguishing the old notes at their historical book values. Fair value of the notes was based on their trading prices on and shortly after the exchange date. The discount created by recording the notes at fair value instead of face value is being amortized over the term of the notes to interest expense.

The notes issued during 2010 and 2009 with maturity dates in 2014 and thereafter were made available in private offerings that were exempt from the registration requirements of the Securities Act of 1933 (Securities Act). These notes are guaranteed on a senior basis by the subsidiaries of the company that guarantee its revolving credit and term loan agreements discussed more fully below.

The company’s three revolving credit agreements and its term loan agreement require the company to maintain a senior leverage ratio of less than 3.5x. The agreements also require the company to maintain a total leverage ratio of less than 4.0x. The total leverage ratio would also include any subordinated debt the company may issue in the future. Currently, all of the company’s debt is senior and unsecured. At Dec. 26, 2010, the senior leverage ratio was 1.97x.

Until March 15, 2012, commitment fees for the revolving credit facilities may range from 0.125% to 0.25% depending on credit ratings for the company’s senior unsecured debt from Moody’s Investor Services (Moody’s) and Standard & Poor’s (S&P). The rate currently in effect is 0.25%. After March 15, 2012, commitment fees will equal 0.50% of the undrawn commitments. In addition, the company pays a fee to the lenders that agreed in September 2010 to extend their commitments from 2012 to 2014 based on the leverage ratio that ranges from 0 to 75 basis points for drawn amounts and 25 basis points for undrawn amounts. At the current leverage ratio, the additional fee is 25 basis points for both the drawn and undrawn amounts. No extension fees are payable after March 15, 2012.

Under each of the agreements, the company may borrow at an applicable margin above the Eurodollar base rate or the higher of the Prime Rate or the Federal Funds Effective Rate plus 0.50%. Until March 15, 2012, the applicable margin for such borrowings ranges from 1.00% to 2.25% depending on credit ratings. Under the term loan agreement, the applicable margin varies from 1.25% to 2.25%. At its current ratings the company will pay an applicable margin of 2.25% under each of the revolving credit agreements and the term loan agreement. After March 15, 2012, the applicable margin will be determined based on the company’s leverage ratio.

In connection with each of its three revolving credit agreements and its term loan agreement, the company agreed to provide guarantees from a majority of its domestic wholly-owned subsidiaries in the event that the company’s credit ratings from either Moody’s or S&P fell below investment grade. In the first quarter of 2009, the company’s credit rating was downgraded below investment grade by both S&P and Moody’s. Accordingly, the guarantees were triggered and the existing notes due 2011 and 2012 and other unsecured debt of the company became structurally subordinated to the revolving credit agreements and the term loan.

In September 2009, the company further amended the terms of its three revolving credit agreements and its term loan agreement to provide for the issuance of up to $500 million of additional long-term debt carrying the same guarantees put in place for the revolving credit agreements and term loan. In addition, the company also amended one of the credit agreements to permit it to obtain up to $100 million of letters of credit from the lenders, which would count toward their commitments.

On Aug. 21, 2009, Moody’s confirmed the company’s Ba1 corporate family rating and its Ba2 senior unsecured note rating. In addition, Moody’s rated the company’s bank debt, which includes its revolving credit agreements and term loan, Baa3. The Baa3 rating also applies to most of the company’s long-term debt which has the same subsidiary guarantees as the bank debt. The company’s debt is rated BB by Standard and Poor’s.

In August 2010, the company further amended the terms of its three revolving credit agreements and its term loan agreement to allow for the issuance of up to $750 million of additional long-term debt carrying the same guarantees put in place for the revolving credit agreements and term loan.

As of Dec. 26, 2010, the company had $221 million of borrowings under its revolving credit facilities. The maximum amount outstanding at the end of any period during 2010 and 2009 was $1.3 billion and $2.5 billion, respectively. The daily average outstanding balance of the revolving credit facilities during 2010 and 2009 was $852 million and $2.0 billion, respectively. The weighted average interest rate for 2010 and 2009 was 2.6% and 3.1%, respectively.

During the first quarter of 2009, the company repurchased $68.8 million in principal amount of its floating rate notes in privately negotiated transactions at a discount. In connection with these transactions, the company recorded a gain of approximately $1.1 million which is classified in “Other non-operating items” in the Statement of Income. This gain is net of $0.6 million reclassified from accumulated other comprehensive loss for related interest rate swap agreements.

In December 2008, the company launched a tender offer to purchase any and all of its outstanding floating rate notes due in May 2009 at a purchase price of $950 per $1,000 in principal amount plus accrued and unpaid interest. In response to the offer, $98.4 million in aggregate principal amount of notes, representing approximately 13.5 percent of the then outstanding notes, were purchased at this price in December 2008. Prior to the tender offer, the company had repurchased $19.4 million in principal amount of the floating rate notes in a privately negotiated transaction. In connection with these transactions, the company recorded a gain of approximately $4 million which was classified in “Other non-operating items” in the Statement of Income (Loss). This gain was net of $1.7 million in losses reclassified from accumulated other comprehensive income (loss) related to the interest rate swap agreements.

In July 2008, the company received proceeds of $280 million from borrowings under a new term loan agreement with certain bank lenders. The term loan is payable in full on July 14, 2011. The loan carries interest at a floating rate and may be prepaid at any time without penalty. The company prepaid $50 million of this loan in each of October 2010 and October 2009 reducing the balance to $180 million.

During part of 2008, the company utilized commercial paper as a source of financing. The maximum amount of such commercial paper outstanding at the end of any period during 2008 was $2.0 billion. The daily average outstanding balance of promissory notes was $883 million during 2008. The weighted average interest rate on such notes was 3.5% for 2008. In June 2008, the company repaid $500 million in unsecured notes bearing interest at 4.125% with proceeds from borrowings in the commercial paper market. Beginning in September 2008, liquidity in the commercial paper market became highly constrained and the company elected to borrow under its revolving credit agreements to repay commercial paper outstanding as it matured.

In August 2007, the company entered into three interest rate swap agreements totaling a notional amount of $750 million in order to mitigate the volatility of interest rates. These agreements, which expired in May 2009, effectively fixed the interest rate on the $750 million in floating rate notes due May 2009 at 5.0125%. These instruments were designated as cash flow hedges in accordance with ASC Topic 815, "Derivatives and Hedging," and changes in fair value were recorded through accumulated other comprehensive income with a corresponding adjustment to other long-term liabilities. As a result of the tender offer and other repurchases discussed above, the cash flow hedging treatment was discontinued for interest rate swaps associated with approximately $118 million of notional value on the retired floating rate notes. Amounts recorded in accumulated other comprehensive income (loss) related to the discontinued cash flow hedges were reclassified into earnings and subsequent changes to the fair value of these interest rate swaps were being recorded through earnings.

In June 2007, the company issued $1.0 billion aggregate principal amount of unsecured senior convertible notes in an underwritten public offering. Proceeds from the notes were used to repay commercial paper obligations. The convertible notes bore interest at a floating rate equal to one month LIBOR, reset monthly, minus twenty-three basis points. As anticipated, on July 15, 2008, the holders of the convertible notes required the company to repurchase the convertible notes for cash at a price equal to 100% of the principal amount of the notes submitted for repurchase, plus accrued and unpaid interest.

Industrial revenue bonds with a principal amount of approximately $17 million were repaid in full in 2008. Prior to repayment, the bonds bore interest at variable interest rates based on a municipal bond index.

In May 2006, the company issued $500 million aggregate principal amount of 5.75% notes due 2011 and $750 million aggregate principal amount of floating rate notes due 2009 in an underwritten public offering. The net proceeds of the offering were used to pay down commercial paper borrowings.

The unsecured fixed rate notes bearing interest at 6.375% were issued in March 2002 and mature in 2012.

The company has an effective universal shelf registration statement under which an unspecified amount of securities may be issued, subject to a $7 billion limit established by the Board of Directors. Proceeds from the sale of such securities may be used for general corporate purposes, including capital expenditures, working capital, securities repurchase programs, repayment of debt and financing of acquisitions. The company may also invest borrowed funds that are not required for other purposes in short-term marketable securities.

The following schedule of annual maturities of long-term debt assumes the company uses available capacity under its revolving credit agreements to refinance the unsecured floating rate notes and term loan due in 2011. Based on this refinancing assumption, all of the obligations are reflected as maturities for 2012 and beyond.

In thousands of dollars

2011 (1)	$ —
2012	306,397
2013	—
2014 (2)	1,081,120
2015	305,542
2016	165,950
2017	246,830
2018	246,403
Total	$ 2,352,242

(1) Notes and term loan due of $613 million are assumed to be repaid with funds from revolving credit agreements.

(2) Notes due of $247 million plus $834 million as deemed as due under the revolving credit agreements.

Notwithstanding the assumptions used in the table above, the company's debt maturities might be repaid with cash flow from operating activities and with the possible benefit of a further extension of the company's revolving credit agreements or a combination of both.

The fair value of the company's total long-term debt, determined based on the bid and ask quotes for the related debt, totaled $2.5 billion and $2.9 billion at Dec. 26, 2010 and Dec. 27, 2009, respectively.

The company has a capital expenditure program (not including business acquisitions) of approximately $75 million planned for 2011, including approximately $4 million for renovation of existing facilities, $60 million for machinery and equipment, and $11 million for vehicles and other assets. Management reviews the capital expenditure program periodically and modifies it as required to meet current business needs. It is expected that the 2011 capital program will be funded from cash flow from operations.

Contractual obligations and commitments

The following table summarizes the expected cash outflows resulting from financial contracts and commitments as of the end of 2010.

Contractual obligations	**Payments due by period**				
In millions of dollars	**Total**	**2011**	**2012-13**	**2014-15**	**Thereafter**
Long-term debt (1)	$ 3,083	$ 147	$ 802	$ 1,344	$ 790
Operating leases (2)	267	55	81	55	76
Purchase obligations (3)	390	159	143	76	12
Programming contracts (4)	112	10	67	35	—
Other long-term liabilities (5)	418	98	73	72	175
Total	$ 4,270	$ 469	$ 1,166	$ 1,582	$ 1,053

(1) See Note 7 to the Consolidated Financial Statements. The amounts included above include periodic interest payments. Interest payments are based on interest rates in effect at year-end and assume term debt is outstanding for the life of the revolving credit agreements.

(2) See Note 12 to the Consolidated Financial Statements.

(3) Includes purchase obligations related to printing contracts, capital projects, interactive marketing agreements, wire services and other legally binding commitments. Amounts which the company is liable for under purchase orders outstanding at Dec. 26, 2010, are reflected in the consolidated balance sheets as accounts payable and accrued liabilities and are excluded from the table above.

(4) Programming contracts include television station commitments to purchase programming to be produced in future years.

(5) Other long-term liabilities primarily consist of amounts expected to be paid related to under-funded postretirement benefit plans.

Due to uncertainty with respect to the timing of future cash flows associated with unrecognized tax benefits at Dec. 26, 2010, the company is unable to make reasonably reliable estimates of the period of cash settlement, if necessary. Therefore, $154 million of unrecognized tax benefits have been excluded from the contractual obligations table above. See Note 10 to the Consolidated Financial Statements for a further discussion of income taxes.

The company's principal retirement plan, the Gannett Retirement Plan, had assets of $1.9 billion and liabilities of $2.3 billion at Dec. 26, 2010. Due to uncertainties regarding significant assumptions involved in estimating future contributions, such as interest rate levels and the amount and timing of asset returns, the company is unable to reasonably estimate its future contributions beyond 2011.

In December 1990, the company adopted a Transitional Compensation Plan (the Plan). The Plan provides termination benefits to key executives whose employment is terminated under certain circumstances within two years following a change in control of the company. Benefits under the Plan include a severance payment of up to three years' compensation and continued life and medical insurance coverage.

Capital stock

In February 2004, the company announced the reactivation of its share repurchase program that had last been utilized in February 2000. On July 25, 2006, the authorization to repurchase shares was increased by $1 billion, and as of Dec. 26, 2010, approximately $808.9 million may yet be expended under the program. Under the program, the company purchased $72.8 million (2.3 million shares) in 2008. No shares were purchased in 2010 and 2009. Shares may be repurchased at management's discretion, either in the open market or in privately negotiated block transactions. Management's decision to repurchase shares will depend on price, availability and other corporate developments. Purchases may occur from time to time and no maximum purchase price has been set. While there is no expiration date for the repurchase program, the company's Board of Directors reviews the share repurchase authorization annually, the last such review having occurred in October 2010. Certain of the shares previously acquired by the company have been reissued in settlement of employee stock awards. At this time, the company does not anticipate repurchasing its shares for the near term.

An employee 401(k) Savings Plan was established in 1990, which includes a company matching contribution in the form of Gannett stock. To fund the company's matching contribution, an Employee Stock Ownership Plan (ESOP) was formed which acquired 2,500,000 shares of Gannett stock from the company for $50 million. The stock purchase was financed with a loan from the company. In June 2003, the debt was fully repaid and all of the shares had been fully allocated to participants. The company elected not to add additional shares to the ESOP and began funding contributions in cash. Through 2008, the ESOP used the cash match to purchase on the open market an equivalent number of shares of company stock on behalf of participants. In early 2009, the company began funding the 401(k) Savings Plan company matching contributions through the issuance of treasury shares. Beginning in 2010, the company funded the 401(k) Savings Plan match through the issuance of a 50/50 combination of treasury shares and shares purchased on the open market with cash.

The company's common stock outstanding at Dec. 26, 2010, totaled 239,509,020 shares, compared with 237,156,663 shares at Dec. 27, 2009.

Dividends

Dividends declared on common stock amounted to $38 million in 2010, compared with $37 million in 2009.

Dividends declared per share.

Cash dividends		Payment date	Per share	
2010	4th Quarter	Jan. 3, 2011	$	.04
	3rd Quarter	Oct. 1, 2010	$	.04
	2nd Quarter	July 1, 2010	$	.04
	1st Quarter	April 1, 2010	$	.04
2009	4th Quarter	Jan. 4, 2010	$	.04
	3rd Quarter	Oct. 1, 2009	$	.04
	2nd Quarter	July 1, 2009	$	.04
	1st Quarter	April 1, 2009	$	.04

On Feb. 23, 2011, the Board of Directors declared a dividend of $.04 cents per share, payable on April 1, 2011, to shareholders of record as of the close of business March 4, 2011.

Accumulated other comprehensive income (loss)

The company's foreign currency translation adjustment, included in accumulated other comprehensive income (loss) and reported as part of shareholders' equity, totaled $395 million at the end of 2010 and $416 million at the end of 2009. The decrease reflected a weakening of Sterling against the U.S. dollar. Newsquest's assets and liabilities at Dec. 26, 2010 were translated from Sterling to U.S. dollars at an exchange rate of 1.54 versus 1.60 at the end of 2009. Newsquest's financial results were translated at an average rate of 1.55 for 2010, 1.56 for 2009 and 1.86 for 2008.

The company has recognized the funded status of its pension and retiree medical benefit plans in the statement of financial position. At Dec. 26, 2010 and Dec. 27, 2009, accumulated other comprehensive loss includes a reduction of equity of $762 million and $735 million, respectively, for the aggregate excess of retirement plan liabilities over plan assets.

In August 2007, the company entered into three interest rate swap agreements totaling a notional amount of $750 million in order to mitigate the volatility of interest rates. These agreements, which expired in May 2009, effectively fixed the interest rate on the $750 million in floating rate notes due May 2009 at 5.0125%. These instruments were designated as cash flow hedges in accordance with ASC Topic 815, "Derivatives and Hedging," and changes in fair value were recorded through accumulated other comprehensive loss with a corresponding adjustment to other long-term liabilities. As a result of a tender offer and strategic redemptions of part of the floating rate notes during the fourth quarter of 2008 and first quarter of 2009, the cash flow hedging treatment was discontinued for interest rate swaps associated with approximately $186.6 million of notional value on the retired floating rate notes. Amounts recorded in accumulated other comprehensive loss related to the discontinued cash flow hedges were reclassified into earnings and subsequent changes to the fair value of the interest rate swaps were recorded through earnings. Expense in 2009 associated with the derivatives designated as hedges under ASC Topic 815, which is classified as "Interest expense" on the company's Consolidated Statement of Income (Loss), was $7.7 million. Expense in 2009 associated with the derivatives not designated as hedges under ASC Topic 815, which is classified as "Other non-operating items" on the company's Consolidated Statement of Income (Loss), was $0.6 million.

Effects of inflation and changing prices and other matters

The company's results of operations and financial condition have not been significantly affected by inflation. The company's principal operating costs have not generally been subject to significant inflationary pressures. Further, the effects of inflation and changing prices on the company's property, plant and equipment and related depreciation expense have been reduced as a result of an ongoing capital expenditure program and the availability of replacement assets with improved technology and efficiency.

The company is exposed to foreign exchange rate risk primarily due to its ownership of Newsquest, which uses the British pound as its functional currency, which is then translated into U.S. dollars. The company's foreign currency translation adjustment, related principally to Newsquest and reported as part of shareholders' equity, totaled $395 million at Dec. 26 2010. Newsquest's assets and liabilities were translated from British pounds to U.S. dollars at the Dec. 26, 2010, exchange rate of 1.54. Refer to Item 7A for additional detail.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The company believes that its market risk from financial instruments, such as accounts receivable, accounts payable and debt, is not material. The company is exposed to foreign exchange rate risk primarily due to its operations in the United Kingdom, for which the British pound is the functional currency. Translation gains or losses affecting the Consolidated Statements of Income (Loss) have not been significant in the past. If the price of the British pound against the U.S. dollar had been 10% more or less than the actual price, operating income, excluding the special items described on page 30, 2010 would have increased or decreased approximately 1%.

Because the company has $401 million in floating interest rate obligations outstanding at Dec. 26, 2010, the company is subject to changes in the amount of interest expense it might incur. A 1/2% increase or decrease in the average interest rate for these obligations would result in an increase or decrease in annual interest expense of $2.0 million.

Refer to Note 7 to the Consolidated Financial Statements for information regarding the fair value of the company's long-term debt.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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* All other schedules prescribed under Regulation S-X are omitted because they are not applicable or not required.

Report of Ernst & Young LLP, Independent Registered Public Accounting Firm

Board of Directors and Shareholders of Gannett Co., Inc.:

We have audited the accompanying consolidated balance sheets of Gannett Co., Inc. as of December 26, 2010 and December 27, 2009, and the related consolidated statements of income (loss), cash flows, and equity for each of the three fiscal years in the period ended December 26, 2010. Our audits also included the financial statement schedule listed in the accompanying index in Item 8. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gannett Co., Inc. at December 26, 2010 and December 27, 2009, and the consolidated results of its operations and its cash flows for each of the three fiscal years in the period ended December 26, 2010, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Gannett Co., Inc.'s internal control over financial reporting as of December 26, 2010, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 23, 2011, included in Item 9A, expressed an unqualified opinion thereon.

Ernst + Young LLP

McLean, Virginia
February 23, 2011

GANNETT CO., INC.
CONSOLIDATED BALANCE SHEETS

In thousands of dollars

Assets	**Dec. 26, 2010**	**Dec. 27, 2009**
Current assets		
Cash and cash equivalents	$ 183,014	$ 98,795
Trade receivables, less allowance for doubtful receivables of $39,419 and $46,255, respectively	717,377	759,934
Other receivables	30,746	20,557
Inventories	72,025	63,752
Deferred income taxes	21,254	19,577
Prepaid expenses and other current assets	95,064	86,427
Assets held for sale	19,654	—
Total current assets	**1,139,134**	**1,049,042**
Property, plant and equipment		
Land	172,786	203,937
Buildings and improvements	1,366,361	1,426,150
Machinery, equipment and fixtures	2,615,796	2,782,595
Construction in progress	15,797	16,177
Total	**4,170,740**	**4,428,859**
Less accumulated depreciation	(2,412,629)	(2,457,041)
Net property, plant and equipment	**1,758,111**	**1,971,818**
Intangible and other assets		
Goodwill	2,836,960	2,854,247
Indefinite-lived and amortizable intangible assets, less accumulated amortization of $197,454 and $170,182, respectively	518,797	565,610
Deferred income taxes	170,385	302,360
Investments and other assets	393,457	405,355
Total intangible and other assets	**3,919,599**	**4,127,572**
Total assets	**$ 6,816,844**	**$ 7,148,432**

The accompanying notes are an integral part of these consolidated financial statements.

GANNETT CO., INC.
CONSOLIDATED BALANCE SHEETS

In thousands of dollars

Liabilities and equity	Dec. 26, 2010	Dec. 27, 2009
Current liabilities		
Accounts payable		
Trade	$ 200,827	$ 216,721
Other	32,125	35,864
Accrued liabilities		
Compensation	150,926	143,182
Interest	26,738	25,281
Other	217,278	201,711
Dividends payable	9,680	9,703
Income taxes	31,565	45,085
Deferred income	224,047	222,556
Total current liabilities	**893,186**	**900,103**
Income taxes	137,497	206,115
Long-term debt	2,352,242	3,061,951
Postretirement medical and life insurance liabilities	168,322	185,433
Pension liabilities	619,340	708,133
Other long-term liabilities	228,008	260,918
Total liabilities	**4,398,595**	**5,322,653**
Redeemable noncontrolling interest	**84,176**	**78,304**
Commitments and contingent liabilities (see Note 12)		
Equity		
Gannett Co., Inc. shareholders' equity		
Preferred stock, par value $1: Authorized, 2,000,000 shares: Issued, none	—	—
Common stock, par value $1: Authorized, 800,000,000 shares: Issued, 324,418,632 shares	324,419	324,419
Additional paid-in capital	630,316	629,714
Retained earnings	6,874,641	6,324,586
Accumulated other comprehensive loss	(365,334)	(316,832)
	7,464,042	6,961,887
Less Treasury stock, 84,909,612 shares and 87,261,969 shares, respectively, at cost	(5,300,288)	(5,357,962)
Total Gannett Co., Inc. shareholders' equity	**2,163,754**	**1,603,925**
Noncontrolling interests	170,319	143,550
Total equity	**2,334,073**	**1,747,475**
Total liabilities, redeemable noncontrolling interest and equity	**$ 6,816,844**	**$ 7,148,432**

The accompanying notes are an integral part of these consolidated financial statements.

GANNETT CO., INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

In thousands of dollars, except per share amounts

Fiscal year ended	Dec. 26, 2010	Dec. 27, 2009	Dec. 28, 2008
Net operating revenues			
Publishing advertising	$ 2,710,524	$ 2,888,034	$ 4,040,890
Publishing circulation	1,086,702	1,144,539	1,196,745
Digital	618,259	586,174	281,378
Broadcasting	769,580	631,085	772,533
All other	253,613	259,771	348,136
Total	**5,438,678**	**5,509,603**	**6,639,682**
Operating expenses			
Cost of sales and operating expenses, exclusive of depreciation	2,980,465	3,230,176	3,915,549
Selling, general and administrative expenses, exclusive of depreciation	1,187,633	1,186,970	1,253,008
Depreciation	182,514	207,652	228,259
Amortization of intangible assets	31,362	32,983	31,211
Facility consolidation and asset impairment charges (see Notes 3 and 4)	57,009	132,904	7,939,563
Total	**4,438,983**	**4,790,685**	**13,367,590**
Operating income (loss)	**999,695**	**718,918**	**(6,727,908)**
Non-operating (expense) income			
Equity income (losses) in unconsolidated investees, net (see Notes 3 and 6)	19,140	3,927	(374,925)
Interest expense	(172,986)	(175,745)	(190,839)
Other non-operating items	111	22,799	28,430
Total	**(153,735)**	**(149,019)**	**(537,334)**
Income (loss) before income taxes	845,960	569,899	(7,265,242)
Provision (benefit) for income taxes	244,013	191,328	(645,273)
Income (loss) from continuing operations	**601,947**	**378,571**	**(6,619,969)**
(Loss) income from the operation of discontinued operations, net of tax	(322)	3,790	(20,626)
Gain on disposal of newspaper businesses, net of tax	21,195	—	—
Net income (loss)	**622,820**	**382,361**	**(6,640,595)**
Net income attributable to noncontrolling interests	(34,619)	(27,091)	(6,970)
Net income (loss) attributable to Gannett Co., Inc.	**$ 588,201**	**$ 355,270**	**$ (6,647,565)**
Income (loss) from continuing operations attributable to Gannett Co., Inc.	**$ 567,328**	**$ 351,480**	**$ (6,626,939)**
(Loss) income from the operation of discontinued operations, net of tax	(322)	3,790	(20,626)
Gain on disposal of publishing businesses, net of tax	21,195	—	—
Net income (loss) attributable to Gannett Co., Inc.	**$ 588,201**	**$ 355,270**	**$ (6,647,565)**
Earnings (loss) from continuing operations per share — basic	**$ 2.38**	**$ 1.50**	**$ (29.02)**
Earnings from discontinued operations			
Discontinued operations per share — basic	—	0.02	(0.09)
Gain on disposal of newspaper businesses per share — basic	0.09	—	—
Net income (loss) per share — basic	**$ 2.47**	**$ 1.52**	**$ (29.11)**
Earnings (loss) from continuing operations per share — diluted	**$ 2.35**	**$ 1.49**	**$ (29.02)**
Earnings from discontinued operations			
Discontinued operations per share — diluted	—	0.02	(0.09)
Gain on disposal of newspaper businesses per share — diluted	0.08	—	—
Net income (loss) per share — diluted	**$ 2.43**	**$ 1.51**	**$ (29.11)**

The accompanying notes are an integral part of these consolidated financial statements.

GANNETT CO., INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands of dollars

Fiscal year ended	**Dec. 26, 2010**	**Dec. 27, 2009**	**Dec. 28, 2008**
Cash flows from operating activities			
Net income (loss)	$ 622,820	$ 382,361	$ (6,640,595)
Adjustments to reconcile net income (loss) to operating cash flows:			
Debt exchange gain	—	(42,746)	—
Gain on sale of discontinued operations, net of tax	(21,195)	—	—
Depreciation	183,322	209,826	230,987
Amortization of intangible assets	31,362	32,983	31,211
Facility consolidation and asset impairment charges (see Notes 3 and 4)	57,009	160,939	7,976,418
Stock-based compensation — equity awards	32,707	25,373	22,646
Provision (benefit) for deferred income taxes	150,363	54,213	(801,988)
Pension (benefit) expense, net of pension contributions	(124,864)	(12,563)	(66,260)
Equity (income) loss in unconsolidated investees, net (see Notes 3 and 6)	(19,140)	(3,927)	374,925
Other, net, including gains on asset sales	(3,996)	14,668	(54,996)
Decrease in trade receivables	34,909	105,184	132,143
Decrease (increase) in other receivables	(5,182)	26,951	16,285
Decrease (increase) in inventories	(10,434)	56,768	(26,856)
Increase (decrease) in accounts payable	(15,199)	(66,765)	50,256
Increase (decrease) in interest and taxes payable	(98,270)	64,526	(165,700)
Increase (decrease) in deferred income	4,745	(50,300)	(24,375)
Change in other assets and liabilities, net	(46,073)	(90,911)	(38,756)
Net cash flow from operating activities	**772,884**	**866,580**	**1,015,345**
Cash flows from investing activities			
Purchase of property, plant and equipment	(69,070)	(67,737)	(165,000)
Payments for acquisitions, net of cash acquired	(15,164)	(9,581)	(168,570)
Payments for investments	(10,984)	(9,674)	(46,779)
Proceeds from investments	45,478	20,461	29,049
Proceeds from sale of certain assets, including discontinued operations	112,706	31,908	78,541
Net cash provided by (used for) investing activities	**62,966**	**(34,623)**	**(272,759)**
Cash flows from financing activities			
(Payments of) proceeds from borrowings under revolving credit facilities	(1,160,000)	(526,000)	1,907,000
Proceeds from issuance of long-term debt	493,743	492,618	280,000
Payments of unsecured promissory notes	—	—	(833,876)
Payments of unsecured fixed rate notes and other indebtedness	(50,000)	(680,505)	(1,628,458)
Dividends paid	(38,216)	(119,328)	(366,748)
Cost of common shares repurchased	—	—	(72,764)
Proceeds from issuance of common stock upon exercise of stock options	3,214	402	—
Distributions to noncontrolling interest shareholders	—	—	(200)
Net cash used for financing activities	**(751,259)**	**(832,813)**	**(715,046)**
Effect of currency exchange rate change	**(372)**	**702**	**(5,840)**
Increase (decrease) in cash and cash equivalents	84,219	(154)	21,700
Balance of cash and cash equivalents at beginning of year	98,795	98,949	77,249
Balance of cash and cash equivalents at end of year	**$ 183,014**	**$ 98,795**	**$ 98,949**

The accompanying notes are an integral part of these consolidated financial statements.

GANNETT CO., INC.
CONSOLIDATED STATEMENTS OF EQUITY

In thousands of dollars

	Gannett Co., Inc. Shareholders' Equity						
Fiscal years ended December 28, 2008, December 27, 2009, and December 26, 2010	**Common stock $1 par value**	**Additional paid-in capital**	**Retained earnings**	**Accumulated other comprehensive income (loss)**	**Treasury stock**	**Noncontrolling Interests**	**Total**
Balance: Dec. 30, 2007	**$ 324,419**	**$ 721,205**	**$ 13,019,143**	**$ 430,891**	**$ (5,478,499)**	**$ 340**	**$ 9,017,499**
Net income (loss), 2008			(6,647,565)			6,970	(6,640,595)
Redeemable noncontrolling interest accretion						(1,736)	(1,736)
Foreign currency translation adjustment				(421,845)			(421,845)
Interest rate swap				3,445			3,445
Pension and other postretirement benefit liability adjustment, net of tax benefit of $315,832				(481,743)			(481,743)
Other						1,330	1,330
Total comprehensive loss							(7,541,144)
Dividends declared, 2008:							
$1.60 per share			(364,825)				(364,825)
Acquisitions						111,902	111,902
Treasury stock acquired					(72,764)		(72,764)
Stock option and restricted stock compensation		22,646					22,646
Other treasury stock activity		(652)			2,026		1,374
Balance: Dec. 28, 2008	**$ 324,419**	**$ 743,199**	**$ 6,006,753**	**$ (469,252)**	**$ (5,549,237)**	**$ 118,806**	**$ 1,174,688**
Net income, 2009			355,270			27,091	382,361
Redeemable noncontrolling interest accretion						(5,463)	(5,463)
Foreign currency translation adjustment				60,934			60,934
Interest rate swap				5,075			5,075
Pension and other postretirement benefit liability adjustment, net of tax provision of $74,051				84,355			84,355
Other				2,056		3,116	5,172
Total comprehensive income							532,434
Dividends declared, 2009:							
$0.16 per share			(37,437)				(37,437)
Stock options exercised		(678)			986		308
Stock option and restricted stock compensation		25,373					25,373
401(k) match		(139,919)			185,444		45,525
Tax benefit derived from stock awards settled		94					94
Other treasury stock activity		1,645			4,845		6,490
Balance: Dec. 27, 2009	**$ 324,419**	**$ 629,714**	**$ 6,324,586**	**$ (316,832)**	**$ (5,357,962)**	**$ 143,550**	**$ 1,747,475**
Net income, 2010			588,201			34,619	622,820
Redeemable noncontrolling interest accretion						(5,872)	(5,872)
Foreign currency translation adjustment				(21,527)			(21,527)
Pension and other postretirement benefit liability adjustment, net of tax benefit of $17,606				(27,280)			(27,280)
Other				305		(2,793)	(2,488)
Total comprehensive income							565,653
Dividends declared, 2010:							
$0.16 per share			(38,146)				(38,146)
Acquisitions/dispositions						815	815
Stock options exercised		(6,153)			8,131		1,978
Stock option and restricted stock compensation		32,707					32,707
401(k) match		(22,227)			45,094		22,867
Tax benefit derived from stock awards settled		1,236					1,236
Other treasury stock activity		(4,961)			4,449		(512)
Balance: Dec. 26, 2010	**$ 324,419**	**$ 630,316**	**$ 6,874,641**	**$ (365,334)**	**$ (5,300,288)**	**$ 170,319**	**$ 2,334,073**

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1

Summary of significant accounting policies

Fiscal year: The company's fiscal year ends on the last Sunday of the calendar year. The company's 2010 fiscal year ended on Dec. 26, 2010, and encompassed a 52-week period. The company's 2009 and 2008 fiscal years also encompassed 52-week periods.

Consolidation: The consolidated financial statements include the accounts of the company and its wholly and majority-owned subsidiaries after elimination of all significant intercompany transactions and profits. Investments in entities for which the company does not have control, but has the ability to exercise significant influence over operating and financial policies, are accounted for under the equity method. Accordingly, the company's share of net earnings and losses from these ventures is included in "Equity income (losses) in unconsolidated investees, net" in the Consolidated Statements of Income (Loss).

Segment presentation: In the third quarter of 2008, the company began reporting a new digital segment and a separate digital revenues line in its Statements of Income (Loss). This revenue line includes only revenue from the businesses that comprise the new digital segment. It therefore includes all revenues from CareerBuilder and ShopLocal beginning with the full consolidation of these businesses in the third quarter of 2008, and revenues from PointRoll, Schedule Star and Planet Discover. Revenues from PointRoll, Schedule Star and Planet Discover had previously been reported within the publishing segment and were included in the "All other" revenue line in the Consolidated Statements of Income (Loss). "All other" revenue is now comprised principally of commercial printing revenues. All periods presented reflect these reclassifications.

The digital segment and the digital revenues line do not include online/digital revenues generated by web sites that are associated with the company's publishing and broadcasting operating properties. Such amounts are reflected within those segments and are included as part of publishing advertising revenues and broadcasting revenues in the Consolidated Statements of Income (Loss).

Noncontrolling interests presentation: Noncontrolling interests is presented as a component of equity on the Consolidated Balance Sheet. This balance primarily relates to the noncontrolling owners of CareerBuilder, LLC (CareerBuilder). Redeemable non-controlling interest in the mezzanine section of the balance sheet represents redeemable stock held by a noncontrolling owner in CareerBuilder. The redeemable stock is exercisable within 30 days after Jan. 1, 2014. Net income (loss) in the Consolidated Statements of Income (Loss) reflects 100 percent of CareerBuilder results as the company holds the controlling interest. Net income (loss) is subsequently adjusted to remove the noncontrolling interest to arrive at Net income (loss) attributable to Gannett Co., Inc.

Reclassification of certain items within the Consolidated Statements of Cash Flows: Certain amounts in the Consolidated Statements of Cash Flows in prior years have been reclassified to conform to current year presentation.

Operating agencies: The company's newspaper subsidiary in Detroit participates in a joint operating agency. The joint operating agency performs the production, sales and distribution functions for the subsidiary and another newspaper publishing company under a joint operating agreement. Operating results for the Detroit joint operating agency are fully consolidated along with a charge for the noncontrolling partner's share of profits.

Through May 2009, the company also published the Tucson Citizen through the Tucson joint operating agency in which the company held a 50% interest. Because of challenges facing the publishing industry and the difficult economy, particularly in the Tucson area, the company ceased publishing the Citizen on May 16, 2009. The company retained its online site and 50% partnership interest in the joint operating agency which provides services to the remaining non-Gannett newspaper in Tucson. The company's share of results for its share of Tucson operations are accounted for under the equity method, and are reported as a net amount in "Equity income (losses) in unconsolidated investees, net."

Critical accounting policies and the use of estimates: The company prepares its financial statements in accordance with generally accepted accounting principles which require the use of estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosure of contingent matters. The company bases its estimates on historical experience, actuarial studies and other assumptions, as appropriate. The company re-evaluates its estimates on an ongoing basis. Actual results could differ from these estimates.

Critical accounting policies for the company involve its assessment of the recoverability of its long-lived assets, including goodwill and other intangible assets and property, plant and equipment. These assessments are based on factors such as estimated future cash flows and current fair value estimates of businesses.

The company's accounting for pension and retiree medical benefits requires the use of various estimates concerning the work force, interest rates, plan investment return, and involves the use of advice from consulting actuaries.

The company periodically evaluates its investments in unconsolidated entities for impairment. When the company determines that an impairment is other-than-temporary, an impairment is recognized equal to the excess of the investment's carrying amount over its estimated fair value. In making such a determination, the company considers recent financial results and forward looking projections. The company also considers various qualitative factors. These factors include the intent and ability of the company to retain its investment in the entity and the financial condition and long-term prospects of the entity. If the company believes that the decline in the fair value of the investment is temporary, then no impairment is recorded.

The company's accounting for income taxes in the U.S. and foreign jurisdictions is sensitive to interpretation of various laws and regulations therein, and to company policy and expectations as to the repatriation of earnings from foreign sources. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. If currently available information raises doubt as to the realization of the deferred tax assets, a valuation allowance is established. The company must exercise significant judgment in evaluating the amount and timing of recognition of deferred tax liabilities and assets, including projections of future taxable income. These judgments and estimates are reviewed on a continual basis as regulatory and business factors change. A valuation allowance for deferred tax assets may be required if the amount of taxes recoverable through loss carryback declines, if tax planning strategies are not available, or if the company projects lower levels of future taxable income.

A more complete discussion of all of the company's significant accounting policies follows.

Cash and cash equivalents: Cash and cash equivalents consist of cash and investments with maturities of three months or less.

Trade receivables and allowances for doubtful accounts: Trade receivables are recorded at invoiced amounts and generally do not bear interest. The allowance for doubtful accounts reflects the company's estimate of credit exposure, determined principally on the basis of its collection experience, aging of its receivables and significant individual account credit risk.

Inventories: Inventories, consisting principally of newsprint, printing ink and plate material for the company's publishing operations, are valued primarily at the lower of cost (first-in, first-out) or market. At certain U.S. publishing operations however, newsprint inventory is carried on a last-in, first-out basis.

Valuation of long-lived assets: In accordance with the requirements included within ASC Topic 350, "Intangibles — Goodwill and Other" (ASC Topic 350) and Topic 360, "Property, Plant, and Equipment" (ASC Topic 360), the company evaluates the carrying value of long-lived assets (mostly property, plant and equipment and definite-lived intangible assets) to be held and used whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying value of a long-lived asset group is considered impaired when the projected undiscounted future cash flows are less than its carrying value. The company measures impairment based on the amount by which the carrying value exceeds the fair value. Fair value is determined primarily using the projected future cash flows, discounted at a rate commensurate with the risk involved. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair values are reduced for the cost to dispose.

Property and depreciation: Property, plant and equipment is recorded at cost, and depreciation is provided generally on a straight-line basis over the estimated useful lives of the assets. The principal estimated useful lives are: buildings and improvements, 10 to 40 years; and machinery, equipment and fixtures, three to 30 years. Changes in the estimated useful life of an asset, which could happen as a result of facility consolidations, can affect depreciation expense and net income (loss). Major renewals and improvements and interest incurred during the construction period of major additions are capitalized. Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred.

Goodwill and other intangible assets: Goodwill represents the excess of acquisition cost over the fair value of assets acquired, including identifiable intangible assets, net of liabilities assumed. In accordance with the impairment testing provisions included in ASC Topic 350, goodwill is tested for impairment on an annual basis or between annual tests if events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The company's annual measurement date is the end of its fiscal year. The company is required to determine the fair value of each reporting unit and compare it to the carrying amount of the reporting unit. Fair value of the reporting unit is determined using various techniques, including multiple of earnings and discounted cash flow valuation techniques. If the carrying amount of the reporting unit exceeds the fair value of the reporting unit, the company performs the second step of the impairment test, as this is an indication that the reporting unit goodwill may be impaired. In the second step of the impairment test, the company determines the implied fair value of the reporting unit's goodwill. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, then an impairment of goodwill has occurred and the company must recognize an impairment loss for the difference between the carrying amount and the implied fair value of goodwill. In determining the reporting units, the company considers the way it manages its businesses and the nature of those businesses. The company has established its reporting units for publishing at or one level below the segment level. These reporting units therefore consist principally of U.S. Community Publishing, the USA TODAY group, the U.K. newspaper group, and certain individual stand-alone publishing businesses. For Digital, the reporting units are the stand-alone digital businesses. For Broadcasting, goodwill is accounted for at the segment level.

The company performs an impairment test annually, or more often if circumstances dictate, of its indefinite-lived intangible assets. Intangible assets that have finite useful lives are amortized over those useful lives and are evaluated for impairment in accordance with ASC Topic 350 as described above.

Investments and other assets: Investments in non-public businesses in which the company does not have control or does not exert significant influence are carried at cost and losses resulting from periodic evaluations of the carrying value of these investments are included as a non-operating expense. At Dec. 26, 2010, and Dec. 27, 2009, such investments aggregated approximately $16 million.

Investments where the company does have significant influence are recorded under the equity method of accounting. See Note 6 for further discussion of these investments.

The company's television stations are parties to program broadcast contracts. These contracts are recorded at the gross amount of the related liability when the programs are available for telecasting. The related assets are recorded at the lower of cost or estimated net realizable value. Program assets are classified as current (as a prepaid expense) or noncurrent (as an other asset) in the Consolidated Balance Sheets, based upon the expected use of the programs in succeeding years. The amount charged to expense appropriately matches the cost of the programs with the revenues associated with them. The liability for these contracts is classified as current or noncurrent in accordance with the payment terms of the contracts. The payment period generally coincides with the period of telecast for the programs, but may be shorter.

Revenue recognition: The company's revenues include amounts charged to customers for: space purchased in the company's newspapers, digital ads placed on its web sites, digital marketing service agreement fees, commercial printing jobs, and advertising broadcast on the company's television stations. Newspaper revenues also include circulation revenues for newspapers purchased by readers or distributors, reduced by the amount of discounts taken. Broadcast revenues include revenues from the retransmission of the company's television signals on satellite and cable networks. Advertising revenues are recognized, net of agency commissions, in the period when advertising is printed or placed on web sites or broadcast. Revenues for digital marketing services are generally recognized as web site ad impressions are delivered. Commercial printing revenues are recognized when the job is delivered to the customer. Circulation revenues are recognized when purchased newspapers are distributed. Amounts received from customers in advance of revenue recognition are deferred as liabilities. Broadcasting retransmission fees are recognized over the contract period based on a negotiated fee per subscriber.

Retirement plans: Pension and other postretirement benefit costs under the company's retirement plans are actuarially determined. The company recognizes the cost of postretirement benefits including pension, medical and life insurance benefits on an accrual basis over the working lives of employees expected to receive such benefits.

Stock-based employee compensation: Effective Dec. 26, 2005, the first day of its 2006 fiscal year, the company adopted the fair value recognition provisions of SFAS No. 123(R), "Share-Based Payments," as subsequently codified in ASC Topic 718, "Compensation-Stock Compensation," using the modified prospective transition method. Under this transition method, stock-based compensation costs recognized in the income statement beginning in 2006 include (a) compensation expense for all unvested stock-based awards that were granted through Dec. 25, 2005, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123 and (b) compensation expense for all share-based payments granted after Dec. 25, 2005, based on grant date fair value estimated in accordance with the provisions of SFAS No. 123(R). The company's stock option awards generally have graded vesting terms and the company recognizes compensation expense for these options on a straight-line basis over the requisite service period for the entire award (generally four years). See Note 11 for further discussion.

The company also grants restricted stock or restricted stock units to employees and members of its Board of Directors as a form of compensation. The expense for such awards is based on the grant date fair value of the award and is recognized on a straight-line basis over the requisite service period, which is generally the four-year incentive period.

Income taxes: The company accounts for certain income and expense items differently for financial reporting purposes than for income tax reporting purposes. Deferred income taxes are provided in recognition of these temporary differences. See Note 10 for further discussion.

Per share amounts: The company reports earnings per share on two bases, basic and diluted. All basic income per share amounts are based on the weighted average number of common shares outstanding during the year. The calculation of diluted earnings per share also considers the assumed dilution from the exercise of stock options and from restricted stock units. Loss amounts per share consider only basic shares outstanding due to the antidilutive effect of adding shares for stock option exercises and restricted stock units.

Foreign currency translation: The income statements of foreign operations have been translated to U.S. dollars using the average currency exchange rates in effect during the relevant period. The balance sheets have been translated using the currency exchange rate as of the end of the accounting period. The impact of currency exchange rate changes on the translation of the balance sheets are included in comprehensive income (loss) and are classified as accumulated other comprehensive income (loss) in shareholders' equity.

Loss contingencies: The company is subject to various legal proceedings, claims and regulatory matters, the outcomes of which are subject to significant uncertainty. The company determines whether to disclose or accrue for loss contingencies based on an assessment of whether the risk of loss is remote, reasonably possible or probable, and whether it can be reasonably estimated. The company accrues for loss contingencies when such amounts are probable and reasonably estimable. If a contingent liability is only reasonably possible, the company will disclose the potential range of the loss, if material and estimable.

New accounting pronouncement: In October 2009, the FASB issued Accounting Standards Update (ASU) 2009-13, Multiple Element Arrangements. ASU 2009-13 addresses the determination of when the individual deliverables included in a multiple arrangement may be treated as separate units of accounting. ASU 2009-13 also modifies the manner in which the transaction consideration is allocated across separately identified deliverables and establishes definitions for determining fair value of elements in an arrangement. The new guidance applies prospectively to agreements entered after 2010. The company is currently assessing the impact of adoption of this pronouncement.

NOTE 2

Acquisitions, investments and dispositions

2010**:** In March 2010, CareerBuilder expanded its reach in the U.K. when it purchased CareerSite.biz, parent of three successful career-related operations there. Founded in 2001, CareerSite.biz operates two online recruitment niche sites focusing on nursing and rail workers as well as successful virtual career fair business.

In October 2010, the company purchased a minority stake in Ongo Inc. Ongo is a personal news service that gives consumers a fundamentally new way to read, discover and share digital news and information.

In the second quarter of 2010, the company completed the sale of The Honolulu Advertiser as well as a small directory publishing operation in Michigan. In connection with these transactions, the company recorded a net after tax gain of $21.2 million in discontinued operations. Income from continuing operations for all periods presented exclude operating results from these former properties which have been reclassified to discontinued operations. Amounts applicable to these discontinued operations are as follows:

In thousands of dollars

	2010	2009	2008
Revenues	$ 32,710	$ 103,390	$ 127,968
Pretax (loss)/income	(758)	6,262	(33,753)
Net (loss)/income	(322)	3,790	(20,626)
Gains (after tax)	21,195	—	—

Total cash paid in 2010 for business acquisitions and investments was $15.2 million and $11.0 million, respectively.

In early January 2011, the company also announced the acquisition of Reviewed.com, a group of 12 product-review web sites that provide comprehensive reviews for technology products such as digital cameras, camcorders and high-definition televisions. Reviewed.com's operation will be integrated with USA TODAY as part of USA TODAY's consumer media strategy.

***2009*:** In February 2009, the company purchased a minority interest in Homefinder, a leading national online marketplace connecting homebuyers, sellers and real estate professionals.

In July 2009, Newsquest sold one of its commercial printing businesses, Southernprint Limited.

Total cash paid in 2009 for business acquisitions (principally post-acquisition consideration) and investments was $9.6 million and $9.7 million, respectively.

***2008*: **On Dec. 31, 2007, the first day of the company's 2008 fiscal year, the company purchased X.com, Inc. (BNQT.com), which operates a digital media group of affiliated sites covering eight different action sports including surfing, snowboarding and skateboarding. BNQT.com is affiliated with the USA TODAY Sports Media Group.

In February 2008, the company formed QuadrantONE, a new digital ad sales network, with three other large media companies.

In March 2008, the company purchased a minority stake in Fantasy Sports Ventures (FSV). FSV, also known as Big Lead Sports, owns a set of fantasy sports content sites and manages advertising across a group of affiliated sites.

In May 2008, the company purchased a minority stake in Cozi Group Inc. (COZI). COZI is a free web service that helps families manage busy schedules, stay in communication and share memories.

In June 2008, the company acquired from Tribune Company and The McClatchy Company their minority ownership interests in ShopLocal LLC, a leading marketing and database services company for major retailers in the U.S. The company now owns 100% of ShopLocal and began consolidating its results in the digital segment at the beginning of the third quarter of 2008. ShopLocal collaborates with PointRoll to create ads that dynamically connect retail advertisers and consumers, online and in the store. ShopLocal's operations turned profitable in the third quarter of 2008.

In July 2008, the company purchased a minority stake in Livestream, a company that provides Internet broadcasting services. Also in July 2008, the company increased its investment in 4INFO, maintaining its approximate ownership interest.

In August 2008, the company purchased Pearls Review, Inc., an online nursing certification and continuing education review site, which is operated with Gannett Healthcare Group.

In September 2008, the company acquired an additional 10% stake in CareerBuilder from Tribune Company increasing its investment to 50.8% so that it became the majority and controlling owner.

The total cash paid in 2008 for business acquisitions was $168.6 million and for investments was $46.8 million.

NOTE 3

Facility consolidation and asset impairment charges

Difficult business conditions required the company to perform impairment tests on certain assets including goodwill, other intangible assets, other long-lived assets and investments accounted for under the equity method during 2010, 2009 and 2008. As a result, the company recorded non-cash impairment charges to reduce the book value of certain of those assets. In addition, an impairment charge was taken to reduce the value of certain publishing assets sold in 2009 to fair value less costs to sell.

A summary of these charges by year is presented below:

In millions except per share amounts

	2010		
	Pre-Tax Amount	**After-Tax Amount(a)**	**Per Share Amount(a)**
Asset impairment and other charges			
Goodwill:			
Digital	$ 11	$ 11	$ 0.04
Total goodwill	11	11	0.04
Other intangible assets:			
Publishing	17	12	0.05
Digital	2	1	—
Total other intangible assets	19	13	0.06
Property, plant and equipment:			
Publishing	15	9	0.04
Broadcasting	4	2	0.01
Total property, plant and equipment	19	12	0.05
Other:			
Publishing	3	2	0.01
Broadcasting	5	3	0.01
Total other	8	5	0.02
Total asset impairment and other charges-operations	$ 57	$ 41	$ 0.17
Non-operating charges:			
Equity method investments	3	2	0.01
Total charges	$ 60	$ 43	$ 0.18

(a) Total amounts may not sum due to rounding.

In millions except per share amounts

	2009		
	Pre-Tax Amount	**After-Tax Amount(a)**	**Per Share Amount**

Asset impairment and other charges			
Goodwill:			
Publishing	$ 17	$ 10	$ 0.04
Digital	16	16	0.07
Total goodwill	33	26	0.11
Other intangible assets:			
Digital	9	5	0.02
Total other intangible assets	9	5	0.02
Property, plant and equipment:			
Publishing	76	47	0.20
Broadcasting	3	2	0.01
Total property, plant and equipment	79	50	0.21
Other:			
Publishing	7	4	0.02
Broadcasting	5	3	0.01
Total other	12	7	0.03
Total asset impairment and other charges-operations	$ 133	$ 88	$ 0.37
Non-operating charges:			
Publishing assets sold	28	24	0.10
Equity method investments	9	7	0.03
Total charges	$ 170	$ 119	$ 0.50

(a) Total amounts may not sum due to rounding.

In millions except per share amounts

	2008		
	Pre-Tax Amount(a)	**After-Tax Amount(a)**	**Per Share Amount(a)**
Asset impairment and other charges			
Goodwill:			
Publishing	$ 7,448	$ 6,812	$ 29.83
Digital	10	6	0.03
Total goodwill	7,458	6,818	29.86
Other intangible assets — principally mastheads:			
Publishing	232	150	0.66
Digital	2	1	—
Total other intangible assets	233	151	0.66
Property, plant and equipment:			
Publishing	218	137	0.60
Broadcasting	2	1	—
Corporate	1	1	—
Total property, plant and equipment	221	138	0.61
Other:			
Publishing	17	11	0.05
Digital	3	2	0.01
Broadcasting	7	4	0.02
Total other	27	17	0.08
Total asset impairment and other charges-operations	$ 7,940	$ 7,124	$ 31.20
Non-operating charges:			
Newspaper publishing partnerships and other equity method investments	382	251	1.10
Noncontrolling interests reduction	(4)	(3)	(0.01)
Total charges	$ 8,317	$ 7,372	$ 32.29

(a) *Total amounts may not sum due to rounding.*

2010: The goodwill impairment charge results from the application of the impairment testing provisions included within the goodwill subtopic of ASC Topic 350. Because of difficult business conditions, testing for one reporting unit was updated during the third quarter of 2010 and for all reporting units on Dec. 26, 2010, in connection with the required annual impairment test of goodwill and indefinite lived intangibles. For one of the stand-alone businesses in the digital segment, a potential impairment was indicated. The fair value of the reporting unit was determined based on a discounted cash flow technique. The company then undertook the next step in the impairment testing process by determining the fair value of assets and liabilities within the reporting unit. The implied value of goodwill was less than the carrying value by $11 million and therefore an impairment charge in this amount was taken. There was no tax benefit recognized related to the impairment charge since the recorded goodwill was non-deductible as it arose from a stock purchase transaction. Therefore, the after-tax effect of the goodwill impairment was $11 million or $.04 per share.

The impairment charge of $19 million for other intangible assets, principally a masthead, was required because revenue results from the underlying business have softened from what was expected at the time these assets were last valued. Fair value was determined using a relief-from-royalty method. Carrying values were reduced to fair value for an indefinite lived asset and for certain definite-lived assets in accordance with ASC Topic 350. Deferred tax benefits have been recognized for these intangible assets impairment charges and therefore the total after-tax impact was $13 million or $.06 per share.

The carrying values of property, plant and equipment at certain publishing and broadcasting businesses were evaluated in 2010 due to facility consolidation efforts and changes in expected useful lives. The company revised the useful lives of certain assets, which were taken out of service or for which management has committed to a plan to discontinue use in the near future, in order to reflect the use of those assets over a shortened useful life. As a result of the evaluation, the company recorded pre-tax charges of $19 million in 2010. Deferred tax benefits were recognized for these charges and the after-tax impact was $12 million or $.05 per share.

The $8 million of charges in the “Other” category include shut down costs as well as the impairment of certain broadcast programming assets. Deferred tax benefits were recognized for these charges and therefore the after-tax impact was $5 million or $.02 per share.

In 2010, the carrying value of an investment for which the company owns a noncontrolling interest was written down to fair value because the business underlying the investment had experienced significant and sustained operating losses, leading the company to conclude that it was other than temporarily impaired. The investment carrying value adjustment totaled $3 million pre-tax and $2 million on an after-tax basis, or $.01 per share.

2009: The goodwill impairment charges result from the application of the impairment testing provisions included within the goodwill subtopic of ASC Topic 350. Because of difficult business conditions due to the economy, testing for certain reporting units was updated during the second quarter of 2009 and for all reporting units on Dec. 27, 2009, in connection with the required annual impairment test of goodwill and indefinite-lived intangibles. For one of the stand-alone business reporting units in the publishing segment and one in the digital segment, a potential impairment was indicated. The fair value of the reporting units was determined based on a multiple of earnings technique and/or a discounted cash flow technique. The company then undertook the next step in the impairment testing process by determining the fair value of assets and liabilities within these reporting units. The implied value of goodwill for these reporting units was less than the carrying amount by $33 million and therefore impairment charges in this total amount were taken. Deferred tax benefits were recognized for the publishing charge only and therefore the after-tax effect of the total goodwill impairment charge was $26 million or $.11 per share.

The impairment charge of $9 million for other intangible assets, principally customer relationships and a trade name, was required because revenue results from the underlying business have softened from what was expected at the time these assets were last valued. Carrying values were reduced to fair value for an indefinite lived asset and for certain definite-lived assets in accordance with ASC Topic 350. Deferred tax benefits have been recognized for these intangible asset impairment charges and therefore the total after-tax impact was $5 million or $.02 per share.

The carrying values of property, plant and equipment at certain publishing and broadcasting businesses were evaluated in 2009 due to facility consolidation efforts, changes in expected useful lives and softening business conditions. The recoverability of these assets was measured in accordance with the requirements included within ASC Topic 360. This process indicated that the carrying values of certain assets were not recoverable, as the expected undiscounted future cash flows to be generated by them were less than their carrying values. The related impairment loss was measured based on the amount by which the asset carrying value exceeded fair value. Asset group fair values were determined using the discounted cash flow technique. Certain asset fair values were based on estimates of prices for similar assets. In addition, as required by ASC Topic 360, the company revised the useful lives of certain assets, which were taken out of service during the year or for which management has committed to a plan to discontinue use in the near future, in order to reflect the use of those assets over their shortened useful life. As a result of the application of the requirements of ASC Topic 360, the company recorded charges of $79 million in 2009. Deferred tax benefits were recognized for these charges and the 2009 after-tax impact was $50 million or $.21 per share.

The $12 million of charges in the “Other” category include shut down costs as well as the impairment of certain broadcast programming assets. Deferred tax benefits were recognized for these charges and therefore the after-tax impact was $7 million or $.03 per share.

In the second quarter of 2009, in accordance with ASC Topic 360, the company recorded an impairment charge to reduce the value of certain publishing assets sold to fair value less costs to sell. Fair value was determined using a discounted cash flow technique that included the cash flows associated with the disposition. This impairment charge was $28 million pre-tax and $24 million after-tax, or $.10 per share. The charge is reflected in “Other non-operating items” in the Consolidated Statements of Income.

In 2009, for certain investments in which the company owns noncontrolling interests, carrying values were written down to fair value because the businesses underlying the investments had experienced significant and sustained operating losses, leading the company to conclude that they were other than temporarily impaired. These investment carrying value adjustments totaled $9 million pre-tax and $7 million on an after-tax basis, or $.03 per share.

2008: Very difficult business conditions, the economic crisis, recessionary conditions in the U.S. and U.K. and a decline in the company’s stock price required the company to perform impairment tests on goodwill, intangible assets, and other long-lived assets as of March 31, 2008, the first day of its fiscal second quarter, as well as on Dec. 28, 2008, in connection with the required annual impairment test of goodwill and indefinite-lived intangibles. As a result, the company recorded non-cash impairment charges to reduce the book value of goodwill, other intangible assets including mastheads, and certain property, plant and equipment assets. The carrying value of certain of the company’s investments in newspaper publishing partnerships and other businesses, which are accounted for under the equity method, were also written down due to other than temporary impairments. The company also recorded accelerated depreciation expense associated with certain facility consolidation and cost reduction initiatives.

The goodwill impairment charges resulted from the application of the impairment testing provisions included within the goodwill subtopic ASC Topic 350. Impairment testing is customarily performed annually. Because of softening business conditions within the company’s publishing segment and the decline in the company’s stock price and market capitalization, this testing was updated as of the beginning of the second quarter of 2008 and as required the testing was performed again as of Dec. 28, 2008. For certain publishing and digital reporting units, an impairment was indicated. The fair values of the reporting units were determined using discounted cash flow and multiple of earnings techniques. The company then undertook the next step in the impairment testing process by determining the fair value of assets and liabilities for these reporting units.

The implied value of goodwill determined by the valuation for these reporting units was less than the carrying amount by $7.46 billion, and therefore an impairment charge in this amount was taken. There was minimal tax benefit recognized related to the impairment charges since much of the recorded goodwill was non-deductible as it arose from stock purchase transactions. Therefore the after-tax effect of the goodwill impairment was $6.82 billion or $29.86 per share.

The goodwill impairment charge recorded in the second quarter, in the amount of $2.14 billion, was related to Newsquest, the company’s U.K. publishing operations that had been acquired relatively recently in several transactions from 1999-2005. Following the second quarter impairment testing, Newsquest’s fourth quarter operating results and projections indicated a significant decline from the amounts estimated in the second quarter and as a result a further goodwill impairment charge of approximately $507 million was recorded.

In the fourth quarter of 2008, the company also recognized an impairment charge for its U.S. Community Publishing reporting unit of approximately $4.4 billion. This reporting unit was then comprised of 82 individual publishing operations which had been acquired at various times over the past several decades.

The goodwill impairment charges for other stand-alone business reporting units totaled $408 million in the fourth quarter.

The impairment charge of $233 million for other intangible assets was required because revenue results from the underlying businesses had softened from what was expected at the time they were purchased and the assets initially valued. In accordance with the requirements included within ASC Topic 350, the carrying values of impaired indefinite-lived intangible assets, principally mastheads, were reduced to fair value. Fair value was determined using a relief-from-royalty method. The carrying values of certain definite-lived intangible assets, principally customer relationships, were reduced to fair value in accordance with the requirements included within ASC Topic 350. Deferred tax benefits have been recognized for these intangible asset impairment charges and therefore the after-tax impact was $151 million or $.66 per share.

The carrying value of property, plant and equipment at certain publishing businesses was also evaluated due to softening business conditions and, in some cases, changes in expected useful lives. The recoverability of these assets was measured in accordance with the requirements included within ASC Topic 360. This process indicated that the carrying values of certain assets were not recoverable, as the expected undiscounted future cash flows to be generated by them would be less than their carrying values.

The related impairment loss was measured based on the amount by which asset carrying value exceeded fair value. Asset fair values were determined using discounted cash flow or multiple of earnings techniques. Certain asset fair values were based on estimates of prices for similar assets. In addition, as required by ASC Topic 360, the company revised the useful lives of certain assets, which were

taken out of service during the year or for which management has committed to a plan to discontinue use in the near future, in order to reflect the use of those assets over their shortened useful life. As a result of the application of the requirements within ASC Topic 360, the company recorded charges of $221 million. Deferred tax benefits were recognized for these charges and therefore the after-tax impact was $138 million or $.61 per diluted share.

The charges of $27 million included in the “Other” category include an amount to increase the level of the company’s allowance for doubtful accounts reflecting higher collection risk from the recession-driven increase in delinquency of receivable agings and bankruptcy filings toward the end of 2008. Charges also include amounts for future lease payments for facilities abandoned in connection with consolidation efforts and amounts for the impairment of certain broadcast programming assets. Deferred tax benefits were recognized for these charges and therefore the after-tax impact was $17 million or $.08 per share.

For certain of the company’s newspaper publishing partnership investments, and for certain other investments in which the company owns a minority equity interest, carrying values were written down to fair value because the businesses underlying the investments had experienced significant and sustained declines in operating performance, leading the company to conclude that they were other than temporarily impaired. The adjustment of newspaper publishing partnership carrying values comprise the majority of these investment charges, and these were driven by many of the same factors affecting the company’s wholly owned publishing businesses. Fair values were determined using a multiple of earnings or a multiple of revenues technique. These investment carrying value adjustments were $382 million pre-tax and $251 million on an after-tax basis, or $1.10 per diluted share. The pre-tax impairment charges for these investments are reflected as “Equity income (losses) in unconsolidated investees, net” in the Statement of Income (Loss).

NOTE 4

Goodwill and other intangible assets

ASC Topic 350 requires that goodwill and indefinite-lived intangible assets be tested for impairment at least annually. Recognized intangible assets that have finite useful lives are amortized over their useful lives and are subject to tests for impairment in accordance with the requirements included within ASC Topic 350.

As discussed in Note 3, the company performed interim and year-end impairment tests on its goodwill and other intangible assets during 2010 and, as a result, recorded non-cash impairment charges totaling $30 million. The charges in 2010 included goodwill and other intangibles for the Digital segment of $11 million and $2 million, respectively, and $17 million for other intangibles for the Publishing segment (for a publication masthead in the U.K.).

During 2009, the company recorded non-cash impairment charges totaling $42 million. The charges in 2009 included goodwill and other intangibles for the Digital segment of $16 million and $9 million, respectively, and $17 million for goodwill for the Publishing segment.

The following table displays goodwill, indefinite-lived intangible assets, and amortizable intangible assets at Dec. 26, 2010, and Dec. 27, 2009.

In thousands of dollars

	Gross	Accumulated Amortization	Net
Dec. 26, 2010			
Goodwill	$ 2,836,960	$ —	$ 2,836,960
Indefinite-lived intangibles:			
Mastheads and trade names	92,673	—	92,673
Television station FCC licenses	255,304	—	255,304
Amortizable intangible assets:			
Customer relationships	311,646	166,068	145,578
Other	56,628	31,386	25,242
Total	$ 3,553,211	$ 197,454	$ 3,355,757
Dec. 27, 2009			
Goodwill	$ 2,854,247	$ —	$ 2,854,247
Indefinite-lived intangibles:			
Mastheads and trade names	110,319	—	110,319
Television station FCC licenses	255,304	—	255,304
Amortizable intangible assets:			
Customer relationships	311,840	141,902	169,938
Other	58,329	28,280	30,049
Total	$ 3,590,039	$ 170,182	$ 3,419,857

Amortization expense was approximately $31.4 million in 2010 and $33.0 million in 2009. Customer relationships, which include subscriber lists and advertiser relationships, are amortized on a straight-line basis over three to 25 years. Other intangibles primarily include internally developed technology, patents and amortizable trade names and were assigned lives of between three and 21 years and are amortized on a straight-line basis.

Annual amortization expense relating to the amortizable intangibles is expected to be approximately $31 million in 2011 and gradually decline to $19 million in 2015 assuming no acquisitions or dispositions.

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The following table shows the changes in the carrying amount of goodwill during 2010 and 2009.

In thousands of dollars

	Publishing	Digital	Broadcasting	Total
Goodwill				
Gross balance at Dec. 28, 2008	$ 7,473,542	$ 670,593	$ 1,617,967	$ 9,762,102
Accumulated impairment losses	(6,879,214)	(10,000)	—	(6,889,214)
Net balance at Dec. 28, 2008	$ 594,328	$ 660,593	$ 1,617,967	$ 2,872,888
Acquisitions & adjustments	1,534	(1,735)	—	(201)
Impairment	(17,000)	(16,000)	—	(33,000)
Dispositions	(6,039)	—	—	(6,039)
Foreign currency exchange rate changes	18,019	2,118	462	20,599
Balance at Dec. 27, 2009	$ 590,842	$ 644,976	$ 1,618,429	$ 2,854,247
Gross balance at Dec. 27, 2009	7,692,437	670,976	1,618,429	9,981,842
Accumulated impairment losses	(7,101,595)	(26,000)	—	(7,127,595)
Net balance at Dec. 27, 2009	$ 590,842	$ 644,976	$ 1,618,429	$ 2,854,247
Acquisitions & adjustments	1,476	10,072	—	11,548
Impairment	—	(10,603)	—	(10,603)
Dispositions	(5,927)	—	—	(5,927)
Foreign currency exchange rate changes	(6,918)	(5,521)	134	(12,305)
Balance at Dec. 26, 2010	$ 579,473	$ 638,924	$ 1,618,563	$ 2,836,960
Gross balance at Dec. 26, 2010	7,599,030	675,527	1,618,563	9,893,120
Accumulated impairment losses	(7,019,557)	(36,603)	—	(7,056,160)
Net balance at Dec. 26, 2010	$ 579,473	$ 638,924	$ 1,618,563	$ 2,836,960

NOTE 5

Consolidated statements of cash flows

Cash paid in 2010, 2009 and 2008 for income taxes and for interest (net of amounts capitalized) was as follows:

In thousands of dollars

	2010	2009	2008
Income taxes	$ 195,253	$ 78,856	$ 306,074
Interest	$ 171,537	$ 177,899	$ 188,385

Interest in the amount of $477,000, $216,000 and $458,000 was capitalized in 2010, 2009 and 2008, respectively.

NOTE 6

Investments

The company's investments include several that are accounted for under the equity method. Principal among these are the following:

	% Owned
Ponderay Newsprint Company	13.50%
California Newspapers Partnership	19.49%
ShermansTravel	19.67%
Cozi	19.90%
Classified Ventures	23.60%
QuadrantONE	25.00%
4INFO	27.51%
Livestream	28.15%
Fantasy Sports Ventures	31.35%
Homefinder.com	33.33%
Topix	33.71%
Texas-New Mexico Newspapers Partnership	40.64%
Detroit Weekend Direct	50.00%
Tucson Newspaper Partnership	50.00%

The aggregate carrying value of equity investments at Dec. 26, 2010, was $161 million. Certain differences exist between the company's investment carrying value and the underlying equity of the investee companies principally due to fair value measurement at the date of investment acquisition and due to impairment charges recorded by the company for certain of the investments. The aggregate amount of pretax earnings (losses) recorded by the company for its investments accounted for under the equity method was $19.1 million, $3.9 million, and $(374.9) million for 2010, 2009, and 2008, respectively.

The company's net equity income in unconsolidated investees for 2010 and 2009 included $3 million and $9 million, respectively, of impairment charges related to certain digital business investments. The 2008 equity loss amount is inclusive of non-cash impairment charges of $382 million primarily related to the carrying value of California Newspapers Partnership and Texas-New Mexico Newspapers Partnership.

The company also recorded revenue related to CareerBuilder (fully consolidated since Sept. 1, 2008) and Classified Ventures products for online advertisements placed on its newspaper publishing affiliated web sites. Such amounts totaled approximately $142 million for 2010, $135 million for 2009 and $186 million for 2008. These revenues are recorded within Publishing segment advertising revenue.

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NOTE 7

Long-term debt

The long-term debt of the company is summarized below:

In thousands of dollars

	Dec. 26, 2010	Dec. 27, 2009
Unsecured notes bearing fixed rate interest at 5.75% due June 2011	$ 433,196	$ 432,648
Unsecured floating rate term loan due July 2011	180,000	230,000
Unsecured notes bearing fixed rate interest at 6.375% due April 2012	306,397	306,260
Borrowings under revolving credit agreements expiring September 2014	221,000	1,381,000
Unsecured notes bearing fixed rate interest at 8.75% due November 2014	246,924	246,304
Unsecured notes bearing fixed rate interest at 10% due June 2015	58,007	56,684
Unsecured notes bearing fixed rate interest at 6.375% due September 2015	247,535	—
Unsecured notes bearing fixed rate interest at 10% due April 2016	165,950	162,531
Unsecured notes bearing fixed rate interest at 9.375% due November 2017	246,830	246,524
Unsecured notes bearing fixed rate interest at 7.125% due September 2018	246,403	—
Total long-term debt	$ 2,352,242	$ 3,061,951

Total average debt outstanding in 2010 and 2009 was $2.7 billion and $3.6 billion, respectively. The weighted average interest rate on all debt was 6.0% for 2010 and 4.5% for 2009.

During 2010 and 2009, the company completed a series of financing transactions which significantly improved its debt maturity profile.

In September 2010, the company completed a private placement offering of unsecured senior notes totaling $500 million in two tranches: $250 million with a coupon of 6.375% due 2015 and $250 million with a coupon of 7.125% due 2018. The 2015 notes were priced at 98.970% of face value, resulting in a yield to maturity of 6.625%. The 2018 notes were priced at 98.527% of face value, resulting in a yield to maturity of 7.375%. On or after Sept. 1, 2014, the 2018 notes may be redeemed or purchased by the company at the applicable redemption price (expressed as a percentage of the principal amount of the 2018 notes) plus accrued but unpaid interest thereon to the redemption date, if redeemed during the 12-month period commencing on Sept. 1 of the following years: 2014 — 103.563%, 2015 — 101.781% and 2016 and thereafter 100.000%. The company used the net proceeds of the offering to partially repay borrowings outstanding under its revolving credit facilities and term loan.

In September 2010, the company amended its revolving credit agreements and extended the maturity date with the majority of its lenders from March 15, 2012 to Sept. 30, 2014. Total commitments under the amended revolving credit agreements are $1.63 billion through March 15, 2012 and total extended commitments from March 15, 2012 to Sept. 30, 2014 will be $1.14 billion.

In October 2009, the company completed a private placement offering of $250 million in aggregate principal amount of 8.750% senior notes due 2014 and $250 million in aggregate principal amount of 9.375% senior notes due 2017. The 2014 notes were priced at 98.465% of face value, resulting in a yield to maturity of 9.125%. The 2017 notes were priced at 98.582% of face value, resulting in a yield to maturity of 9.625%. On or after November 15, 2013, the 2017 notes may be redeemed or purchased by the company at the applicable redemption price (expressed as a percentage of the principal amount of the 2017 notes) plus accrued but unpaid interest thereon to the redemption date, if redeemed during the 12-month period commencing on November 15 of the following years: 2013 — 104.688%, 2014 — 102.344% and 2015 and thereafter 100.000%. The company used the net proceeds from the offering to partially repay borrowings outstanding under its revolving credit facilities and term loan.

In May 2009, the company completed a private exchange offer related to its 5.75% fixed rate notes due June 2011 and its 6.375% fixed rate notes due April 2012. The company exchanged approximately $67 million in principal amount of its 2011 notes for approximately $67 million principal amount of new 10% senior notes due 2015, and approximately $193 million in principal amount of its 2012 notes for approximately $193 million principal amount of new 10% senior notes due 2016.

In connection with the May 2009 exchange transactions and in accordance with the modifications and extinguishments requirements of ASC Topic 470, “Debt,” the company recorded a gain of approximately $42.7 million which was classified in “Other non-operating items” in the Statement of Income (Loss) for the second quarter of 2009. This gain resulted from recording the notes at fair value as of the time of the exchange and extinguishing the old notes at their historical book values. Fair value of the notes was based on their trading prices on and shortly after the exchange date. The discount created by recording the notes at fair value instead of face value is being amortized over the term of the notes to interest expense.

The notes issued during 2010 and 2009 with maturity dates in 2014 and thereafter were made available in private offerings that were exempt from the registration requirements of the Securities Act of 1933 (Securities Act). These notes are guaranteed on a senior basis by the subsidiaries of the company that guarantee its revolving credit and term loan agreements discussed more fully below.

The company’s three revolving credit agreements and its term loan agreement require the company to maintain a senior leverage ratio of less than 3.5x. The agreements also require the company to maintain a total leverage ratio of less than 4.0x. The total leverage ratio would also include any subordinated debt the company may issue in the future. Currently, all of the company’s debt is senior and unsecured. At Dec. 26, 2010, the senior leverage ratio was 1.97x.

Until March 15, 2012, commitment fees for the revolving credit facilities may range from 0.125% to 0.25% depending on credit ratings for the company’s senior unsecured debt from Moody’s Investor Services (Moody’s) and Standard & Poor’s (S&P). The rate currently in effect is 0.25%. After March 15, 2012, commitment fees will equal 0.50% of the undrawn commitments. In addition, the company pays a fee to the lenders that agreed in September 2010 to extend their commitments from 2012 to 2014 based on the leverage ratio that ranges from 0 to 75 basis points for drawn amounts and 25 basis points for undrawn amounts. At the current leverage ratio, the additional fee is 25 basis points for both the drawn and undrawn amounts. No extension fees are payable after March 15, 2012.

Under each of the agreements, the company may borrow at an applicable margin above the Eurodollar base rate or the higher of the Prime Rate or the Federal Funds Effective Rate plus 0.50%. Until March 15, 2012, the applicable margin for such borrowings ranges from 1.00% to 2.25% depending on credit ratings. Under the term loan agreement, the applicable margin varies from 1.25% to 2.25%. At its current ratings the company will pay an applicable margin of 2.25% under each of the revolving credit agreements and the term loan agreement. After March 15, 2012, the applicable margin will be determined based on the company's leverage ratio.

In connection with each of its three revolving credit agreements and its term loan agreement, the company agreed to provide guarantees from a majority of its domestic wholly-owned subsidiaries in the event that the company's credit ratings from either Moody's or S&P fell below investment grade. In the first quarter of 2009, the company's credit rating was downgraded below investment grade by both S&P and Moody's. Accordingly, the guarantees were triggered and the existing notes due 2011 and 2012 and other unsecured debt of the company became structurally subordinated to the revolving credit agreements and the term loan.

In September 2009, the company further amended the terms of its three revolving credit agreements and its term loan agreement to provide for the issuance of up to $500 million of additional long-term debt carrying the same guarantees put in place for the revolving credit agreements and term loan. In addition, the company also amended one of the credit agreements to permit it to obtain up to $100 million of letters of credit from the lenders, which would count toward their commitments.

On Aug. 21, 2009, Moody's confirmed the company's Ba1 corporate family rating and its Ba2 senior unsecured note rating. In addition, Moody's rated the company's bank debt, which includes its revolving credit agreements and term loan, Baa3. The Baa3 rating also applies to most of the company's long-term debt which has the same subsidiary guarantees as the bank debt. The company's debt is rated BB by Standard and Poor's.

In August 2010, the company further amended the terms of its three revolving credit agreements and its term loan agreement to allow for the issuance of up to $750 million of additional long-term debt carrying the same guarantees put in place for the revolving credit agreements and term loan.

As of Dec. 26, 2010, the company had $221 million of borrowings under its revolving credit facilities. The maximum amount outstanding at the end of any period during 2010 and 2009 was $1.3 billion and $2.5 billion, respectively. The daily average outstanding balance of the revolving credit facilities during 2010 and 2009 was $852 million and $2.0 billion, respectively. The weighted average interest rate for 2010 and 2009 was 2.6% and 3.1%, respectively.

During the first quarter of 2009, the company repurchased $68.8 million in principal amount of its floating rate notes in privately negotiated transactions at a discount. In connection with these transactions, the company recorded a gain of approximately $1.1 million which is classified in "Other non-operating items" in the Statement of Income. This gain is net of $0.6 million reclassified from accumulated other comprehensive loss for related interest rate swap agreements.

In December 2008, the company launched a tender offer to purchase any and all of its outstanding floating rate notes due in May 2009 at a purchase price of $950 per $1,000 in principal amount plus accrued and unpaid interest. In response to the offer, $98.4 million in aggregate principal amount of notes, representing approximately 13.5 percent of the then outstanding notes, were purchased at this price in December 2008. Prior to the tender offer, the company had repurchased $19.4 million in principal amount of the floating rate notes in a privately negotiated transaction. In connection with these transactions, the company recorded a gain of approximately $4 million which was classified in "Other non-operating items" in the Statement of Income (Loss). This gain was net of $1.7 million in losses reclassified from accumulated other comprehensive income (loss) related to the interest rate swap agreements.

In July 2008, the company received proceeds of $280 million from borrowings under a new term loan agreement with certain bank lenders. The term loan is payable in full on July 14, 2011. The loan carries interest at a floating rate and may be prepaid at any time without penalty. The company prepaid $50 million of this loan in each of October 2010 and October 2009 reducing the balance to $180 million.

During part of 2008, the company utilized commercial paper as a source of financing. The maximum amount of such commercial paper outstanding at the end of any period during 2008 was $2.0 billion. The daily average outstanding balance of promissory notes was $883 million during 2008. The weighted average interest rate on such notes was 3.5% for 2008. In June 2008, the company repaid $500 million in unsecured notes bearing interest at 4.125% with proceeds from borrowings in the commercial paper market. Beginning September 2008, liquidity in the commercial paper market was highly constrained and the company elected to borrow under its revolving credit agreements to repay commercial paper outstanding as it matured.

In August 2007, the company entered into three interest rate swap agreements totaling a notional amount of $750 million in order to mitigate the volatility of interest rates. These agreements, which expired in May 2009, effectively fixed the interest rate on the $750 million in floating rate notes due May 2009 at 5.0125%. These instruments were designated as cash flow hedges in accordance with ASC Topic 815, "Derivatives and Hedging," and changes in fair value were recorded through accumulated other comprehensive income with a corresponding adjustment to other long-term liabilities. As a result of the tender offer and other repurchases discussed above, the cash flow hedging treatment was discontinued for interest rate swaps associated with approximately $118 million of notional value on the retired floating rate notes. Amounts recorded in accumulated other comprehensive income (loss) related to the discontinued cash flow hedges were reclassified into earnings and subsequent changes to the fair value of these interest rate swaps were being recorded through earnings.

In June 2007, the company issued $1.0 billion aggregate principal amount of unsecured senior convertible notes in an underwritten public offering. Proceeds from the notes were used to repay commercial paper obligations. The convertible notes bore interest at a floating rate equal to one month LIBOR, reset monthly, minus twenty-three basis points. As anticipated, on July 15, 2008, the holders of the convertible notes required the company to repurchase the convertible notes for cash at a price equal to 100% of the principal amount of the notes submitted for repurchase, plus accrued and unpaid interest.

Industrial revenue bonds with a principal amount of approximately $17 million were repaid in full in 2008. Prior to repayment, the bonds bore interest at variable interest rates based on a municipal bond index.

In May 2006, the company issued $500 million aggregate principal amount of 5.75% notes due 2011 and $750 million aggregate principal amount of floating rate notes due 2009 in an underwritten public offering. The net proceeds of the offering were used to pay down commercial paper borrowings.

The unsecured fixed rate notes bearing interest at 6.375% were issued in March 2002 and mature in 2012.

The company has an effective universal shelf registration statement under which an unspecified amount of securities may be issued, subject to a $7 billion limit established by the Board of Directors. Proceeds from the sale of such securities may be used for general corporate purposes, including capital expenditures, working capital, securities repurchase programs, repayment of debt and financing of acquisitions. The company may also invest borrowed funds that are not required for other purposes in short-term marketable securities.

The following schedule of annual maturities of long-term debt assumes the company uses available capacity under its revolving credit agreements to refinance the unsecured floating rate notes and term loan due in 2011. Based on this refinancing assumption, all of the obligations are reflected as maturities for 2012 and beyond.

In thousands of dollars

2011 (1)	$ —
2012	306,397
2013	—
2014 (2)	1,081,120
2015	305,542
2016	165,950
2017	246,830
2018	246,403
Total	$ 2,352,242

(1) Notes and term loan due of $613 million are assumed to be repaid with funds from revolving credit agreements.

(2) Notes due of $247 million plus $834 million as deemed as due under the revolving credit agreements.

Notwithstanding the assumptions used in the table above, the company's debt maturities might be repaid with cash flow from operating activities and with the possible benefit of a further extension of the company's revolving credit agreements or a combination of both.

The fair value of the company's total long-term debt, determined based on the bid and ask quotes for the related debt, totaled $2.5 billion and $2.9 billion at Dec. 26, 2010 and Dec. 27, 2009, respectively.

NOTE 8

Retirement plans

The company and its subsidiaries have various retirement plans, including plans established under collective bargaining agreements. The company's principal retirement plan is the Gannett Retirement Plan (GRP). As described more fully below, substantially all participants had their benefits under this plan frozen effective Aug. 1, 2008. Prior to this, benefits under the GRP were generally based on years of service and final average pay.

The disclosure tables below also include the assets and obligations of the Newsquest Pension Plan in the U.K., certain collectively bargained plans, the Gannett Supplemental Retirement Plan (SERP) and a frozen plan for the company's Board of Directors. The company uses a Dec. 31 measurement date for its retirement plans.

In June 2008, the Board of Directors approved amendments to each of (i) the GRP; (ii) the SERP; (iii) the Gannett 401(k) Savings Plan (401(k) Plan); and (iv) the Gannett Deferred Compensation Plan (DCP). The amendments were designed to improve the 401(k) Plan while reducing the amount and volatility of future pension expense. As a result of the amendments to the GRP and SERP, most participants in these plans had their benefits frozen as of Aug. 1, 2008. Participants whose GRP and, if applicable, SERP benefits were frozen will have their frozen benefits periodically increased by a cost of living adjustment until benefits commence.

Effective Aug. 1, 2008, most participants whose benefits were frozen under the GRP and, if applicable, the SERP receive higher matching contributions under the 401(k) Plan. Under the new formula, the matching contribution rate generally increased from 50% of the first 6% of compensation that an employee elects to contribute to the plan to 100% of the first 5% of contributed compensation. The company also makes additional employer contributions to the 401(k) Plan on behalf of certain long-service employees. The DCP was amended to provide for Gannett contributions on behalf of certain employees whose benefits under the 401(k) Plan are capped by IRS rules.

As a result of the amendments to freeze most benefit accruals in the GRP and the SERP, the company recognized a net pre-tax pension curtailment gain of $46.5 million in 2008 in accordance with the Defined Benefit Plans-Pension subtopic of ASC Topic 715, "Compensation-Retirement Benefits."

In 2009, the company reached an agreement with one of its unions for a complete withdrawal from the union's underfunded pension plan and release from any future obligations with respect thereto. Under the agreement, the company made settlement payments of $7.3 million in May 2009 and $7.7 million in May 2010. As a result of this agreement, the company recognized a pre-tax settlement gain of $39.8 million in 2009.

In October 2010, after discussion with its pension plan trustees and employees, the decision was made to close its Newsquest defined benefit plan to future accrual, effective March 31, 2011. The plan closure was made to reduce pension expense and funding volatility and was part of a package of measures to address the plan's deficit. The company recognized a pre-tax curtailment gain of $3.3 million in connection with this closure.

The company's pension costs, which include costs for its qualified, non-qualified and union plans, are presented in the following table:

In thousands of dollars

	2010	2009	2008
Service cost — benefits earned during the period	$ 14,829	$ 14,439	$ 64,563
Interest cost on benefit obligation	176,738	178,646	207,758
Expected return on plan assets	(191,614)	(171,472)	(266,079)
Amortization of prior service costs/(credit)	6,731	1,641	(9,682)
Amortization of actuarial loss	46,870	48,541	23,465
Pension expense (benefit) for company-sponsored retirement plans	53,554	71,795	20,025
Curtailment gains	(3,840)	—	(46,463)
Settlement and special termination benefit charge/(credit)	—	(39,159)	4,168
Union and other pension cost	3,990	5,146	5,002
Total pension cost (benefit)	$ 53,704	$ 37,782	$ (17,268)

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The following table provides a reconciliation of pension benefit obligations (on a projected benefit obligation measurement basis), plan assets and funded status of company-sponsored retirement plans, along with the related amounts that are recognized in the Consolidated Balance Sheets.

In thousands of dollars

	Dec. 26, 2010	Dec. 27, 2009
Change in benefit obligations		
Benefit obligations at beginning of year	$ 3,088,364	$ 3,060,287
Service cost	14,829	14,439
Interest cost	176,738	178,646
Plan participants' contributions	7,595	11,497
Actuarial loss	189,382	172,717
Foreign currency translation	(24,259)	51,823
Gross benefits paid	(218,362)	(275,575)
Curtailments	(16,410)	—
Settlement	—	(125,470)
Benefit obligations at end of year	$ 3,217,877	$ 3,088,364
Change in plan assets		
Fair value of plan assets at beginning of year	$ 2,375,767	$ 2,168,559
Actual return on plan assets	269,263	427,299
Plan participants' contributions	7,595	11,497
Employer contributions	174,578	45,199
Gross benefits paid	(218,362)	(275,575)
Settlements	—	(46,968)
Foreign currency translation	(20,113)	45,756
Fair value of plan assets at end of year	$ 2,588,728	$ 2,375,767
Funded status at end of year	$ (629,149)	$ (712,597)
Amounts recognized in Consolidated Balance Sheets		
Long-term other assets	$ 4,140	$ 7,682
Accrued benefit cost — current	$ (13,949)	$ (12,146)
Accrued benefit cost — long-term	$ (619,340)	$ (708,133)

The funded status (on a projected benefit obligation basis) of the company's principal retirement plans at Dec. 26, 2010, is as follows:

In thousands of dollars

	Fair Value of Plan Assets	Benefit Obligation	Funded Status
GRP	$ 1,926,834	$ 2,272,349	$ (345,515)
SERP	—	195,326	(195,326)
Newsquest	588,105	679,284	(91,179)
All other	73,789	70,918	2,871
Total	$ 2,588,728	$ 3,217,877	$ (629,149)

The accumulated benefit obligation for all defined benefit pension plans was $3.19 billion and $3.07 billion at Dec. 26, 2010 and Dec. 27, 2009, respectively.

Net actuarial losses recognized in accumulated other comprehensive loss were $1.17 billion in 2010 and $1.13 billion in 2009. Prior service cost recognized in accumulated other comprehensive loss was $75.3 million in 2010 and $78.1 million in 2009.

The actuarial loss and prior service cost amounts expected to be amortized from accumulated other comprehensive loss into net periodic benefit cost in 2011 are $36.5 million and $7.5 million, respectively.

Other changes in plan assets and benefit obligations recognized in other comprehensive income for 2010 consist of the following:

In thousands of dollars

Current year actuarial loss	$ (111,732)
Current year actuarial gain due to curtailment	16,410
Prior service credit recognized in curtailment	(583)
Amortization of actuarial loss	46,870
Amortization of prior service costs	6,731
Currency gain	5,531
Total	$ (36,773)

Pension costs: The following assumptions were used to determine net pension costs:

	2010	2009	2008
Discount rate	5.88%	6.26%	6.23%
Expected return on plan assets	8.75%	8.75%	8.75%

Rate of compensation increase	2.88%	2.54%	4.00%

The expected return on asset assumption was determined based on plan asset allocations, a review of historic capital market performance, historical plan asset performance and a forecast of expected future asset returns.

Benefit obligations and funded status: The following assumptions were used to determine the year-end benefit obligations:

	Dec. 26, 2010	Dec. 27, 2009
Discount rate	5.49%	5.90%
Rate of compensation increase	2.95%	2.69%

The following table presents information for those company retirement plans for which accumulated benefits exceed assets:

In thousands of dollars

	Dec. 26, 2010	Dec. 27, 2009
Accumulated benefit obligation	$ 3,123,535	$ 3,017,124
Fair value of plan assets	$ 2,514,939	$ 2,307,328

The following table presents information for those company retirement plans for which the projected benefit obligation exceeds assets:

In thousands of dollars

	Dec. 26, 2010	Dec. 27, 2009
Projected benefit obligation	$ 3,148,228	$ 3,027,606
Fair value of plan assets	$ 2,514,939	$ 2,307,328

During 2010, the company made voluntary contributions of $130 million to the GRP. The company contributed $26.6 million to the U.K. retirement plan in 2010 and $21.2 million in 2009. For 2011, the company expects to contribute less than $45 million to the GRP, depending on final actuarial valuation results, and $18.5 million to the U.K. retirement plan.

Plan assets: The fair value of plan assets was approximately $2.6 billion and $2.4 billion at the end of 2010 and 2009, respectively. The expected long-term rate of return on these assets was 8.75% for 2010, 2009 and 2008. The asset allocation for company-sponsored pension plans at the end of 2010 and 2009, and target allocations for 2011, by asset category, are presented in the table below:

	Target Allocation	Allocation of Plan Assets	
	2011	2010	2009
Equity securities	59%	47%	43%
Debt securities	30	47	50
Other	11	6	7
Total	100%	100%	100%

The primary objective of company-sponsored retirement plans is to provide eligible employees with scheduled pension benefits: the “prudent man” guideline is followed with regard to the investment management of retirement plan assets. Consistent with prudent standards for preservation of capital and maintenance of liquidity, the goal is to earn the highest possible total rate of return while minimizing risk. The principal means of reducing volatility and exercising prudent investment judgment is diversification by asset class and by investment manager; consequently, portfolios are constructed to attain prudent diversification in the total portfolio, each asset class, and within each individual investment manager’s portfolio. Investment diversification is consistent with the intent to minimize the risk of large losses. All objectives are based upon an investment horizon spanning five years so that interim market fluctuations can be viewed with the appropriate perspective. The target asset allocation represents the long-term perspective. Retirement plan assets will be rebalanced periodically to align them with the target asset allocations. Risk characteristics are measured and compared with an appropriate benchmark quarterly; periodic reviews are made of the investment objectives and the investment managers. The company’s actual investment return (loss) on its Gannett Retirement Plan assets was 14.0% for 2010, 25.6% for 2009 and (25.6)% for 2008. The negative return for 2008 reflects the global economic crisis and sharp decline in equity share values.

Retirement plan assets include approximately 1.2 million shares of the company’s common stock valued at approximately $19 million and $18 million at the end of 2010 and 2009, respectively. The plan received dividends of approximately $199,000 on these shares in 2010.

Cash flows: The company estimates it will make the following benefit payments (from either retirement plan assets or directly from company funds), which reflect expected future service, as appropriate:

In thousands of dollars

2011	$ 204,879
2012	$ 208,472
2013	$ 210,861
2014	$ 215,144
2015	$ 217,409
2016-2020	$ 1,106,088

NOTE 9

Postretirement benefits other than pensions

The company provides health care and life insurance benefits to certain retired employees who meet age and service requirements. Most of the company’s retirees contribute to the cost of these benefits and retiree contributions are increased as actual benefit costs increase. The cost of providing retiree health care and life insurance benefits is actuarially determined and accrued over the service period of the active employee group. The company’s policy is to fund benefits as claims and premiums are paid. The company uses a Dec. 31 measurement date for these plans.

Postretirement benefit cost for health care and life insurance included the following components:

In thousands of dollars

	2010	2009	2008
Service cost — benefits earned during the period	$ 713	$ 1,405	$ 1,634
Interest cost on net benefit obligation	10,606	13,339	14,013
Amortization of prior service credit	(19,377)	(15,689)	(15,560)
Amortization of actuarial loss	4,949	4,695	4,752
Net periodic postretirement (benefit) cost	$ (3,109)	$ 3,750	$ 4,839
Special termination benefit charge	$ —	$ —	$ 1,307

The table below provides a reconciliation of benefit obligations and funded status of the company’s postretirement benefit plans:

In thousands of dollars

	Dec. 26, 2010	Dec. 27, 2009
Change in benefit obligations		
Net benefit obligations at beginning of year	$ 208,213	$ 244,190
Service cost	713	1,405
Interest cost	10,606	13,339
Plan participants’ contributions	11,708	10,429

Plan amendments	(677)	(19,853)
Actuarial gain	(6,121)	(7,799)
Gross benefits paid	(35,658)	(35,856)
Federal subsidy on benefits paid	2,498	2,358
Net benefit obligations at end of year	$ 191,282	$ 208,213
Change in plan assets		
Fair value of plan assets at beginning of year	$ —	$ —
Employer contributions	23,950	25,427
Plan participants' contributions	11,708	10,429
Gross benefits paid	(35,658)	(35,856)
Fair value of plan assets at end of year	$ —	$ —
Benefit obligation at end of year	$ 191,282	$ 208,213
Accrued postretirement benefit cost:		
Current	$ 22,960	$ 22,780
Noncurrent	$ 168,322	$ 185,433

Net actuarial losses recognized in accumulated other comprehensive loss were $33.7 million in 2010 and $44.3 million in 2009. Prior service credits recognized in accumulated other comprehensive loss were $63.6 million in 2010 and $82.3 million in 2009.

The actuarial loss and prior service credit estimated to be amortized from accumulated other comprehensive loss into net periodic benefit cost in 2011 are $4.5 million and $(19.5) million, respectively.

Other changes in plan assets and benefit obligations recognized in other comprehensive (loss) income for 2010 consist of the following:

In thousands of dollars

Current year actuarial gain	$	5,637
Prior service credit change		677
Amortization of actuarial loss		4,949
Amortization of prior service credit		(19,377)
Total	$	(8,114)

Postretirement benefit costs: The following assumptions were used to determine postretirement benefit cost:

	2010	2009	2008
Discount rate	5.80%	6.15%	6.13%
Health care cost trend on coverage	6.50%	7.00%	8.00%
Ultimate trend rate	5.00%	5.00%	5.00%
Year that ultimate trend rate is reached	2014	2014	2014

Benefit obligations and funded status: The following assumptions were used to determine the year-end benefit obligation:

	Dec. 26, 2010	Dec. 27, 2009
Discount rate	5.30%	5.80%
Health care cost trend rate assumed for next year	6.50%	7.00%
Ultimate trend rate	5.00%	5.00%
Year that ultimate trend rate is reached	2014	2014

A 6.50% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2011. Assumed health care cost trend rates have an effect on the amounts reported for the health care plans. The effect of a 1% change in the health care cost trend rate would result in a change of approximately $8 million in the 2010 postretirement benefit obligation and a $0.5 million change in the aggregate service and interest components of the 2010 expense.

Cash flows: The company expects to make the following benefit payments, which reflect expected future service, and to receive the following federal subsidy benefits as appropriate:

In thousands of dollars	Benefit Payments		Subsidy Benefits	
2011	$	22,959	$	2,508
2012	$	20,967	$	2,398
2013	$	20,158	$	2,359
2014	$	19,825	$	2,299
2015	$	19,032	$	2,217
2016-2020	$	80,032	$	9,639

The amounts above exclude the participants' share of the benefit cost. The company's policy is to fund benefits as claims and premiums are paid.

NOTE 10

Income taxes

The provision (benefit) for income taxes on income from continuing operations consists of the following:

In thousands of dollars

2010	Current		Deferred		Total	
Federal	$	135,442	$	129,829	$	265,271
State and other		(51,252)		19,150		(32,102)
Foreign		9,460		1,384		10,844
Total	$	93,650	$	150,363	$	244,013

In thousands of dollars

2009	Current		Deferred		Total	
Federal	$	90,374	$	53,153	$	143,527
State and other		23,846		9,920		33,766
Foreign		22,895		(8,860)		14,035
Total	$	137,115	$	54,213	$	191,328

In thousands of dollars

2008	Current	Deferred	Total

Federal	$ 195,827	$ (624,379)	$ (428,552)
State and other	(25,519)	(150,798)	(176,317)
Foreign	(13,593)	(26,811)	(40,404)
Total	$ 156,715	$ (801,988)	$ (645,273)

The components of income (loss) from continuing operations attributable to Gannett Co., Inc. before income taxes consist of the following:

In thousands of dollars

	2010	2009	2008
Domestic	$ 729,485	$ 484,316	$ (4,718,428)
Foreign	81,856	58,492	(2,553,784)
Total	$ 811,341	$ 542,808	$ (7,272,212)

The provision for income taxes on continuing operations varies from the U.S. federal statutory tax rate as a result of the following differences:

Fiscal year	2010	2009	2008
U.S. statutory tax rate	35.0%	35.0%	35.0%
Increase (decrease) in taxes resulting from:			
Asset impairments	0.6	1.4	(28.0)
State/other income taxes net of federal income tax	3.5	3.5	3.1
Statutory rate differential and permanent differences in earnings in foreign jurisdictions	(2.7)	(3.3)	(2.0)
Lapse of state statutes of limitations net of federal income tax	(7.2)	(0.7)	0.5
Other, net	0.9	(0.7)	0.3
Effective tax rate	30.1%	35.2%	8.9%

The benefit from the lapse of state statutes of limitations in 2010 is primarily the release of tax reserves and interest related to the sale of a business in a prior year.

Absent the effect of facility consolidation and asset impairment charges and workforce restructuring charges in 2010 and 2009, certain gains in 2009 and the special net tax benefit from the release of certain tax reserves due to the lapse of statutes of limitations for 2010, the company's effective tax rate would have been 33.1% for 2010, 33.6% for 2009 and 28.7% for 2008.

In addition to the income tax provision presented above for continuing operations, the company also recorded federal and state income taxes payable on discontinued operations in 2010.

Taxes provided on the earnings from discontinued operations include amounts reclassified from previously reported income tax provisions and totaled $11.7 million for 2010, covering U.S. federal and state income taxes and representing an effective rate of 36%. Also included in discontinued operations for 2010 is a recognized gain of $21.2 million, which is net of tax. Taxes provided on the gains from the disposals totaled approximately $12.2 million for 2010, covering U.S. federal and state income taxes and represent an effective rate of 36.4%.

Deferred income taxes reflect temporary differences in the recognition of revenue and expense for tax reporting and financial statement purposes. Amortization of intangibles represents the largest component of the deferred provision. Deferred tax liabilities and assets are adjusted for enacted changes in tax laws or tax rates of the various tax jurisdictions. The amounts of such adjustments for 2008, 2009 and 2010 are not significant.

Deferred tax liabilities and assets were composed of the following at the end of 2010 and 2009:

In thousands of dollars

	Dec. 26, 2010	Dec. 27, 2009
Liabilities		
Accelerated depreciation	$ 309,477	$ 317,547
Accelerated amortization of deductible intangibles	59,709	6,547
Other	27,600	36,143
Total deferred tax liabilities	396,786	360,237
Assets		
Accrued compensation costs	98,005	112,339
Pension	239,120	270,403
Postretirement medical and life	75,607	83,859
Federal tax benefits of uncertain state tax positions	46,856	73,736
Partnership investments including impairments	65,874	79,471
Other	62,963	62,366
Total deferred tax assets	588,425	682,174
Total net deferred tax assets	191,639	321,937
Net current deferred tax assets	21,254	19,577
Net long-term deferred tax assets	$ 170,385	$ 302,360

Included in total deferred tax assets are valuation allowances of approximately $44 million and $38 million in 2010 and 2009, respectively, primarily related to foreign tax credits available for carry forward to future years and to certain foreign losses.

Realization of deferred tax assets for which valuation allowances have not been established is dependent upon generating sufficient future taxable income. The company expects to realize the benefit of these deferred tax assets through future reversals of its deferred tax liabilities, through the recognition of taxable income in the allowable carryback and carryforward periods, and through implementation of future tax planning strategies. Although realization is not assured, the company believes it is more likely than not that all deferred tax assets for which valuation allowances have not been established will be realized.

The company's legal and tax structure reflects acquisitions that have occurred over the years as well as the multi-jurisdictional nature of the company's businesses.

The following table summarizes the activity related to unrecognized tax benefits, excluding the federal tax benefit of state tax deductions:

In thousands of dollars

Change in unrecognized tax benefits	Dec. 26, 2010	Dec. 27, 2009
Balance at beginning of year	$ 191,715	$ 182,025
Additions based on tax positions related to the current year	20,234	19,455
Additions for tax positions of prior years	24,015	14,462
Reductions for tax positions of prior years	(37,869)	(16,959)
Settlements	(3,307)	(3,140)
Reductions due to lapse of statutes of limitations	(41,257)	(4,128)
Balance at end of year	$ 153,531	$ 191,715

The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was $109 million as of Dec. 26, 2010, and $126 million as of Dec. 27, 2009. This amount includes the federal tax benefit of state tax deductions.

Included in the $154 million unrecognized tax benefit balance at Dec. 26, 2010, are $11 million of tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility.

The company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense. The company also recognizes interest income attributable to overpayment of income taxes as a component of income tax expense, and it recognizes interest credits for the reversal of interest expense previously recorded for uncertain tax positions which are subsequently released. During 2010, the company recognized income from interest and the release of penalty reserves of $40 million. During 2009, the company recognized interest expense of $3 million. During 2008, the company recognized income from interest and the release of penalty reserves of $13 million. The amount of accrued interest and penalties payable related to unrecognized tax benefits was $37 million and $74 million as of Dec. 26, 2010, and Dec. 27, 2009, respectively.

The 2005 through 2009 tax years remain subject to examination by the IRS. The IRS is examining the 2005 through 2008 U.S. income tax returns and the company believes it is likely that the examination of these returns will be completed in 2011. The 2005 through 2009 tax years generally remain subject to examination by state authorities, and the years 2003 through 2009 are subject to examination in the U.K. In addition, tax years prior to 2005 remain subject to examination by certain states primarily due to the filing of amended tax returns as a result of the settlement of the IRS examination for these years and due to ongoing audits.

It is reasonably possible that the amount of unrecognized benefit with respect to certain of the company's unrecognized tax positions will significantly increase or decrease within the next 12 months. These changes may be the result of settlement of ongoing audits, lapses of statutes of limitations or other regulatory developments. At this time, the company estimates that the amount of its gross unrecognized tax positions may decrease by up to approximately $50 million within the next 12 months primarily due to lapses of statutes of limitations and settlement of ongoing audits in various jurisdictions.

NOTE 11 — SHAREHOLDERS' EQUITY

Capital stock and earnings per share

The company's earnings (loss) per share (basic and diluted) for 2010, 2009 and 2008 are presented below:

In thousands, except per share amounts

	2010	2009	2008
Net income (loss) attributable to Gannett Co., Inc.	$ 588,201	$ 355,270	$ (6,647,565)
Weighted average number of common shares outstanding (basic)	238,230	233,683	228,345
Effect of dilutive securities			
Stock options	1,354	723	—
Restricted stock	1,720	1,117	—
401(k) employer match	301	504	—
Weighted average number of common shares outstanding (diluted)	241,605	236,027	228,345
Earnings (loss) per share (basic)	$ 2.47	$ 1.52	$ (29.11)
Earnings (loss) per share (diluted)	$ 2.43	$ 1.51	$ (29.11)

The diluted earnings per share amounts exclude the effects of approximately 19.6 million stock options outstanding for 2010, 22.3 million for 2009 and 27.1 million for 2008, as their inclusion would be antidilutive. The diluted earnings per share amount for 2008 also excludes 2.2 million restricted stock units.

Share repurchase program

In February 2004, the company announced the reactivation of its existing share repurchase program that was last utilized in February 2000. On July 25, 2006, the authorization to repurchase shares was increased by $1 billion. During 2008, 2.3 million shares were purchased under the program for $72.8 million. There were no shares purchased under the program in 2010 or 2009.

The shares may be repurchased at management's discretion, either in the open market or in privately negotiated block transactions. Management's decision to repurchase shares will depend on price, availability and other corporate developments. Purchases may occur from time to time and no maximum purchase price has been set. While there is no expiration date for the repurchase program, the company's Board of Directors reviews the share repurchase authorization annually, the last such review having occurred in October 2010. Certain of the shares previously acquired by the company have been reissued in settlement of employee stock awards. At this time, the company does not anticipate repurchasing its shares for the near term.

Equity-based awards

In May 2001, the company's shareholders approved the adoption of the Omnibus Incentive Compensation Plan (the Plan). The Plan is administered by the Executive Compensation Committee of the Board of Directors and was amended and restated as of May 4, 2010 to increase the number of shares reserved for issuance to up to 60.0 million shares of company common stock for awards granted on or after the amendment date. The Plan provides for the granting of stock options, stock appreciation rights, restricted stock, restricted stock units and other equity-based and cash-based awards. Awards may be granted to employees of the company and members of the Board of Directors. The Plan provides that shares of common stock subject to awards granted become available again for issuance if such awards are canceled or forfeited.

Stock options may be granted as either non-qualified stock options or incentive stock options. Options are granted to purchase common stock of the company at not less than 100% of the fair market value on the day of grant. Options are exercisable at such times and subject to such terms and conditions as the Executive Compensation Committee determines. The Plan restricts the granting of options to any participant in any fiscal year to no more than 1,000,000 shares. Options issued from 1996 through November 2004 have a 10-year exercise period, and options issued in December 2004 and thereafter have an eight-year exercise period. Options generally become exercisable at 25% per year.

In addition to stock options, the company issues stock-based compensation to employees in the form of restricted stock units (RSUs). These awards generally entitle employees to receive at the end of a four-year incentive period one share of common stock for each RSU granted, conditioned on continued employment for the full incentive period. Compensation expense for RSUs is recognized for the awards that are expected to vest. The expense is based on the fair value of the awards on the date of grant recognized on a straight-line basis over the requisite service period, which is generally the four-year incentive period. Under the plan, no more than 500,000 RSUs may be granted to any participant in any fiscal year.

The Plan also permits the company to issue restricted stock. Restricted Stock is an award of common stock that is subject to restrictions and such other terms and conditions as the Executive Compensation Committee determines. Under the Plan, no more than 500,000 restricted shares may be granted to any participant in any fiscal year.

The company issued stock options to certain members of its Board of Directors as compensation for meeting fees and retainer fees, as well as long-term awards. Meeting fees paid as stock options fully vest upon grant. Retainers paid in the form of stock options vest in equal quarterly installments over one year. Long-term stock option awards vest in equal annual installments over four years. Expense is recognized on a straight-line basis over the vesting period based on the grant date fair value. During 2010, 2009 and 2008, members of the Board of Directors were awarded 72,681, 144,667 and 28,683 shares, respectively, of stock options as part of their compensation plan.

The company also issued restricted stock to certain members of its Board of Directors as compensation for meeting fees and retainer fees, as well as annual long-term awards. Meeting fees paid as restricted stock fully vest upon grant. Retainers paid in the form of restricted shares vest in equal quarterly installments over one year. Long-term awards vest in equal monthly installments over three years. Expense is recognized on a straight-line basis over the vesting period based on the grant date fair value. During 2010, 2009 and 2008, members of the Board of Directors were awarded 21,062 shares, 95,543 shares and 15,872 shares, respectively, of restricted stock as part of their compensation plan. All vested shares will be issued to directors when retiring from the Board.

The Executive Compensation Committee may grant other types of awards that are valued in whole or in part by reference to or that are otherwise based on fair market value of the company's common stock or other criteria established by the Executive Compensation Committee including the achievement of performance goals. The maximum aggregate grant of performance shares that may be awarded to any participant in any fiscal year shall not exceed 500,000 shares of common stock. The maximum aggregate amount of performance units or cash-based awards that may be awarded to any participant in any fiscal year shall not exceed $10,000,000.

In the event of a change in control as defined in the Plan, (1) all outstanding options will become immediately exercisable in full; (2) all restricted periods and restrictions imposed on non-performance based restricted stock awards will lapse; (3) all non-performance based restricted stock units will fully vest; and (4) target payment opportunities attainable under all outstanding awards of performance-based restricted stock, performance units and performance shares will be paid as specified in the Plan.

Determining fair value

Valuation and amortization method — The company determines the fair value of stock options using the Black-Scholes option-pricing formula. Key inputs into this formula include expected term, expected volatility, expected dividend yield and the risk-free rate. Each assumption is discussed below. This fair value is amortized on a straight-line basis over the requisite service periods of the awards, which is generally the four-year vesting period.

Expected term — The expected term represents the period that the company's stock-based awards are expected to be outstanding, and is determined based on historical experience of similar awards, giving consideration to contractual terms of the awards, vesting schedules and expectations of future employee behavior.

Expected volatility — The fair value of stock-based awards reflects a volatility factor calculated using historical market data for the company's common stock. The time frame used is equal to the expected term.

Expected dividend — The dividend assumption is based on the company's expectations about its dividend policy on the date of grant.

Risk-free interest rate — The company bases the risk-free interest rate on the yield to maturity at the time of the stock option grant on zero-coupon U.S. government bonds having a remaining life equal to the option's expected life.

Estimated forfeitures — When estimating forfeitures, the company considers voluntary termination behavior as well as analysis of actual option forfeitures.

The following assumptions were used to estimate the fair value of option awards:

	2010	2009	2008
Average expected term	4.5 yrs.	4.5 yrs.	4.5 yrs.
Expected volatility	59.41 – 62.24%	38.67 – 59.18%	17.51 – 34.63%
Weighted average volatility	61.01%	48.73%	28.60%
Risk-free interest rates	1.51 – 2.65%	1.97 – 2.63%	1.55 – 3.25%
Expected dividend yield	1.00%	1.00 – 2.20%	4.20 – 13.30%
Weighted average expected dividend	1.00%	1.20%	9.91%

The following table shows the stock-based compensation related amounts recognized in the Consolidated Statements of Income (Loss) for equity awards:

In thousands, except per share amounts

	2010	2009	2008
Stock options	$ 18,810	$ 12,578	$ 13,097
Restricted stock and RSUs	13,897	12,795	9,549
Total stock-based compensation	32,707	25,373	22,646
Income tax benefit	12,429	9,641	8,605
Stock-based compensation, net of tax	$ 20,278	$ 15,732	$ 14,041
Per diluted share impact	$ .08	$ .07	$ .06

As of Dec. 26, 2010, there was $13.6 million of unrecognized compensation cost related to non-vested share-based compensation for options. Such amount will be adjusted for future changes in estimated forfeitures. Unrecognized compensation cost for options will be recognized on a straight-line basis over a weighted average period of 3.5 years.

During 2010, options for 332,060 shares of common stock were exercised from which the company received $2.0 million of cash. The intrinsic value of the options exercised was approximately $3.1 million. The actual tax benefit realized from the option exercises was $1.2 million.

During 2009, options for 44,250 shares of common stock were exercised from which the company received $0.3 million of cash. The intrinsic value of the options exercised was approximately $0.4 million. The actual tax benefit realized from the option exercises was $0.1 million.

During 2008, no options were exercised.

Option exercises are satisfied through the issuance of shares from treasury stock.

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A summary of the company's stock-option awards is presented below:

2010 Stock Option Activity	Shares	Weighted average exercise price	Weighted average remaining contractual term (in years)	Aggregate intrinsic value
Outstanding at beginning of year	25,243,251	$ 58.68	4.1	$ 33,560,103
Granted	3,451,481	$ 15.23		
Exercised	(332,060)	$ 6.00		
Canceled/Expired	(4,713,382)	$ 63.70		
Outstanding at end of year	23,649,290	$ 52.08	3.9	$ 28,819,223
Options exercisable at year end	17,075,622	$ 66.48	2.8	$ 8,698,148
Weighted average grant date fair value of options granted during the year	$ 7.22			

2009 Stock Option Activity	Shares	Weighted average exercise price	Weighted average remaining contractual term (in years)	Aggregate intrinsic value
Outstanding at beginning of year	27,106,695	$ 66.58	4.3	$ 68,360
Granted	3,171,867	$ 8.00		
Exercised	(44,250)	$ 7.53		
Canceled/Expired	(4,991,061)	$ 69.83		
Outstanding at end of year	25,243,251	$ 58.68	4.1	$ 33,560,103
Options exercisable at year end	19,788,317	$ 69.76	3.3	$ 3,662,795
Weighted average grant date fair value of options granted during the year	$ 3.41			

2008 Stock Option Activity	Shares	Weighted average exercise price	Weighted average remaining contractual term (in years)	Aggregate intrinsic value
Outstanding at beginning of year	27,933,353	$ 70.88	4.8	$ 1,406,344
Granted	2,181,083	$ 16.62		
Exercised	—	—		
Canceled/Expired	(3,007,741)	$ 70.31		
Outstanding at end of year	27,106,695	$ 66.58	4.3	$ 68,360
Options exercisable at year end	23,201,201	$ 71.74	3.9	—
Weighted average grant date fair value of options granted during the year	$ 1.33			

As of Dec. 26, 2010, there was $33.6 million of unrecognized compensation cost related to non-vested restricted stock and RSUs. This amount will be adjusted for future changes in estimated forfeitures and recognized on a straight-line basis over a weighted average period of 3.3 years.

A summary of restricted stock and RSU awards is presented below:

2010 Restricted Stock and RSU Activity	Shares	Weighted average fair value
Outstanding and unvested at beginning of year	3,293,293	$ 13.62
Granted	1,934,351	$ 14.91
Settled	(490,716)	$ 31.94
Canceled	(315,491)	$ 12.97
Outstanding and unvested at end of year	4,421,437	$ 12.19

2009 Restricted Stock and RSU Activity	Shares	Weighted average fair value
Outstanding and unvested at beginning of year	2,241,190	$ 19.47
Granted	1,714,633	$ 11.63
Settled	(445,084)	$ 30.67
Canceled	(217,446)	$ 23.35
Outstanding and unvested at end of year	3,293,293	$ 13.62

Weighted

2008 Restricted Stock and RSU Activity	Shares	average fair value
Outstanding and unvested at beginning of year	1,041,222	$ 47.89
Granted	1,479,277	$ 2.26
Settled	(194,048)	$ 11.36
Canceled	(85,261)	$ 44.33
Outstanding and unvested at end of year	2,241,190	$ 19.47

401(k) savings plan

Substantially all employees of the company (other than those covered by a collective bargaining agreement) who are scheduled to work at least 1,000 hours during each year of employment are eligible to participate in the 401(k) Savings Plan (the Plan). Employees can elect to save up to 50% of compensation on a pre-tax basis subject to certain limits.

On Aug. 1, 2008, the company approved amendments to its principal domestic retirement plans and to its 401(k) plan. For most participants, the 401(k) plan matching formula was changed to 100% of the first 5% of employee contributions. Prior to this change, the company generally matched 50% of the first 6% of employee contributions. The company also now makes additional 401(k) employer contributions on behalf of certain long-term employees. Compensation expense related to 401(k) contributions was $46.0 million in 2010, $59.8 million in 2009 and $46.6 million in 2008. In 2010 and 2009, the company’s 401(k) match was settled with a combination of cash and treasury shares. Cash was used to settle 401(k) contributions in 2008.

In 2002, the Board authorized 3,000,000 shares of common stock to be registered in connection with savings-related share option plans available to eligible employees of Newsquest. In July 2004, options covering 143,000 shares were subscribed to by Newsquest employees. The plan had a maturity date of August 31, 2007, and options became exercisable in September 2007. No options were exercised during 2008 or 2009. The options expired unexercised in 2010.

Preferred share purchase rights

In May 1990, the Board of Directors declared a dividend distribution of one Preferred Share Purchase Right (Right) for each common share held, payable to shareholders of record on June 8, 1990. The Rights become exercisable when a person or group of persons acquired or announced an intention to acquire ownership of 15% or more of the company's common shares. Holders of the Rights could have acquired an interest in a new series of junior participating preferred stock, or they could have acquired an additional interest in the company's common shares at 50% of the market value of the shares at the time the Rights were exercised.

In May 2000, the company announced that its Board of Directors approved an amendment to its Shareholder Rights Plan to extend the expiration date of the Rights to May 31, 2010, and increase the initial exercise price of each preferred stock purchase right to $280. The Rights expired unexercised on May 31, 2010 and the company has not instituted a new Shareholder Rights Plan.

Accumulated other comprehensive income (loss)

The elements of the company's Accumulated Other Comprehensive Loss consisted of the following items (net of tax): Pension, retiree medical and life insurance liabilities — a reduction of equity of $762 million at Dec. 26, 2010, and $735 million at Dec. 27, 2009; foreign currency translation gains — an increase of equity of $395 million at Dec. 26, 2010, and $416 million at Dec. 27, 2009; and all other — an increase of $2 million at Dec. 26, 2010.

NOTE 12

Commitments, contingent liabilities and other matters

Litigation: The company and a number of its subsidiaries are defendants in judicial and administrative proceedings involving matters incidental to their business. The company does not believe that any material liability will be imposed as a result of these matters.

Leases: Approximate future minimum annual rentals payable under non-cancelable operating leases, primarily real-estate related, are as follows:

In thousands of dollars

2011	$ 55,015
2012	45,319
2013	36,055
2014	30,243
2015	24,777
Later years	75,562
Total	$ 266,971

Total minimum annual rentals have not been reduced for future minimum sublease rentals aggregating $1.8 million. Total rental costs reflected in continuing operations were $72 million in 2010, $66 million in 2009 and $72 million in 2008.

Program broadcast contracts: The company has $112 million of commitments under programming contracts that include television station commitments to purchase programming to be produced in future years.

Purchase obligations: The company has commitments under purchasing obligations totaling $390 million related to printing contracts, capital projects, interactive marketing agreements, wire services and other legally binding commitments. Amounts which the company is liable for under purchase orders outstanding at Dec. 26, 2010, are reflected in the Consolidated Balance Sheets as accounts payable and accrued liabilities and are excluded from the $390 million.

Self insurance: The company is self-insured for most of its employee medical coverage and for its casualty, general liability and libel coverage (subject to a cap above which third party insurance is in place). The liabilities are established on an actuarial basis, with the advice of consulting actuaries, and totaled $142 million at the end of 2010 and $151 million at the end of 2009.

Other matters: In December 1990, the company adopted a Transitional Compensation Plan (the Plan). The Plan provides termination benefits to key executives whose employment is terminated under certain circumstances within two years following a change in control of the company. Benefits under the Plan include a severance payment of up to three years' compensation and continued life and medical insurance coverage.

In connection with CareerBuilder's acquisition of certain international companies in 2007, it is contingently liable for earnout payments to previous owners, depending upon the achievement of certain performance metrics. The final maximum potential payment in 2011 related to these acquisitions is $1.6 million which has been accrued in the 2010 financial statements.

NOTE 13

Fair value measurement

The company measures and records in the accompanying consolidated financial statements certain assets and liabilities at fair value. ASC Topic 820, "Fair Value Measurements and Disclosures," establishes a fair value hierarchy for those instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the company's own assumptions (unobservable inputs). The hierarchy consists of three levels:

Level 1 - Quoted market prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than Level 1 inputs that are either directly or indirectly observable; and

Level 3 - Unobservable inputs developed using estimates and assumptions developed by the company, which reflect those that a market participant would use.

The financial instruments measured at fair value in the accompanying consolidated balance sheets consist of the following:

Company Owned Assets

In thousands of dollars

Fair value measurement as of Dec. 26, 2010

	Level 1	Level 2	Level 3	Total
Assets:				
Employee compensation related investments	$ 15,976	$ —	$ —	$ 15,976
Sundry investments	26,902	—	—	26,902

In thousands of dollars

Fair value measurement as of Dec. 27, 2009

	Level 1	Level 2	Level 3	Total
Assets:				
Employee compensation related investments	$ 21,757	$ —	$ —	$ 21,757
Sundry investments	24,800	—	27,202	52,002

During the second quarter of 2010, the company sold auction rate securities held by CareerBuilder, receiving proceeds of $28.4 million and recording a gain of $2.1 million.

The level 3 sundry investments are financial instruments held by CareerBuilder. During 2009, the company sold some of these instruments receiving proceeds of $1.7 million and recording a gain of $0.2 million. In addition, an unrealized gain of $1.2 million related to these securities was recorded in the company's Consolidated Balance Sheet. The company utilized a probability-weighted discounted cash flow technique to determine the fair value of these financial instruments. The main assumptions used in the fair value calculation were the estimated coupon rate associated with the securities and the discount rate (determined based on market yields of similar taxable obligations).

The following tables set forth by level within the fair value hierarchy the fair values of the company's pension plan assets:

Pension Plan Assets/Liabilities

In thousands of dollars

Fair value measurement as of Dec. 26, 2010(a)

	Level 1	Level 2	Level 3	Total
Assets:				
U.S. government-related securities	$ —	$ 182,524	$ —	$ 182,524
Other government bonds	—	30,841	1,526	32,367
Corporate bonds	—	169,410	5,896	175,306
Corporate stock	676,777	1,338	—	678,115
Real estate	—	—	90,344	90,344
Interest in common/ collective trusts	60,005	661,180	—	721,185
Interest in reg. invest companies	208,023	5,398	—	213,421
Interest in 103-12 investments	—	106,947	—	106,947
Partnership/joint venture interests	—	—	117,698	117,698
Hedge funds	—	77,851	163,349	241,200
Derivative contracts	500	84,641	104	85,245
Total	$ 945,305	$ 1,320,130	$ 378,917	$ 2,644,352

	Level 1	Level 2	Level 3	Total
Liabilities:				
Derivative liabilities	$ (2,521)	$ (87,260)	$ (453)	$ (90,234)
Total	$ (2,521)	$ (87,260)	$ (453)	$ (90,234)
Cash and other	12,885	21,725	—	$ 34,610
Total net fair value of plan assets	$ 955,669	$ 1,254,595	$ 378,464	$ 2,588,728

(a) *The company uses a Dec. 31 measurement date for its retirement plans.*

In thousands of dollars

Fair value measurement as of Dec. 27, 2009(a)

	Level 1	Level 2	Level 3	Total
Assets:				
U.S. government-related securities	$ —	$ 235,863	$ 3,437	$ 239,300
Other government bonds	—	31,314	—	31,314
Corporate bonds	—	178,475	15,191	193,666
Corporate stock	559,886	—	—	559,886
Real estate	—	—	91,765	91,765
Interest in common/ collective trusts	10,916	447,227	—	458,143
Interest in reg. invest. companies	328,404	2,083	—	330,487
Interest in 103-12 investments	—	111,575	—	111,575
Partnership/joint venture interests	—	—	95,965	95,965
Hedge funds	—	73,573	173,559	247,132
Derivative contracts	500	1,574	1,865	3,939
Total	$ 899,706	$ 1,081,684	$ 381,782	$ 2,363,172

	Level 1	Level 2	Level 3	Total
Liabilities:				
Derivative liabilities	$ (2,615)	$ (6,100)	$ (3)	$ (8,718)

Liability to purchase U.S. government and other securities	—	(120,747)	—	(120,747)
Total	$ (2,615)	$ (126,847)	$ (3)	$ (129,465)
Cash and other	14,730	127,330	—	$ 142,060
Total net fair value of plan assets	$ 911,821	$ 1,082,167	$ 381,779	$ 2,375,767

(a) The company uses a Dec. 31 measurement date for its retirement plans.

Items included in "Cash and other" in the table above primarily consist of amounts categorized as cash and cash equivalents and pending purchases and sales of securities.

Valuation methodologies used for assets and liabilities measured at fair value are as follows:

U.S. government-related securities are primarily mortgage-backed securities that are typically not actively quoted. Values are obtained from industry vendors who use various pricing models or use quotes for identical or similar securities. Investments categorized in Level 3 are thinly traded with values derived using unobservable inputs.

Other government and corporate bonds are mainly valued based on institutional bid evaluations using proprietary models, using discounted cash flow models or models that derive prices based on similar securities. Corporate bonds categorized in Level 3 are primarily from distressed issuers for whom the values represent an estimate of recovery in a potential or actual bankruptcy situation.

Corporate stock is valued at the closing price reported on the active market on which the individual securities are traded.

Investments in direct real estate have been valued by an independent qualified valuer in the U.K. using a valuation approach that capitalizes any current or future income streams at an appropriate multiplier. Investments in real estate funds are mainly valued utilizing the net asset valuations provided by the underlying private investment companies.

Interest in common/collective trusts and interest in 103-12 investments are valued using the net asset value as provided monthly by the fund family or fund company. Shares in the common/collective trusts are generally redeemable upon request. The investment classified in Level 1 is a money market fund with a constant net asset value.

One of the investments is a fixed income fund which uses individual subfunds to efficiently add a representative sample of securities in individual market sectors to the portfolio. These funds are generally redeemable with a short-term written or verbal notice. Also included is a fund that invests in a select portfolio of large cap domestic stocks perceived to have superior growth characteristics. Shares in this fund are generally redeemable on any business day, upon two-day notice. There are no unfunded commitments related to these types of funds.

Interest in registered investment companies is valued using the published net asset values as quoted through publicly available pricing sources. The investments in Level 2 are proprietary funds of the individual fund managers and are not publicly quoted.

Investments in partnerships and joint venture interests are valued based on an assessment of each underlying investment, considering items such as expected cash flows, changes in market outlook and subsequent rounds of financing. These investments are included in Level 3 of the fair value hierarchy because exit prices tend to be unobservable and reliance is placed on the above methods. Certain of the partnerships are general leveraged buyout funds and others are venture capital funds. Also included within the partnership portfolio is a fund formed to invest in the leveraged loan market. Interest in partnership investments cannot be redeemed. Instead, distributions are received as the underlying assets of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over approximately 5 to 15 years. There are future funding commitments of $54 million.

Investments in hedge funds are valued at the net asset value as reported by the fund managers. Within this category is a fund of hedge funds whose strategy is to produce a return that is uncorrelated with market movements. Certain of the other funds categorized as hedge funds were formed to invest in mortgage and credit trading opportunities while others were formed to invest in the leveraged loan market. Shares in the hedge funds are generally redeemable twice a year or on the last business day of each quarter with at least 60 days written notice subject to potential 5% holdback. There are no unfunded commitments related to the hedge funds.

Derivatives primarily consist of forward and swap contracts. Forward contracts are valued at the spot rate, plus or minus forward points between the valuation date and maturity date. Swaps are valued at the mid-evaluation price using discounted cash flow models. Items in Level 3 are valued based on the market values of other securities for which they represent a synthetic combination.

Liability to purchase U.S. government and other securities relates to buying and selling contracts in federal agency securities that have not yet been opened up for public trading. In these instances the investment manager has sold the securities prior to owning them, resulting in a negative asset position. These securities are valued in the same manner as those noted above in U.S. government-related securities.

The tables below sets forth a summary of changes in the fair value of the company's pension plan assets and liabilities, categorized as Level 3, for the fiscal year ended Dec. 26, 2010 and Dec. 27, 2009:

Pension Plan Assets/Liabilities

In thousands of dollars

As of Dec. 26, 2010

		Actual Return on Plan Assets				
	Balance at beginning of year	Relating to assets still held at report date	Relating to assets sold during the period	Purchases, sales, and settlements	Transfers in and/or out of Level 3(1)	Balance at end of year
Assets:						
U.S. government-related securities	$ 3,437	$ —	$ (17)	$ (3,420)	$ —	$ —
Other government bonds	—	9	—	1,517	—	1,526
Corporate bonds	15,191	466	7	(7,816)	(1,952)	5,896
Real estate	91,765	670	—	(2,091)	—	90,344
Partnership/joint venture interests	95,965	22,273	—	(5,767)	5,227	117,698
Hedge funds	173,559	17,032	—	(27,242)	—	163,349
Derivative contracts	1,865	(228)	(89)	(1,444)	—	104
Total	$ 381,782	$ 40,222	$ (99)	$ (46,263)	$ 3,275	$ 378,917
Liabilities:						
Derivative liabilities	$ (3)	$ (453)	$ 11	$ (8)	$ —	$ (453)

(1) The company's policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

Pension Plan Assets/Liabilities (continued)

In thousands of dollars

As of Dec. 27, 2009

	Balance at beginning of year	Actual Return on Plan Assets: Relating to assets still held at report date	Actual Return on Plan Assets: Relating to assets sold during the period	Purchases, sales, and settlements	Transfers in and/or out of Level 3(1)	Balance at end of year
Assets:						
U.S. government-related securities	$ 2,974	$ 486	$ —	$ (23)	$ —	$ 3,437
Corporate bonds	15,715	5,469	2,023	(1,513)	(6,503)	15,191
Corporate stock	283	—	—	(283)	—	—
Real estate	94,723	(9,073)	—	6,115	—	91,765
Partnership/joint venture interests	134,222	369	10,173	(48,799)	—	95,965
Hedge funds	141,801	11,533	15,583	4,642	—	173,559
Derivative contracts	17,529	82	(2,008)	(11,763)	(1,975)	1,865
Total	$ 407,247	$ 8,866	$ 25,771	$ (51,624)	$ (8,478)	$ 381,782
Liabilities:						
Derivative liabilities	$ (34,332)	$ 170	$ 8,954	$ 21,708	$ 3,497	$ (3)

(1) The company's policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

The fair value of the company's total long-term debt, determined based on the bid and ask quotes for the related debt, totaled $2.5 billion and $2.9 billion at Dec. 26, 2010 and Dec. 27, 2009, respectively. As described in Note 7, the company recognized the debt resulting from the May 2009 private exchange offer at fair value in accordance with the modifications and extinguishments requirements of ASC Topic 470, "Debt."

Certain assets are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment).

The following tables summarize the nonfinancial assets measured at fair value on a nonrecurring basis in the accompanying consolidated balance sheets as of Dec. 26, 2010 and Dec. 27, 2009:

Non-Financial Assets

In thousands of dollars

Fair value measurement as of Dec. 26, 2010

	Level 1	Level 2	Level 3	Total:
Other intangible assets — Quarter 4	$ —	$ —	$ 9,266	$ 9,266

In thousands of dollars

Fair value measurement as of Dec. 27, 2009

	Level 1	Level 2	Level 3	Total:
Goodwill — Quarter 2	$ —	$ —	$ 5,719	$ 5,719
Goodwill and other intangibles — Quarter 4	—	—	12,495	12,495
Long-lived assets held and used — Quarter 2	—	—	36,929	36,929
Long-lived assets held and used — Quarter 3	—	—	8,481	8,481
Long-lived assets held and used — Quarter 4	—	—	29,974	29,974

In addition, the company holds investments in non-public businesses in which the company does not have control and does not exert significant influence. Such investments are carried at cost and reduced for any impairment losses resulting from periodic evaluations of the carrying value of the investment. At Dec. 26, 2010, and Dec. 27, 2009, the aggregate carrying amount of such investments was $16 million. During the second quarter of 2010, the company concluded that one of its investments had an other-than-temporary impairment. Therefore, the carrying value of this investment was written down to fair value. No events or changes in circumstances have occured since Dec. 27, 2009, that suggests a significant and adverse effect on the fair value of the remaining investments. Accordingly, the company did not evaluate such investments for impairment in 2010.

NOTE 14

Business operations and segment information

The company has determined that its reportable segments based on its management and internal reporting structure are publishing, which is the largest segment of its operations, digital and broadcasting.

The publishing segment at the end of 2010 consisted of 82 U.S. daily newspapers with affiliated online sites in 30 states and one U.S. territory, including USA TODAY, a national, general-interest daily newspaper; USATODAY.com; USA WEEKEND, a magazine supplement for newspapers; Clipper; Gannett Healthcare Group; and Gannett Government Media (formerly Army Times). The publishing segment also includes Newsquest, which is a regional newspaper publisher in the United Kingdom that includes 17 paid-for daily newspapers and more than 200 weekly newspapers, magazines and trade publications. The publishing segment in the U.S. also includes about 600 non-daily publications, a network of offset presses for commercial printing and several smaller businesses.

In the third quarter of 2008, the company began reporting a new digital segment and a separate digital revenues line in its Statements of Income (Loss). This revenue line includes only revenue from the businesses that comprise the new digital segment. It therefore includes all revenues from CareerBuilder and ShopLocal beginning with the full consolidation of these businesses in the third quarter of 2008, and revenues from PointRoll, Schedule Star and Planet Discover. Revenues from PointRoll, Schedule Star and Planet Discover had previously been reported within the publishing segment and were included in the “All other” revenue line in the Statement of Income (Loss). “All other” revenue is now comprised principally of commercial printing revenues. All periods presented reflect these reclassifications.

At the end of 2010, the company’s broadcasting division included 23 television stations and affiliated online sites in markets with more than 21 million households covering 18.2% of the U.S. Captivate Network is also part of the broadcasting division.

The company’s foreign revenues, principally from publishing businesses in the United Kingdom and CareerBuilder subsidiaries in Europe, totaled approximately $564 million in 2010, $621 million in 2009 and $1.0 billion in 2008. The company’s long-lived assets in foreign countries, principally in the United Kingdom, totaled approximately $556 million at Dec. 26, 2010, $535 million at Dec. 27, 2009, and $628 million at Dec. 28, 2008.

Separate financial data for each of the company’s business segments is presented in the table that follows. The accounting policies of the segments are those described in Note 1. The company evaluates the performance of its segments based on operating income. Operating income represents total revenue less operating expenses, including depreciation, amortization of intangibles and facility consolidation and asset impairment charges. In determining operating income by industry segment, general corporate expenses, interest expense, interest income, and other income and expense items of a non-operating nature are not considered, as such items are not allocated to the company’s segments.

Corporate assets include cash and cash equivalents, property, plant and equipment used for corporate purposes and certain other financial investments.

In thousands of dollars

Business segment financial information

	2010	2009	2008
Operating revenues			
Publishing	$ 4,050,839	$ 4,292,344	$ 5,585,771
Digital	618,259	586,174	281,378
Broadcasting	769,580	631,085	772,533
Total	$ 5,438,678	$ 5,509,603	$ 6,639,682
Operating income (loss)			
Publishing (2)	$ 647,741	$ 516,328	$ (6,991,934)
Digital (2)	83,355	43,295	18,934
Broadcasting (2)	329,245	216,101	306,354
Corporate (1) (2)	(60,646)	(56,806)	(61,262)
Total	$ 999,695	$ 718,918	$ (6,727,908)
Depreciation, amortization and facility consolidation and asset impairment charges			
Publishing (2)	$ 170,073	$ 255,733	$ 8,107,435
Digital (2)	43,313	59,489	31,950
Broadcasting (2)	40,460	42,640	42,520
Corporate (1) (2)	17,039	15,677	17,128
Total	$ 270,885	$ 373,539	$ 8,199,033
Equity income (losses) in unconsolidated investees, net			
Publishing	$ 19,337	$ 4,010	$ (365,371)
Digital	(197)	(83)	(9,554)
Total	$ 19,140	$ 3,927	$ (374,925)
Identifiable assets			
Publishing	$ 3,162,655	$ 3,417,026	$ 4,038,015
Digital	1,057,898	1,139,266	1,096,026
Broadcasting	2,003,929	2,058,415	2,153,257
Corporate (1)	592,362	533,725	509,516
Total	$ 6,816,844	$ 7,148,432	$ 7,796,814

Capital expenditures			
Publishing	$ 36,776	$ 44,935	$ 104,804
Digital	11,883	8,232	5,445
Broadcasting	19,694	13,656	52,706
Corporate (1)	717	914	2,045
Total	$ 69,070	$ 67,737	$ 165,000

(1) Corporate amounts represent those not directly related to the company's three business segments.

(2) Results for 2010 include pre-tax facility consolidation and asset impairment charges of $36 million for publishing, $13 million for digital and $8 million for broadcasting. Results for 2009 include pre-tax facility consolidation and asset impairment charges of $99 million for publishing, $25 million for digital and $9 million for broadcasting. Results for 2008 include pre-tax facility consolidation and asset impairment charges of $7.92 billion for publishing, $15 million for digital, $8 million for broadcasting, and $1 million for corporate. The asset impairment charges did not affect the company's operations or cash flow. Refer to Notes 3 and 4 of the Consolidated Financial Statements for more information.

SELECTED FINANCIAL DATA (Unaudited)
(See notes a and b on page 79)

In thousands of dollars, except per share amounts	2010	2009	2008	2007	2006
Net operating revenues					
Publishing advertising	$ 2,710,524	$ 2,888,034	$ 4,040,890	$ 4,813,785	$ 5,142,644
Publishing circulation	1,086,702	1,144,539	1,196,745	1,232,835	1,260,085
Digital	618,259	586,174	281,378	70,347	52,773
Broadcasting	769,580	631,085	772,533	789,297	854,821
All other	253,613	259,771	348,136	387,131	382,146
Total	**5,438,678**	**5,509,603**	**6,639,682**	**7,293,395**	**7,692,469**
Operating expenses					
Costs and expenses	4,168,098	4,417,146	5,168,557	5,303,163	5,540,713
Depreciation	182,514	207,652	228,259	241,991	233,168
Amortization of intangible assets	31,362	32,983	31,211	36,086	33,989
Facility consolidation and asset impairment charges	57,009	132,904	7,939,563	72,030	—
Total	**4,438,983**	**4,790,685**	**13,367,590**	**5,653,270**	**5,807,870**
Operating income (loss)	**999,695**	**718,918**	**(6,727,908)**	**1,640,125**	**1,884,599**
Non-operating (expense) income					
Equity income (loss) in unconsolidated investees, net	19,140	3,927	(374,925)	40,693	38,044
Interest expense	(172,986)	(175,745)	(190,839)	(259,822)	(288,042)
Other non-operating items	111	22,799	28,430	18,648	29,636
Total	**(153,735)**	**(149,019)**	**(537,334)**	**(200,481)**	**(220,362)**
Income (loss) before income taxes	**845,960**	**569,899**	**(7,265,242)**	**1,439,644**	**1,664,237**
Provision (benefit) for income taxes	**244,013**	**191,328**	**(645,273)**	**469,084**	**536,435**
Income (loss) from continuing operations	**601,947**	**378,571**	**(6,619,969)**	**970,560**	**1,127,802**
Income from continuing operations attributable to noncontrolling interests	(34,619)	(27,091)	(6,970)	(1,535)	(2,149)
Income (loss) from continuing operations attributable to Gannett Co., Inc.	**$ 567,328**	**$ 351,480**	**$ (6,626,939)**	**$ 969,025**	**$ 1,125,653**
Income (loss) from continuing operations per share:					
basic	**$ 2.38**	**$ 1.50**	**$ (29.02)**	**$ 4.16**	**$ 4.76**
diluted	**$ 2.35**	**$ 1.49**	**$ (29.02)**	**$ 4.15**	**$ 4.75**
Other selected financial data					
Dividends declared per share	$ 0.16	$ 0.16	$ 1.60	$ 1.42	$ 1.20
Weighted average number of common shares outstanding in thousands:					
basic	238,230	233,683	228,345	233,148	236,337
diluted	241,605	236,027	228,345	233,740	236,756
Financial position and cash flow					
Long-term debt, excluding current maturities	$ 2,352,242	$ 3,061,951	$ 3,816,942	$ 4,098,338	$ 5,210,021
Redeemable noncontrolling interest	$ 84,176	$ 78,304	$ 72,840	$ —	$ —
Shareholders' equity	$ 2,163,754	$ 1,603,925	$ 1,055,882	$ 9,017,159	$ 8,382,263
Total assets	$ 6,816,844	$ 7,148,432	$ 7,796,814	$ 15,887,727	$ 16,223,804
Free cash flow (1)	$ 816,308	$ 809,630	$ 832,615	$ 1,174,476	$ 1,294,495
Return on equity (2)	30.1%	26.7%	(132.0%)	11.3%	14.6%
Percentage increase (decrease)					
As reported, earnings from continuing operations, after-tax, per share:					
basic	58.7%	(105.2%)	(797.6%)	(12.6%)	(1.7%)
diluted	57.7%	(105.1%)	(799.3%)	(12.6%)	(1.5%)
Dividends declared per share	0.0%	(90.0%)	12.7%	18.3%	7.1%
Credit ratios					
Senior leverage ratio (3)	1.97X	2.63X	2.56X		
Times interest expense earned (4)	6.2X	4.8X	6.7X	6.8X	6.5X

(1) See page 79 for a reconciliation of free cash flow to net cash flow from operating activities, which the company believes is the most directly comparable measure calculated and presented in accordance with GAAP.

(2) Calculated using income from continuing operations attributable to Gannett Co., Inc. plus earnings from discontinued operations (but excluding the gains in 2010 and 2007 on the disposals of discontinued operations).

(3) The senior leverage ratio is calculated in accordance with the company's revolving credit agreements and term loan agreement. Currently, the company is required to maintain a senior leverage ratio of less than 3.5X. Due to the absence of this financial covenant in 2006-2007, data for those years is not presented. These agreements are described more fully on page 44 in Management's Discussion and Analysis of Financial Condition and Results of Operations. More information regarding the computation can be found in Exhibits 10.3, 10.4, and 10.5 to the Form 10-Q for the quarterly period ended Sept. 28, 2008, filed on Nov. 6, 2008.

(4) Calculated using operating income adjusted to remove the effect of certain special items. These special items are described more

fully on page 30 in Management’s Discussion and Analysis of Financial Condition and Results of Operations.

NOTES TO SELECTED FINANCIAL DATA (Unaudited)

(a) The company and its subsidiaries made the significant acquisitions listed below during the period. The results of operations of these acquired businesses are included in the accompanying financial information from the date of acquisition.

(b) During the period, the company sold or otherwise disposed of substantially all of the assets or capital stock of certain other significant subsidiaries and divisions of other subsidiaries, which are listed below.

Note 2 of the consolidated financial statements contains further information concerning certain of these acquisitions and dispositions.

Acquisitions and dispositions 2006-2010

Significant acquisitions since the beginning of 2006 are shown below. The company has disposed of several significant businesses during this period, which are presented below.

Acquisitions 2006-2010

Year acquired	Name	Location	Publication times or business
2006	KTVD-TV	Denver, CO	TV station
	WATL-TV	Atlanta, GA	TV station
	Planet Discover	Cedar Rapids, IA Fort Mitchell, KY	Local, integrated online search and advertising technology
	Marco Island Sun Times	Marco Island, FL	Weekly newspaper
	FS View & Florida Flambeau	Tallahassee, FL	Independent student newspaper of Florida State University
2007	Central Florida Future	Orlando, FL	Independent student newspaper of the University of Central Florida
	Central Ohio Advertiser Network	Chillicothe, OH	A network of eight weekly shoppers with the Advertiser brand
	Schedule Star LLC	Wheeling, WV	Online high school sports network
2008	X.com, Inc. (BNQT.com)	Pasadena, CA	Action sports web site
	ShopLocal	Chicago, IL	Marketing and database services company
	CareerBuilder	Chicago, IL, Atlanta, GA	Job search, employment and careersweb site
	Pearls Review	St. Petersburg, FL	A nursing certification and education web site
2010	CareerSite.biz Limited	U.K.	Online recruitment niche sites focusing on nursing and rail workers

Dispositions 2006-2010

Year disposed	Name	Location	Publication times or business
2006	Muskogee Phoenix (1)	Muskogee, OK	Daily newspaper
2007	Chronicle Tribune (1)	Marion, IN	Daily newspaper
	Norwich Bulletin	Norwich, CT	Daily newspaper
	Rockford Register Star	Rockford, IL	Daily newspaper
	The Herald-Dispatch	Huntington, WV	Daily newspaper
	Observer-Dispatch	Utica, NY	Daily newspaper
2008	Telematch	Springfield, VA	Database marketing services company
2009	Southernprint Limited	U.K.	Commercial printing
2010	The Honolulu Advertiser	Honolulu, HI	Daily newspaper
	Michigan Directory Company	Pigeon, MI	Directory publishing operation

(1) These properties were contributed to the Gannett Foundation, a not-for-profit, private foundation.

Free cash flow reconciliation

Free cash flow is a non-GAAP financial measure used in addition to and in conjunction with results presented in accordance with GAAP. Free cash flow should not be relied upon to the exclusion of GAAP financial measures.

Free cash flow, which the company reconciles to "Net cash flow from operating activities," is cash flow from operations reduced by "Purchase of property, plant and equipment" as well as "Payments for investments" and increased by "Proceeds from investments" and voluntary pension contributions, net of related tax benefit. The company uses free cash flow to conduct and evaluate its business because the company believes it presents an alternative and useful business metric.

In thousands of dollars	2010	2009	2008	2007	2006
Net cash flow from operating activities	$ 772,884	$ 866,580	$1,015,345	$1,342,463	$1,479,865
Purchase of property, plant and equipment	(69,070)	(67,737)	(165,000)	(171,405)	(200,780)
Voluntary pension employer contributions	130,000	—	—	—	—
Tax benefit for voluntary pension employer contributions	(52,000)	—	—	—	—
Payments for investments	(10,984)	(9,674)	(46,779)	(39,963)	(38,341)(a)
Proceeds from investments	45,478	20,461	29,049	43,381	53,751
Free cash flow	**$ 816,308**	**$ 809,630**	**$ 832,615**	**$1,174,476**	**$1,294,495**

(a) For comparability, excludes $300 million of payments made in connection with additional investments in CareerBuilder, ShopLocal, Topix and the California Newspapers Partnership.

QUARTERLY STATEMENTS OF INCOME (Unaudited)

In thousands of dollars, except per share amounts

Fiscal year ended December 26, 2010	1st Quarter(2)	2nd Quarter(3)	3rd Quarter(4)	4th Quarter(5)	Total
Net operating revenues					
Publishing advertising	$ 649,335	$ 692,172	$ 646,720	$ 722,297	$ 2,710,524
Publishing circulation	279,000	270,086	264,627	272,989	1,086,702
Digital	140,638	154,104	157,669	165,848	618,259
Broadcasting	167,488	184,016	185,297	232,779	769,580
All other	63,124	64,765	58,022	67,702	253,613
Total	**1,299,585**	**1,365,143**	**1,312,335**	**1,461,615**	**5,438,678**
Operating expenses					
Cost of sales and operating expenses, exclusive of depreciation	732,109	745,489	747,416	755,451	2,980,465
Selling, general and administrative expenses, exclusive of depreciation	295,133	292,691	289,443	310,366	1,187,633
Depreciation	47,351	46,274	44,479	44,410	182,514
Amortization of intangible assets	7,962	8,080	7,664	7,656	31,362
Facility consolidation and asset impairment charges	—	—	23,045	33,964	57,009
Total	**1,082,555**	**1,092,534**	**1,112,047**	**1,151,847**	**4,438,983**
Operating income	**217,030**	**272,609**	**200,288**	**309,768**	**999,695**
Non-operating (expense) income					
Equity income in unconsolidated investees, net	533	7,503	7,041	4,063	19,140
Interest expense	(43,473)	(42,190)	(41,015)	(46,308)	(172,986)
Other non-operating items	(523)	(2,934)	2,374	1,194	111
Total	**(43,463)**	**(37,621)**	**(31,600)**	**(41,051)**	**(153,735)**
Income before income taxes	173,567	234,988	168,688	268,717	845,960
Provision for income taxes	54,813	49,400	55,000	84,800	244,013
Income from continuing operations	**$ 118,754**	**$ 185,588**	**$ 113,688**	**$ 183,917**	**$ 601,947**
Income (loss) from the operation of discontinued operations, net of tax	560	(882)	—	—	(322)
Gain on disposal of publishing businesses, net of tax	—	21,195	—	—	21,195
Net income	**$ 119,314**	**$ 205,901**	**$ 113,688**	**$ 183,917**	**$ 622,820**
Net income attributable to noncontrolling interests	(2,135)	(10,423)	(12,279)	(9,782)	(34,619)
Net income attributable to Gannett Co., Inc.	**$ 117,179**	**$ 195,478**	**$ 101,409**	**$ 174,135**	**$ 588,201**
***Per share computations*(1)**					
Earnings from continuing operations per share — basic	**$ 0.49**	**$ 0.74**	**$ 0.43**	**$ 0.73**	**$ 2.38**
Earnings from discontinued operations					
Discontinued operations per share — basic	—	(0.01)	—	—	—
Gain on disposal of newspaper businesses per share — basic	—	0.09	—	—	0.09
Net income per share — basic	**$ 0.49**	**$ 0.82**	**$ 0.43**	**$ 0.73**	**$ 2.47**
Earnings from continuing operations per share — diluted	**$ 0.48**	**$ 0.73**	**$ 0.42**	**$ 0.72**	**$ 2.35**
Earnings from discontinued operations					
Discontinued operations per share — diluted	0.01	(0.01)	—	—	—
Gain on disposal of newspaper businesses per share — diluted	—	0.09	—	—	0.08
Net income per share — diluted	**$ 0.49**	**$ 0.81**	**$ 0.42**	**$ 0.72**	**$ 2.43**
Dividends per share	**$ 0.04**	**$ 0.04**	**$ 0.04**	**$ 0.04**	**$ 0.16**

(1) As a result of rounding and the required method of computing shares in interim periods, the total of the quarterly earnings per share amounts may not equal the earnings per share amount of the year.

(2) Results for the first quarter of 2010 include the following special items: $2.2 million ($0.01 per share) tax charge related to healthcare reform legislation. Refer to page 30 and Notes 3 and 4 to the Consolidated Financial Statements for more information on special items.

(3) Results for the second quarter of 2010 include the following special items: $28.7 million ($0.12 per share) net tax benefit due primarily to the expiration of the statutes of limitations and the release of certain reserves related to the sale of a business in a prior year. Refer to page 30 and Notes 3 and 4 to the Consolidated Financial Statements for more information on special items.

(4) Results for the third quarter of 2010 include the following special items: $23.0 million of non-cash charges associated with

facility consolidations and intangible asset impairments ($18.2 million after-tax or $0.08 per share) and $8.1 million in costs due to workforce restructuring ($5.1 million after-tax or $0.02 per share). Refer to page 30 and Notes 3 and 4 to the Consolidated Financial Statements for more information on special items.

(5) Results for the fourth quarter 2010 include the following special items: $36.7 million of non-cash charges associated with facility consolidations and asset impairments ($24.4 million after-tax or $0.10 per share) and $3.6 million in costs due to workforce restructuring ($1.9 million after-tax or $0.01 per share). Refer to page 30 and Notes 3 and 4 to the Consolidated Financial Statements for more information on special items.

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QUARTERLY STATEMENTS OF INCOME (Unaudited)

In thousands of dollars, except per share amounts

Fiscal year ended December 27, 2009	1st Quarter(1)	2nd Quarter(2)	3rd Quarter(3)	4th Quarter(4)	Total
Net operating revenues					
Publishing advertising	$ 704,818	$ 734,241	$ 681,415	$ 767,560	$ 2,888,034
Publishing circulation	294,132	287,058	278,701	284,648	1,144,539
Digital	143,160	142,354	142,955	157,705	586,174
Broadcasting	143,490	152,966	151,458	183,171	631,085
All other	68,794	70,716	57,607	62,654	259,771
Total	**1,354,394**	**1,387,335**	**1,312,136**	**1,455,738**	**5,509,603**
Operating expenses					
Cost of sales and operating expenses, exclusive of depreciation	819,154	848,257	779,250	783,515	3,230,176
Selling, general and administrative expenses, exclusive of depreciation	303,868	288,200	279,177	315,725	1,186,970
Depreciation	55,146	53,208	50,382	48,916	207,652
Amortization of intangible assets	8,165	8,232	8,378	8,208	32,983
Facility consolidation and asset impairment charges	—	47,391	39,248	46,265	132,904
Total	**1,186,333**	**1,245,288**	**1,156,435**	**1,202,629**	**4,790,685**
Operating income (loss)	**168,061**	**142,047**	**155,701**	**253,109**	**718,918**
Non-operating (expense) income					
Equity income (losses) in unconsolidated investees, net	(2,689)	2,839	(373)	4,150	3,927
Interest expense	(48,911)	(43,971)	(38,064)	(44,799)	(175,745)
Other non-operating items	2,457	16,582	3,570	190	22,799
Total	**(49,143)**	**(24,550)**	**(34,867)**	**(40,459)**	**(149,019)**
Income before income taxes	118,918	117,497	120,834	212,650	569,899
Provision for income taxes	40,014	39,614	36,407	75,293	191,328
Income from continuing operations	**$ 78,904**	**$ 77,883**	**$ 84,427**	**$ 137,357**	**$ 378,571**
(Loss) income from the operation of discontinued operations, net of tax	(1,155)	424	766	3,755	3,790
Net income	**$ 77,749**	**$ 78,307**	**$ 85,193**	**$ 141,112**	**$ 382,361**
Net income attributable to noncontrolling interests	(314)	(7,826)	(11,441)	(7,510)	(27,091)
Net income attributable to Gannett Co., Inc.	**$ 77,435**	**$ 70,481**	**$ 73,752**	**$ 133,602**	**$ 355,270**
Per share computations					
Earnings from continuing operations per share — basic	**$ 0.34**	**$ 0.30**	**$ 0.31**	**$ 0.55**	**$ 1.50**
Earnings from discontinued operations					
Discontinued operations per share — basic	—	—	—	0.02	0.02
Gain on disposal of newspaper businesses per share — basic	—	—	—	—	—
Net income per share — basic	**$ 0.34**	**$ 0.30**	**$ 0.31**	**$ 0.57**	**$ 1.52**
Earnings from continuing operations per share — diluted	**$ 0.34**	**$ 0.30**	**$ 0.31**	**$ 0.54**	**$ 1.49**
Earnings from discontinued operations					
Discontinued operations per share — diluted	—	—	—	0.02	0.02
Gain on disposal of newspaper businesses per share — diluted	—	—	—	—	—
Net income per share — diluted	**$ 0.34**	**$ 0.30**	**$ 0.31**	**$ 0.56**	**$ 1.51**
Dividends per share	**$ 0.04**	**$ 0.04**	**$ 0.04**	**$ 0.04**	**$ 0.16**

(1) Results for the first quarter of 2009 include the following special items: workforce restructuring and related expenses of $6 million pre-tax ($4 million after-tax or $0.02 per share) and a pension gain of $40 million pre-tax ($25 million after-tax or $0.11 per share). Refer to page 30 and Notes 3 and 4 to the Consolidated Financial Statements for more information on special items.

(2) Results for the second quarter of 2009 include the following special items: facility consolidation and asset impairment charges of $47 million pre-tax ($30 million after-tax or $0.13 per share), workforce restructuring and related expenses of $16 million pre-tax ($10 million after-tax or $0.04 per share), debt exchange gain of $43 million pre-tax ($26 million after-tax or $0.11 per share) and an impairment of publishing assets sold charge of $28 million pre-tax ($24 million after-tax or $0.10 per share). Refer to page 30 and Notes 3 and 4 to the Consolidated Financial Statements for more information on special items.

(3) Results for the third quarter of 2009 include the following special items: facility consolidation and asset impairment charges of $39 million pre-tax ($24 million after-tax or $0.10 per share), workforce restructuring and related expenses of $2 million pre-tax

($1 million after-tax or $0.01 per share) and an impairment of equity method investment charge of $5 million pre-tax ($4 million after-tax or $0.02 per share). Refer to page 30 and Notes 3 and 4 to the Consolidated Financial Statements for more information on special items.

(4) Results for the fourth quarter of 2009 include the following special items: facility consolidation and asset impairment charges of $46 million pre-tax ($34 million after-tax or $0.14 per share), workforce restructuring and related expenses of $3 million pre-tax ($2 million after-tax or $0.01 per share), and impairment of equity method investments charge of $4 million pre-tax ($2 million after-tax or $0.01 per share). Refer to page 30 and Notes 3 and 4 to the Consolidated Financial Statements for more information on special items.

SCHEDULE II — Valuation and qualifying accounts and reserves

In thousands of dollars

Allowance for doubtful receivables	Balance at beginning of period	Additions charged to cost and expenses	Additions/(reductions) for acquisitions/ dispositions (2)	Deductions from reserves (1)	Balance at end of period
Fiscal year ended Dec. 26, 2010	$ 46,255	$ 18,241	$ (3,643)	$ (21,434)	$ 39,419
Fiscal year ended Dec. 27, 2009	$ 59,008	$ 34,492	$ 213	$ (47,458)	$ 46,255
Fiscal year ended Dec. 28, 2008	$ 36,772	$ 57,671	$ 4,080	$ (39,515)	$ 59,008

(1) Consists of write-offs, net of recoveries in each year.

(2) Also includes foreign currency translation adjustments in each year.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this annual report.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in “Internal Control — Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in “Internal Control — Integrated Framework,” our management concluded that our internal control over financial reporting was effective as of Dec. 26, 2010.

The effectiveness of our internal control over financial reporting as of Dec. 26, 2010, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in its report which is included elsewhere in this item.

Changes in Internal Control Over Financial Reporting

There has been no change in the company’s internal control over financial reporting that occurred during the company’s fiscal quarter ended Dec. 26, 2010, that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting.

Report of Ernst & Young LLP, Independent Registered Public Accounting Firm, on Internal Control Over Financial Reporting

Board of Directors and Shareholders of Gannett Co., Inc.:

We have audited Gannett Co., Inc.'s internal control over financial reporting as of December 26, 2010, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Gannett's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Gannett Co., Inc. maintained, in all material respects, effective internal control over financial reporting as of December 26, 2010, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2010 consolidated financial statements of Gannett Co., Inc. and our report dated February 23, 2011 expressed an unqualified opinion thereon.

Ernst + Young LLP

McLean, Virginia
February 23, 2011

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Below is a listing of the executive officers of the company. Executive officers serve for a term of one year and may be re-elected. A list of directors is incorporated by reference to the company's Proxy Statement pursuant to general instruction G(3) to Form 10-K.

William A. Behan

Senior Vice President, Labor Relations, Gannett (2010-present). Formerly: Vice President, Labor Relations (2007-2010); Director, Labor Relations and Labor Counsel (1994-2007). Age 52.

Paul Davidson

Chairman and Chief Executive Officer, Newsquest (2003-present). Age 56. U.K. citizen.

Robert J. Dickey

President, U.S. Community Publishing, formerly Newspaper Division (February 2008-present). Formerly: Senior Group President, Gannett's Pacific Group and Chairman of Phoenix Newspapers Inc. (2005-2008); President and Publisher of The Desert Sun, Palm Springs, CA, (1993-2005) and Group Vice President of the Pacific Group (1997-2005). Age 53.

Craig A. Dubow

Chairman and Chief Executive Officer (February 2010-present) Formerly: Chairman, President and CEO (2006-2010); President and CEO (2005-2006); and President and CEO, Gannett Broadcasting (2001-2005). Age 56.

Daniel S. Ehrman, Jr.

Vice President, Planning & Development (1997-present). Age 64.

George R. Gavagan

Vice President and Controller (1997-present). Age 64.

Roxanne V. Horning

Senior Vice President, Human Resources (July 2006-present). Formerly: Vice President, Human Resources (2005-2006); and Vice President, Compensation and Benefits (2003-2005). Age 61.

David L. Hunke

President and Publisher, USA TODAY (April 2009-present). Formerly: CEO, Detroit Media Partnership and Publisher of Detroit Free Press (2005-2009); and President and Publisher of Rochester Democrat and Chronicle (1999-2005). Age 58.

David T. Lougee

President, Gannett Broadcasting (July 2007-present). Formerly: Executive Vice President, Media Relations, Belo (2006-2007); Senior Vice President, Belo (2005-2006); General Manager, Belo TV and Cable Operations, Seattle/Tacoma (2000-2005). Age 52.

Gracia C. Martore

President and Chief Operating Officer (February 2010-present). Formerly: Executive Vice President and CFO (2006-2010); Senior Vice President and CFO (2003-2006). Age 59.

Todd A. Mayman

Senior Vice President, General Counsel and Secretary (April 2009-present). Formerly: Vice President, Associate General Counsel, Secretary and Chief Governance Officer (2007-2009); and Vice President, Associate General Counsel and Secretary (2003-2007). Age 51.

Paul N. Saleh

Senior Vice President and Chief Financial Officer (2010-present). Formerly: Managing Partner, Menza Partners LLC, a private investment firm (2008-2010); Chief Financial Officer, Sprint Nextel (2005-2008); Executive Vice President and CFO, Nextel (2001-2005). Age 54.

John A. Williams

President, Gannett Digital Ventures (January 2008-present). Formerly: President, Gannett Digital (January 2006-December 2007); Senior Vice President, Diversified Business and Development, Newspaper Division (2003-2005). Age 60.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference to the company's Proxy Statement pursuant to General Instruction G(3) to Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Incorporated by reference to the company’s Proxy Statement pursuant to General Instruction G(3) to Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Incorporated by reference to the company’s Proxy Statement pursuant to General Instruction G(3) to Form 10-K.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Incorporated by reference to the company’s Proxy Statement pursuant to General Instruction G(3) to Form 10-K.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements, Financial Statement Schedules and Exhibits.

(1) Financial Statements.

As listed in the Index to Financial Statements and Supplementary Data on page 48.

(2) Financial Statement Schedules.

As listed in the Index to Financial Statements and Supplementary Data on page 48.

Note: All other schedules are omitted as the required information is not applicable or the information is presented in the consolidated financial statements or related notes.

(3) Exhibits.

See Exhibit Index on pages 86-90 for list of exhibits filed with this Form 10-K. Management contracts and compensatory plans or arrangements are identified with asterisks on the Exhibit Index.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: February 23, 2011	GANNETT CO., INC. (Registrant)
	By: /s/ Paul N. Saleh Paul N. Saleh, Senior Vice President and Chief Financial Officer (principal financial officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Dated: February 23, 2011	/s/ Craig A. Dubow Craig A. Dubow, Chairman and Chief Executive Officer (principal executive officer)
Dated: February 23, 2011	/s/ Paul N. Saleh Paul N. Saleh, Senior Vice President and Chief Financial Officer (principal financial officer)
Dated: February 23, 2011	/s/ George R. Gavagan George R. Gavagan, Vice President and Controller (principal accounting officer)
Dated: February 23, 2011	/s/ Craig A. Dubow Craig A. Dubow, Director, Chairman
Dated: February 23, 2011	/s/ Howard D. Elias Howard D. Elias, Director
Dated: February 23, 2011	/s/ Arthur H. Harper Arthur H. Harper, Director
Dated: February 23, 2011	/s/ John Jeffrey Louis John Jeffry Louis, Director
Dated: February 23, 2011	/s/ Marjorie Magner Marjorie Magner, Director
Dated: February 23, 2011	/s/ Scott K. McCune Scott K. McCune, Director
Dated: February 23, 2011	/s/ Duncan M. McFarland Duncan M. McFarland, Director
Dated: February 23, 2011	/s/ Donna E. Shalala Donna E. Shalala, Director
Dated: February 23, 2011	/s/ Neil Shapiro Neal Shapiro, Director
Dated: February 23, 2011	/s/ Karen Hastie Williams Karen Hastie Williams, Director

EXHIBIT INDEX

Exhibit Number	Exhibit	Location
3-1	Third Restated Certificate of Incorporation of Gannett Co., Inc.	Incorporated by reference to Exhibit 3-1 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended April 1, 2007.
3-2	Amended by-laws of Gannett Co., Inc.	Incorporated by reference to Exhibit 3-2 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended June 27, 2010.
4-1	Indenture dated as of March 1, 1983, between Gannett Co., Inc. and Citibank, N.A., as Trustee.	Incorporated by reference to Exhibit 4-2 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 29, 1985.
4-2	First Supplemental Indenture dated as of November 5, 1986, among Gannett Co., Inc., Citibank, N.A., as Trustee, and Sovran Bank, N.A., as Successor Trustee.	Incorporated by reference to Exhibit 4 to Gannett Co., Inc.'s Form 8-K filed on November 9, 1986.
4-3	Second Supplemental Indenture dated as of June 1, 1995, among Gannett Co., Inc., NationsBank, N.A., as Trustee, and Crestar Bank, as Trustee.	Incorporated by reference to Exhibit 4 to Gannett Co., Inc.'s Form 8-K filed on June 15, 1995.
4-4	Third Supplemental Indenture, dated as of March 14, 2002, between Gannett Co., Inc. and Wells Fargo Bank Minnesota, N.A., as Trustee.	Incorporated by reference to Exhibit 4.16 to Gannett Co., Inc.'s Form 8-K filed on March 14, 2002.
4-5	Fourth Supplemental Indenture, dated as of June 16, 2005, between Gannett Co., Inc. and Wells Fargo Bank Minnesota, N.A., as Trustee.	Incorporated by reference to same numbered exhibit to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended June 26, 2005.
4-6	Fifth Supplemental Indenture, dated as of May 26, 2006, between Gannett Co., Inc. and Wells Fargo Bank, N.A., as Trustee.	Incorporated by reference to Exhibit 4-5 to Gannett Co. Inc.'s Form 10-Q for the fiscal quarter ended June 25, 2006.
4-7	Sixth Supplemental Indenture, dated as of June 29, 2007, between Gannett Co., Inc. and Wells Fargo Bank, N.A., as Successor Trustee.	Incorporated by reference to Exhibit 4.5 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended July 1, 2007.
4-8	Specimen Certificate for Gannett Co., Inc.'s common stock, par value $1.00 per share.	Incorporated by reference to Exhibit 2 to Gannett Co., Inc.'s Form 8-B filed on June 14, 1972.
10-1	Gannett Co., Inc. 1978 Executive Long-Term Incentive Plan.*	Incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 28, 1980. Amendment No. 1 incorporated by reference to Exhibit 20-1 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 27, 1981. Amendment No. 2 incorporated by reference to Exhibit 10-2 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 25, 1983. Amendments Nos. 3 and 4 incorporated by reference to Exhibit 4-6 to Gannett Co., Inc.'s Form S-8 Registration Statement No. 33-28413 filed on May 1, 1989. Amendments Nos. 5 and 6 incorporated by reference to Exhibit 10-8 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 1989. Amendment No. 7 incorporated by reference to Gannett Co., Inc.'s Form S-8 Registration Statement No. 333-04459 filed on May 24, 1996. Amendment No. 8 incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 28, 1997. Amendment dated December 9, 1997, incorporated by reference to Gannett Co., Inc.'s 1997 Form 10-K. Amendment No. 9 incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended June 27, 1999. Amendment No. 10 incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended June 25, 2000. Amendment No. 11 incorporated by reference to Exhibit 10-3 to Gannett Co.,

Inc.’s Form 10-K for the fiscal year ended December 31, 2000.

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Exhibit Number	Exhibit	Location
10-2	Supplemental Executive Medical Plan Amended and Restated as of January 1, 2011.*	Attached.
10-2-1	Supplemental Executive Medical Plan for Retired Executives dated December 22, 2010 and effective January 1, 2011.*	Attached.
10-3	Gannett Supplemental Retirement Plan Restatement.*	Incorporated by reference to Exhibit 10-2 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 30, 2007.
10-3-1	Amendment No. 1 to the Gannett Co., Inc. Supplemental Retirement Plan dated July 31, 2008 and effective August 1, 2008.*	Incorporated by reference to Exhibit 10-1 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 28, 2008.
10-3-2	Amendment No. 2 to the Gannett Co., Inc. Supplemental Retirement Plan dated December 22, 2010.*	Attached.
10-4	Gannett Co., Inc. Deferred Compensation Plan Restatement dated February 1, 2003 (reflects all amendments through July 25, 2006).*	Incorporated by reference to the same-numbered Exhibit to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 2006.
10-4-1	Gannett Co., Inc. Deferred Compensation Plan Rules for Post-2004 Deferrals.*	Incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended July 1, 2007.
10-4-2	Amendment No. 1 to the Gannett Co., Inc. Deferred Compensation Plan Rules for Post-2004 Deferrals dated July 31, 2008 and effective August 1, 2008.*	Incorporated by reference to Exhibit 10-2 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 28, 2008.
10-4-3	Amendment No. 2 to the Gannett Co., Inc. Deferred Compensation Plan Rules for Post-2004 Deferrals dated December 9, 2008.*	Incorporated by reference to Exhibit 10-4-3 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 28, 2008.
10-4-4	Amendment No. 3 to the Gannett Co., Inc. Deferred Compensation Plan Rules for Post-2004 Deferrals dated October 27, 2009.*	Incorporated by reference to Exhibit 10-4-4 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 27, 2009.
10-4-5	Amendment No. 4 to the Gannett Co., Inc. Deferred Compensation Plan Rules for Post-2004 Deferrals dated December 22, 2010.*	Attached.
10-5	Gannett Co., Inc. Transitional Compensation Plan Restatement.*	Incorporated by reference to Exhibit 10-1 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 30, 2007.
10-5-1	Amendment No. 1 to Gannett Co., Inc. Transitional Compensation Plan Restatement dated as of May 4, 2010.*	Incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended March 28, 2010.
10-5-2	Amendment No. 2 to Gannett Co., Inc. Transitional Compensation Plan Restatement dated as of December 22, 2010.*	Attached.
10-6	Gannett Co., Inc. Omnibus Incentive Compensation Plan, as amended and restated as of May 4, 2010.*	Incorporated by reference to Exhibit 10-2 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended March 28, 2010.
10-6-1	Gannett Co., Inc. 2001 Inland Revenue Approved Sub-Plan for the United Kingdom.*	Incorporated by reference to Exhibit 10-1 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 26, 2004.
10-6-2	Form of Director Stock Option Award Agreement.*	Incorporated by reference to Exhibit 10-7-3 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 30, 2007.
10-6-3	Form of Director Restricted Stock Award Agreement.*	Incorporated by reference to Exhibit 10-6-4 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended

		December 28, 2008.
10-6-4	Form of Executive Officer Stock Option Award Agreement.*	Incorporated by reference to Exhibit 10-6-5 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 28, 2008.
10-6-5	Form of Executive Officer Restricted Stock Unit Award Agreement.*	Incorporated by reference to Exhibit 10-6-6 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 28, 2008.
10-7	Gannett U.K. Limited Share Incentive Plan, as amended effective June 25, 2004.*	Incorporated by reference to Exhibit 10-2 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended June 27, 2004.

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Exhibit Number	Exhibit	Location
10-8	Competitive Advance and Revolving Credit Agreement among Gannett Co., Inc., the Several Lenders from Time to Time Parties Thereto, Bank of America, N.A., as Administrative Agent and JPMorgan Chase Bank, as Syndication Agent, dated as of February 27, 2004, and Effective as of March 15, 2004.	Incorporated by reference to Exhibit 10-2 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended March 28, 2004.
10-8-1	First Amendment, dated as of February 28, 2007, and Effective as of March 15, 2007, to Competitive Advance and Revolving Credit Agreement.	Incorporated by reference to Exhibit 10-5 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended April 1, 2007.
10-8-2	Second Amendment, dated as of October 23, 2008, and Effective as of October 31, 2008, to Competitive Advance and Revolving Credit Agreement.	Incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 28, 2008.
10-8-3	Third Amendment, dated as of September 28, 2009, to Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004.	Incorporated by reference to Exhibit 10-2 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 27, 2009.
10-8-4	Fourth Amendment, dated as of August 25, 2010 to Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004.	Incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 26, 2010.
10-8-5	Fifth Amendment, dated as of September 30, 2010 to Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004.	Attached.
10-9	Competitive Advance and Revolving Credit Agreement among Gannett Co., Inc., the Several Lenders from Time to Time Parties Thereto, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, and Barclays Bank PLC, as Documentation Agent, dated as of December 13, 2004, and Effective as of January 5, 2005.	Incorporated by reference to Exhibit 10-16 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 26, 2004.
10-9-1	First Amendment, dated as of February 28, 2007, and Effective as of March 15, 2007, to Competitive Advance and Revolving Credit Agreement.	Incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended April 1, 2007.
10-9-2	Second Amendment, dated as of October 23, 2008, and Effective as of October 31, 2008, to Competitive Advance and Revolving Credit Agreement.	Incorporated by reference to Exhibit 10-4 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 28, 2008.
10-9-3	Third Amendment, dated as of September 28, 2009, to Competitive Advance and Revolving Credit Agreement, dated as of December 13, 2004 and effective as of January 5, 2005.	Incorporated by reference to Exhibit 10-1 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 27, 2009.
10-9-4	Fourth Amendment, dated as of August 25, 2010, to Competitive Advance and Revolving Credit Agreement, dated as of December 13, 2004, and effective as of January 5, 2005.	Incorporated by reference to Exhibit 10-4 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 26, 2010.
10-9-5	Fifth Amendment, dated as of September 30, 2010, to Competitive Advance and Revolving Credit Agreement, dated as of December 13, 2004, and effective as of January 5, 2005.	Attached.
10-10	Amended and Restated Competitive Advance and Revolving Credit Agreement among Gannett Co., Inc., the Several Lenders from Time to Time Parties Thereto, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, and Barclays Bank PLC, as Documentation Agent, dated as of March 11, 2002, and Effective as of March 18, 2002,	Incorporated by reference to Exhibit 10-17 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 26, 2004.

as Amended and Restated as of December 13, 2004, and
Effective as of January 5, 2005.

Exhibit Number	Exhibit	Location
10-10-1	First Amendment, dated as of February 28, 2007, and Effective as of March 15, 2007, to Amended and Restated Competitive Advance and Revolving Credit Agreement.	Incorporated by reference to Exhibit 10-4 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended April 1, 2007.
10-10-2	Second Amendment, dated as of October 23, 2008, and Effective as of October 31, 2008, to Amended and Restated Competitive Advance and Revolving Credit Agreement.	Incorporated by reference to Exhibit 10-5 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 28, 2008.
10-10-3	Third Amendment, dated as of September 28, 2009, to Amended and Restated Competitive Advance and Revolving Credit Agreement, dated as of March 11, 2002 and effective as of March 18, 2002, as amended and restated as of December 13, 2004 and effective as of January 5, 2005.	Incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 27, 2009.
10-10-4	Fourth Amendment, dated as of August 25, 2010, to Amended and Restated Competitive Advance and Revolving Credit Agreement, dated as of March 11, 2002 and effective as of March 18, 2002, as amended and restated as December 13, 2004 and effective as of January 5, 2005.	Incorporated by reference to Exhibit 10-5 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 26, 2010.
10-10-5	Fifth Amendment, dated as of September 30, 2010, to Amended and Restated Competitive Advance and Revolving Credit Agreement, dated as of March 11, 2002 and effective as of March 18, 2002, as amended and restated as December 13, 2004 and effective as of January 5, 2005.	Attached.
10-11	Master Assignment and Assumption Agreement, dated September 30, 2010 to (i) the Amended and Restated Competitive Advance and Revolving Credit Agreement, dated as of March 11, 2002 and effective as of March 18, 2002, as amended and restated as of December 13, 2004 and effective as of January 5, 2005; (ii) the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004; and (iii) the Competitive Advance and Revolving Credit Agreement, dated as of December 13, 2004 and effective as of January 5, 2005.	Attached.
10-12	Description of Gannett Co., Inc.'s Non-Employee Director Compensation.*	Incorporated by reference to Exhibit 10-1 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended March 28, 2010.
10-13	Employment Agreement dated February 27, 2007, between Gannett Co., Inc. and Craig A. Dubow.*	Incorporated by reference to Exhibit 10-14 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 2006.
10-13-1	Amendment, dated as of August 7, 2007, to Employment Agreement dated February 27, 2007.*	Incorporated by reference to Exhibit 10-4 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended July 1, 2007.
10-13-2	Amendment, dated as of December 24, 2010, to Employment Agreement dated February 27, 2007.*	Attached.
10-14	Employment Agreement dated February 27, 2007, between Gannett Co., Inc. and Gracia C. Martore.*	Incorporated by reference to Exhibit 10-15 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 2006.
10-14-1	Amendment, dated as of August 7, 2007, to Employment Agreement dated February 27, 2007.*	Incorporated by reference to Exhibit 10-5 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended July 1, 2007.
10-14-2	Amendment, dated as of December 24, 2010, to Employment Agreement dated February 27, 2007.*	Attached.

10-15	Amendment for section 409A Plans dated December 31, 2008.*	Incorporated by reference to Exhibit 10-14 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 28, 2008.
10-16	Executive Life Insurance Plan document dated December 31, 2008.*	Incorporated by reference to Exhibit 10-15 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 28, 2008.

Exhibit Number	Exhibit	Location
10-17	Termination Benefits Agreement dated as of November 15, 2010 between Gannett Co., Inc. and Paul N. Saleh.*	Incorporated by reference to Exhibit 99-2 to Gannett Co., Inc.'s Form 8-K filed on November 17, 2010.
10-18	Key Executive Life Insurance Plan dated October 29, 2010.*	Incorporated by reference to Exhibit 10-1 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 26, 2010.
10-19	Form of Participation Agreement under Key Executive Life Insurance Plan.*	Incorporated by reference to Exhibit 10-2 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 26, 2010.
10-20	Omnibus Amendment to Terms and Conditions of Restricted Stock Awards dated as of December 31, 2008.*	Incorporated by reference to Exhibit 10-17 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 28, 2008.
10-21	Omnibus Amendment to Terms and Conditions of Stock Unit Awards dated as of December 31, 2008.*	Incorporated by reference to Exhibit 10-18 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 28, 2008.
10-22	Omnibus Amendment to Terms and Conditions of Stock Option Awards dated as of December 31, 2008.*	Incorporated by reference to Exhibit 10-19 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 28, 2008.
21	Subsidiaries of Gannett Co., Inc.	Attached.
23	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.	Attached.
31-1	Certification Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.	Attached.
31-2	Certification Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.	Attached.
32-1	Section 1350 Certification.	Attached.
32-2	Section 1350 Certification.	Attached.
101	The following financial information from Gannett Co., Inc. Annual Report on Form 10-K for the year ended December 26, 2010, formatted in XBRL includes: (1) Consolidated Statements of Income (Loss) for the 2010, 2009 and 2008 fiscal years, (ii) Consolidated Balance Sheets at December 26, 2010 and December 27, 2009, (iii) Consolidated Cash Flow Statements for the 2010, 2009 and 2008 fiscal years; (iv) Consolidated Statements of Equity for the 2010, 2009 and 2008 fiscal years; and (v) the Notes to Consolidated Financial Statements, tagged as blocks of text.	Attached.

For purposes of the incorporation by reference of documents as Exhibits, all references to Form 10-K, 10-Q and 8-K of Gannett Co., Inc. refer to Forms 10-K, 10-Q and 8-K filed with the Commission under Commission file number 1-6961.

The company agrees to furnish to the Commission, upon request, a copy of each agreement with respect to long-term debt not filed herewith in reliance upon the exemption from filing applicable to any series of debt which does not exceed 10% of the total consolidated assets of the company.

* Asterisks identify management contracts and compensatory plans or arrangements.

GLOSSARY OF FINANCIAL TERMS

Presented below are definitions of certain key financial and operational terms that Gannett hopes will enhance the reading and understanding of Gannett's 2010 Form 10-K.

AMORTIZATION — A charge against the company's earnings that represents the write off of intangible assets over the projected life of the assets.

BALANCE SHEET — A summary statement that reflects the company's assets, liabilities and equity at a particular point in time.

BROADCASTING REVENUES — Primarily amounts charged to customers for commercial advertising aired on the company's television stations.

CIRCULATION — The number of newspapers sold to customers each day ("paid circulation"). The company keeps separate records of morning, evening and Sunday circulation.

CIRCULATION REVENUES — Amounts charged to newspaper readers or distributors reduced by the amount of discounts. Charges vary from city to city and depend on the type of sale (i.e., subscription or single copy) and distributor arrangements.

COMPREHENSIVE INCOME — The change in equity (net assets) of the company from transactions and other events from non-owner sources. Comprehensive income comprises net income and other items reported directly in shareholders' equity, principally the foreign currency translation adjustment and funded status of postretirement plans.

CURRENT ASSETS — Cash and other assets that are expected to be converted to cash within one year.

CURRENT LIABILITIES — Amounts owed that will be paid within one year.

DEFERRED INCOME — Revenue derived principally from advance subscription payments for newspapers. Revenue is recognized in the period in which it is earned (as newspapers are delivered).

DEPRECIATION — A charge against the company's earnings that allocates the cost of property, plant and equipment over the estimated useful lives of the assets.

DIGITAL/ONLINE REVENUES — These include revenue from advertising placed on web sites that are associated with the company publishing and broadcasting operations which are reflected as revenues of those business segments, and revenues from the businesses that comprise the Digital segment, principal of which are CareerBuilder (employment web site) and PointRoll (technology/marketing services revenue).

DIGITAL SEGMENT — Beginning with 2008, a new digital business segment was reported, which includes CareerBuilder and ShopLocal from the dates of their full consolidation, as well as PointRoll, Planet Discover and Schedule Star.

DISCONTINUED OPERATIONS — A term which refers to businesses which have been sold or disposed of by the company. To achieve comparability in financial reporting for all remaining operations, the results from discontinued operations are reclassified from the normal operating section of the Statements of Income and presented in a separate section entitled "Discontinued Operations."

DIVIDEND — Payment by the company to its shareholders of a portion of its earnings.

EARNINGS PER SHARE (basic) — The company's earnings divided by the average number of shares outstanding for the period.

EARNINGS PER SHARE (diluted) — The company's earnings divided by the average number of shares outstanding for the period, giving effect to assumed dilution from outstanding stock options and restricted stock units.

EQUITY EARNINGS FROM INVESTMENTS — For those investments which are 50% or less owned by the company, an income or loss entry is recorded in the Statements of Income representing the company's ownership share of the operating results of the investee company.

GAAP — Generally accepted accounting principles.

FOREIGN CURRENCY TRANSLATION — The process of reflecting foreign currency accounts of subsidiaries in the reporting currency of the parent company.

FREE CASH FLOW — Net cash flow from operating activities reduced by purchase of property, plant and equipment as well as payments for investments and increased by proceeds from investments and voluntary pension contributions, net of related tax benefit.

GOODWILL — In a business purchase, this represents the excess of amounts paid over the fair value of tangible and other identified intangible assets acquired net of liabilities assumed.

INVENTORIES — Raw materials, principally newsprint, used in the business.

NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS — The portion of equity and net earnings in consolidated subsidiaries that is owned by others.

ADVERTISING REVENUES — Amounts charged to customers for space purchased in the company's newspapers and/or the associated web site. There are three major types of advertising revenue: retail ads from local merchants, such as department stores; classified ads, which include automotive, real estate and "help wanted"; and national ads, which promote products or brand names on a nationwide basis.

PRO FORMA — A non-GAAP manner of presentation intended to provide improved comparability of financial results; it assumes business purchases/dispositions were completed at the beginning of the earliest period discussed (i.e., results are compared for all periods but only for businesses presently owned).

PURCHASE — A business acquisition. The acquiring company records at its cost the acquired assets less liabilities assumed. The reported income of an acquiring company includes the operations of the acquired company from the date of acquisition.

RESTRICTED STOCK — An award that gives key employees the right to shares of the company's stock, pursuant to a vesting schedule.

RETAINED EARNINGS — The earnings of the company not paid out as dividends to shareholders.

STATEMENT OF CASH FLOWS — A financial statement that reflects cash flows from operating, investing and financing activities, providing a comprehensive view of changes in the company's cash and cash equivalents.

STATEMENT OF EQUITY — A statement that reflects changes in the company's common stock, retained earnings and other equity accounts.

STATEMENT OF INCOME (LOSS) — A financial statement that reflects the company's profit by measuring revenues and expenses.

STOCK-BASED COMPENSATION — The payment to employees for services received with equity instruments such as stock options and restricted stock.

STOCK OPTION — An award that gives key employees the right to buy shares of the company's stock, pursuant to a vesting schedule, at the market price of the stock on the date of the award.

Exhibit 10-2

GANNETT CO., INC.
Supplemental Executive Medical Plan
Amended and Restated as of January 1, 2011

Effective January 1, 2011, Gannett Co., Inc. (the "Company") hereby amends and restates its Supplemental Executive Medical Plan (the "Plan") as set forth herein.

ELIGIBILITY

This Plan covers each active executive who was a participant in the Supplemental Executive Medical Plan on December 31, 2010. Generally, to be a participant in the Supplemental Executive Medical Plan as of December 31, 2010, the executive had to be an active officer of the Company or an active member of the Company's Management, U.S. Community Publishing or Broadcast Operating Committees as of that date. No employees will be permitted to join the Plan after December 31, 2010. A participant will be eligible with respect to any covered medical expenses incurred by such executive or eligible dependents on or after the date of eligibility under the Plan. An executive's eligible dependents will include parents and parents-in-law if they are legal dependents for Internal Revenue Service purposes, as well as those individuals who would qualify as eligible dependents under the Company's other medical plans. Executives who participate in this Plan will cease to participate in this Plan when they terminate employment or when they cease to be a member of a class of executives that may participate in this Plan.

BENEFITS PROVIDED

Subject to the maximums set forth in the following paragraphs, the benefits payable to any eligible executive in any plan year will be equal to the excess, if any, of (a) over (b) where

(a) is the sum of all covered medical expenses, as hereinafter defined, that have been incurred by such executive during such plan year with respect to himself/herself and eligible dependents; and

(b) is the sum of all amounts payable with respect to such medical expenses under the Company's medical expense plans or under any federal or state plans.

The maximum amount payable to any participant while an active employee of the Company with respect to the total medical expenses incurred for himself/herself and all eligible dependents will not be greater than $750,000 in each plan year (i.e., the calendar year).

COVERED MEDICAL EXPENSES

A medical expense will be considered as a covered medical expense under the Plan if:

(a) it is considered to be an expense of the type for which benefits are provided under the Company's medical expense plans (without regard to the provisions of such plans which might limit the amount of benefits payable with respect to such expense), or

(b) it is considered to be an eligible health care expense which is reimbursable under IRS regulations.

Expenses incurred by an eligible executive with respect to himself/herself or any eligible dependents for the following will be considered as covered medical expenses under this Plan whether or not they are considered to be medical expenses under the Company's medical expense plans. A sample listing of covered medical expenses includes:

(a) Routine and preventive physicals.

(b) X-ray and diagnostic services.

(c) Chiropractic or acupuncture fee if it is prescribed for a specific medical condition.

(d) Nursing services for care of a specific medical ailment.

(e) Nursing home expenses including medical expenses, meals, and lodging in the home if the main reason for being there is to receive medical care.

(f) Dental care, artificial teeth/dentures, orthodontic services, and dental implants as long as they are not for cosmetic purposes.

(g) Optometrist's or ophthalmologist's fees, prescription eyeglasses, contact lenses, and cleaning solutions, PRK keratotomy (laser eye surgery).

(h) Cosmetic surgery or procedures that treat a deformity caused by an accident, trauma, disease, or an abnormality at birth.

(i) Services of psychotherapists, psychiatrists and psychologists.

(j) Expenses associated with the purchase of birth control prescribed by a doctor.

(k) Medically prescribed treatment for drug addiction or alcoholism. Prescription drugs to alleviate nicotine withdrawal in smoking cessation program.

(l) Speech therapy, physical therapy (as treatment for a specific medical condition).

(m) Transportation expenses primarily for, and essential to, medical care.

EXCLUSIONS

No benefits will be payable under the Plan with respect to expenses incurred for the following:

(a) Over-the-counter medications and non-prescription drugs, vitamins, and herbs.

(b) Over-the-counter birth control products or devices.

(c) Tooth bonding that is not medically necessary or teeth bleaching.

(d) Weight loss maintenance programs.

(e) Smoking cessation programs for general well-being, including non-prescription nicotine gum and nicotine patches.

(f) Physical treatments unrelated to specific health problem; e.g., massage for general well-being.

(g) Lens replacement insurance.

(h) Cosmetic surgery or procedures that improve the patient’s appearance but do not promote the proper function of the body or prevent or treat an illness or a disease.

(i) Custodial care.

(j) Confinement in a federal hospital.

COST

The entire cost of this Plan will be borne by the Company.

TERMINATION OF BENEFITS

No benefits will be paid under this Plan for covered medical expenses incurred with respect to an executive or any eligible dependents after the date of the executive’s termination of employment or termination of eligibility as a Company officer or as a member of the Company’s Management, U.S. Community Publishing or Broadcast Operating Committees.

No benefits will be paid under this Plan with respect to medical expenses incurred with respect to a dependent of an executive after such dependent ceases to meet the definition of an eligible dependent under this Plan.

GRANDFATHERED STATUS

The Company believes this Plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that the Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act. Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to Roxanne Horning, Senior Vice President/Human Resources, 7950 Jones Branch Drive, McLean, Virginia 22107. Participants may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform.

The Plan shall be administered and operated with the intent of maintaining its status as a grandfathered plan and any provision in this document or otherwise that conflicts with that intent shall be deemed amended to comport with that intent.

CLAIMS/APPEALS

The following procedures shall apply if a participant (or an authorized representative acting on a participant's behalf) has a question about his/her eligibility to participate in the Plan. These rules do not apply if a participant is claiming the right to be reimbursed for a particular expense under the Plan. If a participant is filing a claim for reimbursement for a particular expense, the participant must do so under the claims procedures established by the insurance company that is responsible for paying for benefits under the Plan. Such procedures may be obtained from the Gannett Corporate Benefits Department upon request at no charge.

Any claim relating to eligibility shall be submitted to the Company's Director of Benefits in writing. The Director of Benefits will generally notify the claimant of his decision within 30 days after he receives the claim. However, if the Director of Benefits determines that special circumstances require an extension of time to decide the claim, the Director of Benefits may obtain an additional 15 days to decide the claim. Before obtaining this extension, the Director of Benefits will notify the claimant, in writing and before the end of the initial 30-day period, of the special circumstances requiring the extension and the date by which the Director of Benefits expects to render a decision.

If the claimant's claim is denied in whole or in part, the Director of Benefits will provide the claimant, within the time period described above, with a written or electronic notice which explains the reason or reasons for the decision, includes specific references to plan provisions upon which the decision is based, provides a description of any additional material or information which might be helpful to decide the claim (including an explanation of why that information may be necessary), describes the appeals procedures and applicable filing deadlines, and describes the claimant's right to file a lawsuit under the Employment Retirement Income Security Act of 1974, as amended ("ERISA") upon an adverse appeals determination.

If a claimant disagrees with the decision reached by the Director of Benefits, the claimant may submit a written appeal requesting a review of the decision to the Company's Benefit Plans Committee (the "Plan Administrator"). The claimant's written appeal must be submitted within 180 days of receiving the initial adverse decision. The claimant's written appeal should clearly state the reason or reasons why the claimant disagrees with the Director of Benefits' decision. The claimant may submit written comments, documents, records and other information relating to the claim even if such information was not submitted in connection with the initial claim for benefits. Additionally, the claimant, upon request and free of charge, may have reasonable access and copies of all Plan documents, records and other information relevant to the claim.

The Plan Administrator will generally decide a claimant's appeal within 60 days. In the case of an adverse decision, the notice will explain the reason or reasons for the decision, include specific references to Plan provisions upon which the decision is based, and indicate that the claimant is entitled to, upon request and free of charge, reasonable access to and copies of documents, records, and other information relevant to the claim. Additionally, the claimant will be notified of his/her right to file a lawsuit under ERISA.

The Plan Administrator has full discretionary authority for deciding all eligibility issues relating to the Plan and all such decisions of the Plan Administrator are binding on all parties. Any claims or questions relating to Plan eligibility must be filed within one year from the date such claim arose. If a participant fails bring an eligibility claim within such time period, the participant shall forfeit his/her right to bring the claim through the claims process or otherwise (e.g., by filing a lawsuit against the Plan). A participant fully must comply with and exhaust the claims and appeals process before commencing any legal action against the Plan, and the participant shall forfeit his/her right to bring a legal action against the Plan if the participant fails to do so. If a participant receives an adverse decision on appeal, the participant must commence any lawsuit against the Plan within one year from the date of the adverse determination on appeal.

GENERAL PROVISION

This Plan will be administered and all Plan benefits will be paid by the Company or the insurance company through which it provides coverage under this Plan. Any and all questions or interpretations concerning the Plan will be resolved by the Company at its sole discretion. The Company reserves the right to change or terminate the Plan at any time and for any reason.

Dated: December 22, 2010

GANNETT CO., INC.

By: /s/ Roxanne V. Horning
Name: Roxanne V. Horning
Title: Senior Vice President/Human Resources

GANNETT CO., INC.
Supplemental Executive Medical Plan for Retired Executives
Effective January 1, 2011

Effective January 1, 2011, Gannett Co., Inc. (the "Company") hereby adopts the Supplemental Executive Medical Plan for Retired Executives (the "Plan") as set forth herein.

ELIGIBILITY

This Plan covers (i) each retired executive who was a participant in the Supplemental Executive Medical Plan on December 31, 2010 and (ii) each executive whose employment terminates after December 31, 2010 and who was a participant in the Supplemental Executive Medical Plan immediately prior to his termination of employment, provided that on the date of such termination the executive had attained at least age 55 and had completed at least five years of service. The Plan also covers eligible dependents of a deceased eligible former executive who died while a participant in the Supplemental Executive Medical Plan or this Plan. Any former executive who becomes eligible after the effective date of the Plan will be eligible with respect to any covered medical expenses incurred by such executive or eligible dependents on or after the date of eligibility under the Plan. A former executive's eligible dependents will include parents and parents-in-law if they are legal dependents for Internal Revenue Service purposes, as well as those individuals who would qualify as eligible dependents under the Company's medical expense plans. Eligibility will continue for the eligible dependents of a deceased eligible former executive.

BENEFITS PROVIDED

Subject to the maximums set forth in the following paragraphs, the benefits payable to any eligible former executive in any plan year (i.e., the calendar year) will be equal to the excess, if any, of (a) over (b) where

(a) is the sum of all covered medical expenses, as hereinafter defined, that have been incurred by such former executive during such plan year with respect to himself/herself and eligible dependents; and

(b) is the sum of all amounts payable with respect to such medical expenses under the Company's medical expense plans or under any federal or state plans.

Notwithstanding the foregoing, the terms of the Plan and benefits provided hereunder are subject to the terms of the medical insurance policy that the Company obtains to provide benefits under the Plan, and the terms of this document are superseded to the extent they are inconsistent with that policy.

The maximum amount payable to any former Management Committee member with respect to the total medical expenses incurred for himself/herself and all eligible dependents will not be greater than $25,000 in each plan year while a retired employee of the Company. The maximum amount payable to the eligible dependents of a deceased Management Committee member will be $12,500 per plan year for life.

The maximum amount payable to any Company officer or U.S. Community Publishing or Broadcast Committee Member (other than a Management Committee member) with respect to the total medical expenses incurred for himself/herself and all eligible dependents will not be greater than $12,000 in each plan year while a retired employee of the Company. The maximum amount payable to the eligible dependents of a deceased former eligible executive described in the previous sentence will be (a) $6,000 per year for three full plan years following the eligible former executive's death if the eligible executive was under age 55 upon date of death, or (b) $6,000 per plan year for life if the eligible former executive was age 55 or over upon date of death.

COVERED MEDICAL EXPENSES

A medical expense will be considered as a covered medical expense under the Plan if:

(a) it is considered to be an expense of the type for which benefits are provided under the Company's medical expense plans (without regard to the provisions of such plans which might limit the amount of benefits payable with respect to such expense), or

(b) it is considered to be an eligible health care expense which is reimbursable under IRS regulations.

Notwithstanding the foregoing, the terms of the Plan and benefits provided hereunder are subject to the terms of the medical insurance policy that the Company obtains to provide benefits under the Plan and the terms of this document are superseded to the extent they are inconsistent with that policy.

Expenses incurred by an eligible executive with respect to himself/herself or any eligible dependents for the following will be considered as covered medical expenses under this Plan whether or not they are considered to be medical expenses under the Company's medical expense plans. A sample listing of covered medical expenses includes:

(a) Routine and preventive physicals.

(b) X-ray and diagnostic services.

(c) Chiropractic or acupuncture fee if it is prescribed for a specific medical condition.

(d) Nursing services for care of a specific medical ailment.

(e) Nursing home expenses including medical expenses, meals, and lodging in the home if the main reason for being there is to receive medical care.

(f) Dental care, artificial teeth/dentures, orthodontic services, and dental implants as long as they are not for cosmetic purposes.

(g) Optometrist's or ophthalmologist's fees, prescription eyeglasses, contact lenses, and cleaning solutions, PRK keratotomy (laser eye surgery).

(h) Cosmetic surgery or procedures that treat a deformity caused by an accident, trauma, disease, or an abnormality at birth.

(i) Services of psychotherapists, psychiatrists and psychologists.

(j) Expenses associated with the purchase of birth control prescribed by a doctor.

(k) Medically prescribed treatment for drug addiction or alcoholism. Prescription drugs to alleviate nicotine withdrawal in smoking cessation program.

(l) Speech therapy, physical therapy (as treatment for a specific medical condition).

(m) Transportation expenses primarily for, and essential to, medical care.

EXCLUSIONS

No benefits will be payable under the Plan with respect to expenses incurred for the following:

(a) Over-the-counter medications and non-prescription drugs, vitamins, and herbs.

(b) Over-the-counter birth control products or devices.

(c) Tooth bonding that is not medically necessary or teeth bleaching.

(d) Weight loss maintenance programs.

(e) Smoking cessation programs for general well-being, including non-prescription nicotine gum and nicotine patches.

(f) Physical treatments unrelated to specific health problem; e.g., massage for general well-being.

(g) Lens replacement insurance.

(h) Cosmetic surgery or procedures that improve the patient's appearance but do not promote the proper function of the body or prevent or treat an illness or a disease.

(i) Custodial care.

(j) Confinement in a federal hospital.

COST

The entire cost of this Plan will be borne by the Company.

TERMINATION OF BENEFITS

No benefits will be paid under this Plan for covered medical expenses incurred with respect to the medical expenses incurred with respect to a dependent of a former executive after such dependent ceases to meet the definition of an eligible dependent under this Plan.

CLAIMS/APPEALS

The following procedures shall apply if a participant (or an authorized representative acting on a participant's behalf) has a question about his/her eligibility to participate in the Plan. These rules do not apply if a participant is claiming the right to be reimbursed for a particular expense under the Plan. If a participant is filing a claim for reimbursement for a particular expense, the participant must do so under the claims procedures established by the insurance company that is responsible for paying for benefits under the Plan. Such procedures may be obtained from the Gannett Corporate Benefits Department upon request at no charge.

Any claim relating to eligibility shall be submitted to the Company's Director of Benefits in writing. The Director of Benefits will generally notify the claimant of his decision within 30 days after he receives the claim. However, if the Director of Benefits determines that special circumstances require an extension of time to decide the claim, the Director of Benefits may obtain an additional 15 days to decide the claim. Before obtaining this extension, the Director of Benefits will notify the claimant, in writing and before the end of the initial 30-day period, of the special circumstances requiring the extension and the date by which the Director of Benefits expects to render a decision.

If the claimant's claim is denied in whole or in part, the Director of Benefits will provide the claimant, within the time period described above, with a written or electronic notice which explains the reason or reasons for the decision, includes specific references to plan provisions upon which the decision is based, provides a description of any additional material or information which might be helpful to decide the claim (including an explanation of why that information may be necessary), describes the appeals procedures and applicable filing deadlines, and describes the claimant's right to file a lawsuit under the Employment Retirement Income Security Act of 1974, as amended ("ERISA") upon an adverse appeals determination.

If a claimant disagrees with the decision reached by the Director of Benefits, the claimant may submit a written appeal requesting a review of the decision to the Company's Benefit Plans Committee (the "Plan Administrator"). The claimant's written appeal must be submitted within 180 days of receiving the initial adverse decision. The claimant's written appeal should clearly state the reason or reasons why the claimant disagrees with the Director of Benefits' decision. The claimant may submit written comments, documents, records and other information relating to the claim even if such information was not submitted in connection with the initial claim for benefits. Additionally, the claimant, upon request and free of charge, may have reasonable access and copies of all Plan documents, records and other information relevant to the claim.

The Plan Administrator will generally decide a claimant's appeal within 60 days. In the case of an adverse decision, the notice will explain the reason or reasons for the decision, include specific references to Plan provisions upon which the decision is based, and indicate that the claimant is entitled to, upon request and free of charge, reasonable access to and copies of documents, records, and other information relevant to the claim. Additionally, the claimant will be notified of his/her right to file a lawsuit under ERISA.

The Plan Administrator has full discretionary authority for deciding all eligibility issues relating to the Plan and all such decisions of the Plan Administrator are binding on all parties. Any claims or questions relating to Plan eligibility must be filed within one year from the date such claim arose. If a participant fails bring an eligibility claim within such time period, the participant shall forfeit his/her right to bring the claim through the claims process or otherwise (e.g., by filing a lawsuit against the Plan). A participant fully must comply with and exhaust the claims and appeals process before commencing any legal action against the Plan, and the participant shall forfeit his/her right to bring a legal action against the Plan if the participant fails to do so. If a participant receives an adverse decision on appeal, the participant must commence any lawsuit against the Plan within one year from the date of the adverse determination on appeal.

GENERAL PROVISION

This Plan shall only cover certain former executives and their eligible dependents. The Plan shall not cover any individuals who are current employees of the Company. Consequently, the Plan shall be excepted from certain requirements under the Employee Retirement Income Security Act of 1974, as amended, (“ERISA”) the Internal Revenue Code of 1986, as amended, (the “Code”) and the Public Health Service Act that apply to group health plans that cover two or more current employees. The Plan shall be administered and operated with the intent of maintaining its status as a plan described in Code Section 9831(a)(2) and ERISA Section 732(a), and any provision in this document or otherwise that conflicts with that intent shall be deemed amended to comport with that intent.

This Plan will be administered and all Plan benefits will be paid by the Company or the insurance company through which it provides coverage under this Plan. Any and all questions or interpretations concerning the Plan will be resolved by the Company at its sole discretion. The Company reserves the right to change or terminate the Plan at any time and for any reason.

Dated: December 22, 2010

GANNETT CO., INC.

By: /s/ Roxanne V. Horning
Name: Roxanne V. Horning
Title: Senior Vice President/Human Resources

Exhibit 10-3-2

GANNETT SUPPLEMENTAL RETIREMENT PLAN

Restatement dated August 7, 2007

Amendment No. 2

Gannett Co., Inc. hereby makes the following clarifying amendment to the Gannett Supplemental Retirement Plan, restatement dated August 7, 2007, (the "Plan"), as follows:

Section 8.5(b) of the Plan is amended by adding the following new sentence to the end thereof:

For purposes of this Plan, any reference to "termination of employment", "retirement" or similar term shall mean a "separation from service" within the meaning of Section 409A.

IN WITNESS WHEREOF, Gannett Co., Inc. has caused this Amendment to be executed by its duly authorized officer as of December 22, 2010.

GANNETT CO., INC.

By: /s/ Roxanne V. Horning
Name: Roxanne V. Horning
Title: Senior Vice President/Human Resources

Exhibit 10-4-5

GANNETT CO., INC.
DEFERRED COMPENSATION PLAN
RULES FOR POST-2004 DEFERRALS

Restated as of January 1, 2005

Amendment No. 4

Gannett Co., Inc. hereby makes the following clarifying amendments to the Gannett Co., Inc. Deferred Compensation Plan Rules for Post-2004 Deferrals, restated as of January 1, 2005 (the “Plan”), as follows:

1. The first sentence of Section 2.9(j) and the first sentence of the second paragraph of Section 5.7 of the Plan is amended by deleting the reference to “or Disability”.

2. Section 3.4 of the Plan is amended by adding the following provisions to the end of such Section:

> Any reference in this Plan to “separation from service”, “retirement”, “cessation of employment”, “termination of employment”, “termination of employment with the Company”, “directorship termination”, “retirement from the Board”, “Director leaves the Board”, “cessation of employment with the Company or any Participating Affiliate” or similar term shall mean a “separation from service” within the meaning of Section 409A.

IN WITNESS WHEREOF, Gannett Co., Inc. has caused this Amendment to be executed by its duly authorized officer as of December 22, 2010.

GANNETT CO., INC.

By: /s/ Roxanne V. Horning
Name: Roxanne V. Horning
Title: Senior Vice President/Human Resources

Exhibit 10-5-2

GANNETT CO., INC.

TRANSITIONAL COMPENSATION PLAN

As amended and restated August 7, 2007

Amendment No. 2

Gannett Co., Inc. hereby makes the following clarifying amendment to the Gannett Co., Inc. Transitional Compensation Plan, as amended and restated August 7, 2007, (the "Plan"), as follows:

1. Section 6(g) of the Plan is amended by adding the following new sentence to the end thereof:

In all instances, the Date of Termination shall mean the date of the Participant's separation from service within the meaning of Section 409A.

2. Section 21 of the Plan is amended by adding the following new sentence to the end thereof:

For purposes of this Plan, any reference to "termination of employment" or similar term shall mean a "separation from service" within the meaning of Section 409A, and all in-kind benefits and reimbursements provided under the Plan shall be paid in accordance with the requirements of Treasury Regulation Section 1.409A-3(i)(iv).

IN WITNESS WHEREOF, Gannett Co., Inc. has caused this Amendment to be executed by its duly authorized officer as of December 22, 2010.

GANNETT CO., INC.

By: /s/ Roxanne V. Horning
Name: Roxanne V. Horning
Title: Senior Vice President/Human Resources

FIFTH AMENDMENT AND WAIVER
TO GANNETT MARCH 2004 CREDIT AGREEMENT

This FIFTH AMENDMENT AND WAIVER, dated as of September 30, 2010 (this "Amendment and Waiver"), to the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004, as amended by the First Amendment thereto, dated as of February 28, 2007 and effective as of March 15, 2007, as further amended by the Second Amendment thereto, dated as of October 23, 2008 and effective as of October 31, 2008, as further amended by the Third Amendment thereto, dated as of September 28, 2009 and as further amended by the Fourth Amendment thereto, dated as of August 25, 2010 (as further amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Gannett Co., Inc., a Delaware corporation ("Gannett"), the several banks and other financial institutions from time to time parties to the Credit Agreement (the "Lenders"), Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A. and Citibank, N.A., as syndication agents, and Barclays Bank PLC and Suntrust Bank, as documentation agents, is made by and between Gannett, Bank of America, N.A., as administrative agent and as an Issuing Lender, J.P. Morgan Chase Bank, N.A., as successor administrative agent (in such capacity, the "Administrative Agent") and as an Issuing Lender, and the Lenders party hereto.

W I T N E S S E T H:

WHEREAS, Gannett has requested certain amendments to the Credit Agreement;

WHEREAS, the parties are willing to consent to the requested amendments on the terms and conditions contained herein;

NOW THEREFORE, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

2. Amendments to Section 1.1. Section 1.1 of the Credit Agreement is hereby amended as follows:

(i) by adding the following new definitions, to appear in proper alphabetical order:

"Consolidated Tangible Assets": for any period, with respect to Gannett and its Domestic Subsidiaries, all property, plant and equipment, inventories and trade receivables of Gannett and its Domestic Subsidiaries on a consolidated basis in accordance with GAAP.

"Designated Pari Passu Indebtedness": New Pari Passu Indebtedness if (a) (i) such New Pari Passu Indebtedness is incurred before the repayment of other Pari Passu Indebtedness, (ii) the Net Cash Proceeds of such New Pari Passu Indebtedness are subsequently used to effect a repayment of the 2011 Notes, 2011 Term Loan Agreement or 2012 Notes (and the principal amount of such New Pari Passu Indebtedness may not exceed the outstanding principal amount of the 2011 Notes, 2011 Term Loan Agreement or 2012 Notes, as applicable, together with estimated accrued interest, fees and expenses payable in connection therewith) and (iii) such Net Cash Proceeds of New Pari Passu Indebtedness incurred before the repayment of the applicable Pari Passu Indebtedness shall be segregated in a separate account and applied to repay the applicable Pari Passu Indebtedness on the day which is no later than 90 days (or such later date as the Administrative Agent may reasonably agree to; provided that in the event such Net Cash Proceeds are not so applied on or prior to such day, the Administrative Agent may apply such Net Cash Proceeds to the repayment of other Pari Passu Indebtedness on such day in such order as it may determine) after the issuance of such New Pari Passu Indebtedness or (b) (i) such New Pari Passu Indebtedness is incurred no later than 120 days after the repayment of Pari Passu Indebtedness, (ii) such repayment is not made with the proceeds of other indebtedness or is initially made with the proceeds of borrowings under the Existing Credit Agreements and (iii) Gannett delivers to the Administrative Agent on or prior to the date of receipt of such Net Cash Proceeds a certificate of a financial officer of Gannett certifying (x) as to the earlier repayment of Pari Passu Indebtedness, (y) that such repayment was not made with the proceeds of other indebtedness or was initially made with the proceeds of borrowings under the Existing Credit Agreements and (z) that the Net Cash Proceeds of such New Pari Passu Indebtedness will be used to repay such borrowings within 10 Business Days after receipt of such Net Cash Proceeds.

"Existing Agreements": the Existing Credit Agreements and the 2011 Term Loan Agreement.

"Existing Credit Agreements": this Agreement, the 2002 Credit Agreement, and the 2005 Credit Agreement.

"Extended Termination Date": September 30, 2014 (or such earlier date on which the Five-Year Commitments terminate in accordance with the provisions hereof).

"Extending Lender": as defined in Section 2.22.

"Extension Agreement": an Extension Agreement, substantially in the form attached to the Fifth Amendment as Exhibit A.

"Extension Effective Date": the date upon which the conditions precedent set forth in the Extension Agreement shall have been satisfied or waived.

"Extension Option": as defined in Section 2.22.

"Fifth Amendment and Waiver": the Fifth Amendment and Waiver to the Agreement, dated as September 30, 2010, among Gannett, the Lenders and the Administrative Agent.

"Fifth Amendment and Waiver Effective Date": the date on which the conditions precedent set forth in Section 20 of the Fifth Amendment shall have been satisfied or waived.

"Joint Lead Arrangers": J.P. Morgan Securities LLC and Citibank N.A.

"Loan Documents": this Agreement, any Application, the Guarantee Agreement, any Extension Agreement, the Master Assignment Agreement and all other written agreements whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to either the Administrative Agent or any Lender in connection with this Agreement or the Facilities contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loan Party": the Borrower and any of its Subsidiaries that are party to a Loan Document.

"Master Assignment Agreement": a Master Assignment Agreement, substantially in the form attached to the Fifth Amendment and Waiver as Exhibit B.

"Net Cash Proceeds": in connection with any incurrence of Indebtedness, the cash proceeds received from such issuance or incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts (including original issue discount, if any) and commissions and other customary fees and expenses actually incurred in connection therewith.

"New Non-Guaranteed Indebtedness": as defined in Section 6.5(b)(i)(E).

"New Pari Passu Indebtedness": as defined in Section 6.5(b)(i)(D).

"Non-Extending Lender": as defined in Section 2.22.

"Pari Passu Commitments": any revolving credit commitments to advance Pari Passu Indebtedness.

"Pari Passu Debt Basket": at the time of incurrence of any New Pari Passu Indebtedness, (a) if the Total Leverage Ratio at such time is less than 1.00 to 1.00, $1,500,000,000 (so long as the pro forma Total Leverage Ratio after giving effect to the incurrence thereof is less than 2.25 to 1.00), (b) if the Total Leverage Ratio at such time is less than 1.50 to 1.00 but greater than or equal to 1.00 to 1.00, $1,000,000,000 (so long as the pro forma Total Leverage Ratio after giving effect to the incurrence thereof is less than 2.25 to 1.00) and (c) $750,000,000 otherwise.

"Pari Passu Indebtedness": any Indebtedness existing under (a) the 2011 Term Loan Agreement, (b) the Five-Year Commitments (including the extensions of credit made thereunder) under any Existing Credit Agreement or (c) 2011 Notes, 2012 Notes, 2014 Notes, 2015 Notes, 2016 Notes and 2017 Notes, and any refinancing, refunding, renewals or extensions of any of the foregoing.

"Permitted Commercial Paper": any commercial paper issued by Gannett to refinance Indebtedness at any time when Gannett has Credit Status 1, Credit Status 2, Credit Status 3 or Credit Status 4.

"Permitted Short Term Debt": any Indebtedness (a) which satisfies the requirements of Section 6.5(b)(i)(D) with respect to New Pari Passu Indebtedness (other than clause (1) of the proviso thereto) and the Net Cash Proceeds of which are to be applied as provided in Section 2.6A or (b) which satisfies the requirements of Section 6.5(c) with respect to New Non-Guaranteed Indebtedness (other than clause (i) of the proviso thereto), so long as (x) the aggregate principal amount of all Indebtedness under the foregoing clauses (a) and (b) incurred after the Extension Effective Date does not exceed $500,000,000 at any time outstanding under all of the Existing Credit Agreements. Permitted Short Term Debt shall be subject to the requirements of Section 6.5(d).

"Replacement Lender": as defined in Section 2.22.

"2002 Credit Agreement": the Amended and Restated Competitive Advance and Revolving Credit Agreement, dated as of March 11, 2002 and effective as of March 18, 2002 (as further amended, supplemented or otherwise modified from time to time), among Gannett, the lenders thereto, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A. and Citibank, N.A., as syndication agents, and Barclays Bank PLC, as documentation agent.

"2005 Credit Agreement": the Competitive Advance and Revolving Credit Agreement, dated as of December 13, 2004 and effective as of January 5, 2005 (as further amended, supplemented or otherwise modified from time to time), among Gannett, the lenders thereto, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A. and Citibank, N.A., as syndication agents, and Barclays Bank PLC, as documentation agent.

"2011 Notes": Gannett's 5.75% Notes due June 2011.

"2011 Term Loan Agreement": the Term Loan Agreement dated as of June 27, 2008 and effective as of July 14, 2008 among Gannett, the several lenders from time to time parties thereto and BNP Paribas as administrative agent (as further amended, supplemented or otherwise modified from time to time).

"2012 Notes": Gannett's 6.375% Notes due April 2012.

"2014 Notes": Gannett's 8.75% Notes due November 2014.

"2015 Notes": Gannett's 10% Notes due June 2015.

"2016 Notes": Gannett's 10% Notes due April 2016.

"2017 Notes": Gannett's 9.375% Notes due November 2017.

(ii) by adding the following proviso at the end of the definition of "Applicable Margin":

"provided, however, that on and after the earlier of (a) the date upon which there are no longer any Non-Extending Lenders under this Agreement or (b) the Five-Year Termination Date, "Applicable Margin" shall mean the appropriate rate per annum set forth in the table below opposite the applicable Total Leverage Ratio:

	Applicable Margin for:	
Total Leverage Ratio	ABR Loans	Eurodollar Loans
> 3.00 to 1.00	225.00 Basis Points	325.00 Basis Points
≤ 3.00 to 1.00 and > 2.50 to 1.00	200.00 Basis Points	300.00 Basis Points
≤ 2.50 to 1.00 and > 1.75 to 1.00	175.00 Basis Points	275.00 Basis Points
≤ 1.75 to 1.00 and > 1.00 to 1.00	125.00 Basis Points	225.00 Basis Points
≤ 1.00 to 1.00	100.00 Basis Points	200.00 Basis Points

(iii) by deleting the definition of "Commitment Utilization Percentage" in its entirety.

(iv) by deleting the definition of "Excess Utilization Day" in its entirety.

(v) by deleting clause (b) of the definition of "Fee Payment Date" in its entirety and inserting in lieu thereof the following:

(b) the Five-Year Termination Date and/or the Extended Termination Date, as applicable.

(vi) by deleting the definition of "Five-Year Commitment Period" in its entirety and inserting in lieu thereof the following:

"Five-Year Commitment Period": the period from and including the First Amendment and Waiver Effective Date to the Five-Year Termination Date, as the same may be extended to the Extended Termination Date pursuant to Section 2.22.

(vii) by deleting the definition of "Incremental Facility Maturity Date" in its entirety and inserting in lieu thereof the following:

"Incremental Facility Maturity Date": with respect to the Incremental Loans, the maturity date specified in the applicable Incremental Facility Activation Notice, which date shall be a date that is at least 91 days after the Extended Termination Date.

(vii) by deleting clause (y) of the definition of "Interest Payment Date" in its entirety and inserting in lieu thereof the following:

"the applicable Termination Date with respect to a Revolving Loan shall be deemed to be an "Interest Payment Date" with respect to any interest which is then accrued hereunder."

(viii) by deleting the definition of "Issuing Lender" in its entirety and inserting in lieu thereof the following:

"Issuing Lender": Bank of America, N.A., JP Morgan Chase Bank, N.A. and any other Five-Year Lender selected by Gannett and approved by the Administrative Agent (not to be unreasonably withheld, delayed or conditioned) that has agreed in its sole discretion to act as an "Issuing Lender" hereunder, or any of their respective affiliates, in each case in its capacity as issuer of any Letter of Credit. Each reference herein to "the Issuing Lender" shall be deemed to be a reference to the relevant Issuing Lender.

(ix) by deleting the definition of "L/C Commitment" in its entirety and inserting in lieu thereof the following:

"L/C Commitment": $34,000,000.

(ix) by deleting the definition of "Termination Date" in its entirety and inserting in lieu thereof the following:

"Termination Date": the Five-Year Termination Date, the 364-Day Termination Date and/or the Extended Termination Date, as applicable.

3. Amendment to Section 2.1.

(i) Section 2.1 of the Credit Agreement is hereby amended by deleting the phrase "Five-Year Termination Date" from paragraph (c) thereof and replacing that phrase with the phrase "applicable Termination Date".

(iii) Section 2.1 of the Credit Agreement is hereby amended by deleting paragraph (d) thereof in its entirety and inserting in lieu thereof the following new paragraph (d):

"(d) Gannett (upon receipt of requisite authorization from its Board of Directors) and any one or more Lenders (including New Lenders) may from time to time agree that such Lenders shall (x) make available to Gannett an additional credit facility (the "Incremental Facility" and any loans thereunder, the "Incremental Loans"), which credit facility shall take the form of a revolving credit facility which matures at least 91 days after the Extended Termination Date and/or (y) increase the amount of their Five-Year Commitment, or (in the case of a New Lender) make available a Five-Year Commitment which matures on the Extended Termination Date, in either such case by executing and delivering to the Administrative Agent an Incremental Facility Activation Notice specifying (i) the aggregate principal amount of such increase and the Facility or Facilities involved, (ii) the Incremental Facility Closing Date and (iii) in the case of an Incremental Facility, the applicable Incremental Facility Maturity Date. Notwithstanding the foregoing, (I) the sum of the aggregate principal amount of Incremental Facility Commitments under any Existing Credit Agreement and any increase in the Five-Year Commitments under any Existing Credit Agreement after the Fifth Amendment and Waiver Effective Date shall not exceed $250,000,000 in the aggregate under the Existing Credit Agreements, (II) no increase pursuant to this paragraph may be obtained after the occurrence and during the continuation of a Default or Event of Default or if a Default or Event of Default would result therefrom, (III) any increase effected pursuant to this paragraph shall be in a minimum amount of at least $10,000,000 and (IV) any Incremental Facility and/or increase in Five-Year Commitments shall be effected pursuant to documentation and procedures reasonably acceptable to the Administrative Agent (including, if applicable, procedures to ensure that outstandings are held ratably by the applicable Lenders). No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion."

4. Amendment to Section 2.4. Section 2.4 of the Credit Agreement is hereby amended by deleting the existing third sentence thereof in its entirety and inserting in lieu thereof the following new sentence:

"Any such reduction pursuant to this Section 2.4 shall be in an amount equal to $10,000,000 or a multiple of $1,000 in excess thereof (other than in connection with the Fifth Amendment and Waiver, in which case such incremental reductions may be in multiples of less than $1,000) and shall reduce permanently the Five-Year Commitments then in effect, and the fees payable pursuant to Section 2.10 shall then reflect the reduced Five-Year Commitments."

5. Amendment to Section 2.6. (i) Section 2.6 of the Credit Agreement is hereby amended by deleting the phrase "Five-Year Termination Date" from clause (iii) of paragraph (a) thereof and replacing that phrase with the phrase "applicable Termination Date".

(ii) Section 2.6 of the Credit Agreement is hereby amended by deleting the phrase "364-Day Termination Date or the Five-Year Termination Date, as applicable" from clause (ii) of paragraph (b) thereof and replacing that phrase with the phrase "applicable Termination Date".

6. Amendment to Article II. Article II of the Credit Agreement is hereby amended by adding the following new Section 2.6A immediately before Section 2.6.

"2.6A Mandatory Prepayments and Commitment Reductions. (a) If any New Pari Passu Indebtedness shall be issued or incurred in accordance with Section 6.5(b)(i)(A) or 6.5(b)(i)(D), in each case issued or incurred after the Extension Effective Date and in an aggregate amount at any one time outstanding in excess of the Pari Passu Debt Basket, then Gannett shall, within 10 Business Days after the receipt of the Net Cash Proceeds of such New Pari Passu Indebtedness, permanently reduce Pari Passu Commitments (and make any related required prepayments of Pari Passu Indebtedness) and/or permanently repay, prepay or refinance any Pari Passu Indebtedness (other than Pari Passu Indebtedness covered by Pari Passu Commitments) in an aggregate amount equal to 100% of the Net Cash Proceeds of such New Pari Passu Indebtedness in excess of Pari Passu Debt Basket; provided that (i) the Net Cash Proceeds of Designated Pari Passu Indebtedness shall not be required to be so applied (except as otherwise provided in the definition of Designated Pari Passu Indebtedness) and (ii) in the case of any New Pari Passu Indebtedness covered by Pari Passu Commitments, (x) Gannett shall cause any such New Pari Passu Indebtedness to be fully drawn on the date first available for drawing (or shall otherwise make the prepayments and/or reductions required by this Section 2.6A on such date as if such New Pari Passu Indebtedness were fully drawn on such date) and (y) upon completion of the drawing, prepayment and/or reductions contemplated by Section 2.6A(ii)(x), Gannett shall have no further obligations under this Section 2.6A with respect to the Net Cash Proceeds of such New Pari Passu Indebtedness covered by Pari Passu Commitments.

(b) To the extent that Gannett elects to prepay Loans and/or reduce Five-Year Commitments (or Incremental Facility Commitments, if applicable) under this Agreement in order to comply with the requirements of Section 2.6(A)(a), such amounts will be applied first to reduce permanently the Five-Year Commitments; provided that so long as no Default or Event of Default shall have occurred and be continuing, such amounts will not be applied to reduce permanently the Five-Year Commitments below the amount of any outstanding Letters of Credit. Any such reduction of the Five-Year Commitments shall be accompanied by prepayment of the Five-Year Loans, to the extent, if any, that the Total Extensions of Credit exceed the amount of the Total Commitments as so reduced. The application of any prepayment pursuant to Section 2.6A shall be made, first, to ABR Loans and second, to Eurodollar Loans. Each prepayment of the Loans under Section 2.6A (except in the case of Five-Year Loans that are ABR Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

(c) If, on any Termination Date, the aggregate outstanding Five-Year Extensions of Credit exceed the Five-Year Commitments, then the Borrower shall prepay Loans (or, to the extent after giving effect to any such prepayment, any such excess remains, cash collateralize Letters of Credit in a manner consistent with the requirements in Section 7), to eliminate such excess and, in the event that the Borrower fails to comply with the preceding requirements, the Five-Year Commitments shall automatically terminate on such Termination Date."

7. Amendment to Section 2.8. Section 2.8 of the Credit Agreement is hereby amended by deleting existing paragraph (a) in its entirety and inserting in lieu thereof the following new paragraph (a):

"(a) Gannett hereby unconditionally promises to pay (i) to each 364-Day Lender on the 364-Day Termination Date (or such earlier date as the 364-Day Loans become due and payable pursuant to Article 7 or Section 2.5), the unpaid principal amount of each 364-Day Loan made by such 364-Day Lender, (ii) to each Five-Year Lender or Extending Lender on the Five-Year Termination Date or Extended Termination Date, as applicable (or such earlier date as the Five-Year Loans become due and payable pursuant to Article 7 or Section 2.5), the unpaid principal amount of each Five-Year Loan made by such Five-Year Lender, and (iii) to each applicable Lender on the last day of the applicable Interest Period, the unpaid principal amount of each Competitive Loan made by any such Lender. Gannett hereby further agrees to pay interest in immediately available funds at the office of the Administrative Agent on the unpaid principal amount of the Loans from time to time from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.9."

8. Amendment to Section 2.10. Section 2.10 of the Credit Agreement is hereby amended by inserting the following sentence at the end of paragraph (b) thereof:

"Notwithstanding the foregoing, on and after the earlier of (a) the date upon which there are no longer any Non-Extending Lenders under this Agreement or (b) the Five-Year Termination Date, Gannett shall no longer pay the Five-Year Facility Fee and shall only pay to the Administrative Agent, for the ratable account of the Extending Lenders, a fee at the rate per annum equal to 0.5000% of the aggregate undrawn Five-Year Commitments on such day."

9. Amendment to Section 2.11. Section 2.11 of the Credit Agreement is hereby amended by deleting the parenthetical "(other than the Utilization Fees, which shall be calculated as provided in Section 2.10(c))" in its entirety.

10. Amendment to Section 2.18.

(i) Section 2.18(a) of the Credit Agreement is hereby amended by deleting the word "or" before clause (c) and inserting a comma thereof and adding the following new clause (d) at the end of clause (c) immediately before the proviso:

"or (d) after the Extension Effective Date and on or before the Extended Termination Date, with the consent of the Administrative Agent (such consent, in each case, shall not be unreasonably withheld, conditioned or delayed), is a Non-Extending Lender, in whole or in part (but if in part, in an aggregate principal amount of not less than $5,000,000 (other than in the case of the replacement of all of a Non-Extending Lender's interest under this Agreement)), provided that the Five-Year Commitment of such Non-Extending Lender is replaced by increases in the outstanding Five-Year Commitments of one or more Extending Lenders or Five-Year Commitments of one or more other lenders or financial institutions or other entities that will become "Lenders" under this Agreement (each, a "Replacement Lender") so long as (i) the maturity of any such replacement commitments shall not be earlier than the Extended Termination Date, (ii) the terms applicable to any such commitments are identical to those applicable to the Five-Year Commitments and (iii) the interest, fees or other compensation payable in respect of such commitments (in addition to additional interest and fees payable under this Agreement) shall not exceed the Extension Fees (as defined in the Extension Agreement)."

(ii) Section 2.18(a) of the Credit Agreement is hereby amended by inserting the word “further” immediately after the second instance of the word “provided” and adding the following new sentence at the end thereof:

“In addition, each Replacement Lender shall have entered into an Assignment and Assumption or other documentation reasonably satisfactory to Gannett and the Administrative Agent pursuant to which such Replacement Lender shall assume all or part of the outstanding Five-Year Commitment of such Non-Extending Lender. For the avoidance of doubt, after the Extension Effective Date and on or before the Extended Termination Date, any Non-Extending Lender that has not been replaced may, with the consent of Gannett, extend all, or a portion of, its Five-Year Commitment (but if electing to extend only a portion of its Five-Year Commitment, in an aggregate amount not less than $5,000,000), converting such Lender (as to the portion so extended) through the Extended Termination Date by executing and delivering to Gannett and the Administrative Agent an Extension Agreement and the Master Assignment Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the extended Five-Year Commitments of such Lender, as applicable.”

11. Amendment to Section 2.20. (a) Section 2.20 of the Credit Agreement is hereby amended by inserting the new clause (iii) at the end of clause (a) as follows:

(iii) Subject to the provisions of Section 2.6A(c), on the Five-Year Termination Date (and without any further action), and to the extent that the Five-Year Commitments shall not have terminated at or prior to such time, the interests in the Issuing Lender’s obligations and rights under and in respect of each outstanding Letter of Credit shall be reallocated so that each Extending Lender shall be an L/C Participant with respect to an undivided interest equal to such Extending Lender’s Five-Year Commitment Percentage as of such date in the Issuing Lender’s obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by the Issuing Lender thereunder, and the Non-Extending Lenders shall be released as L/C Participants in respect of such outstanding Letters of Credit.

12. Amendment to Article II. Article II of the Credit Agreement is hereby amended by adding the following new Section 2.22 at the end thereof as follows:

“Section 2.22 Extending Lenders. (a) On the Extension Effective Date, at the request of Gannett, individual Lenders may, pursuant to the Extension Agreement extend the maturity date of such Lender’s Five-Year Commitments (including any L/C Commitments) from the Five-Year Termination Date to the Extended Termination Date (each, an “Extending Lender”, and each such Lender that does not elect to so extend, a “Non-Extending Lender”), on the same terms and conditions as the existing Five-Year Facility (the “Extension Option”), except as set forth in the Extension Agreement. Each such Extending Lender shall execute and deliver to Gannett and the Administrative Agent an Extension Agreement and the Master Assignment Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the extended Five-Year Commitments of such Extending Lender. Each such Extending Lender shall be subject to the conditions set forth in paragraph (b) below.

(b) Notwithstanding anything to the contrary in the Extension Agreement, the Extension Option is subject to the following conditions in addition to any conditions set forth in the Extension Agreement: (a) Extension Agreements shall have been fully executed and delivered by all applicable parties, pursuant to which the maturity of Five-Year Commitments in an aggregate amount of at least $1,000,000,000 (or such lesser or greater amount as is approved by Gannett and the Joint Lead Arrangers prior to the Extension Effective Date) under this Agreement shall be extended to the Extended Termination Date; (b) the Extending Lenders shall have executed and delivered a Master Assignment Agreement pursuant to which Extending Lenders shall be assigned Commitments such that each Extending Lender shall hold its allocated Commitments after giving effect thereto; (c) Gannett shall have delivered notice of the reduction of Five-Year Commitments pursuant to Section 2.4 such that the aggregate commitments of the Lenders under this Agreement after such reductions is approximately $624,006,875.28; (d)(i) the representations and warranties contained in the this Agreement shall be true and correct in all material respects on and as of such date, (ii) since December 27, 2009, there has been no Material change in the business or financial condition of Gannett and its Subsidiaries taken as a whole that has not been publicly disclosed, and (iii) no Default or Event of Default shall have occurred and be continuing; (e) the Administrative Agent shall have received closing documents, including legal opinions, documents, certificates and other instruments, as are customary for the transactions described in this Section 2.22 and the Extension Agreement, or as such Administrative Agent may reasonably request; (f) the representations and warranties, covenants and events of default applicable to such Extension Option shall be the same as those set forth in this Agreement and (g) all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent, including the reasonable fees and disbursements of counsel, shall have been paid or reimbursed."

13. Amendments to Article V. Article V of the Credit Agreement is hereby amended by adding the following new Section 5.10 after Section 5.9 as follows:

"Section 5.10 Restrictive Agreements. Gannett shall provide to the Administrative Agent, no later than 5 Business Days after the execution thereof, any agreements with respect to New Pari Passu Indebtedness, New Non-Guaranteed Indebtedness or Permitted Short Term Debt executed on or after the Extension Effective Date that contain (i) any financial covenants which are more restrictive than the financial covenants contained in this Agreement, (ii) in the case of senior credit facilities, any representations and warranties more restrictive than those set forth in this Agreement, (iii) in the case of senior credit facilities, any other covenants (except pricing and redemption premiums) or events of default which are more restrictive than the covenants and events of default set forth in this Agreement or (iv) in the case of notes, debt securities or similar instruments, any other covenants (except pricing and redemption premiums) or events of default which are more restrictive than the covenants and events of default applicable to the 2017 Notes, whether or not the 2017 Notes are outstanding."

14. Amendment to Section 6.1. Section 6.1 of the Credit Agreement is hereby amended by deleting existing paragraph (f) in its entirety and inserting in lieu thereof the following new paragraph (f) as follows:

"(f) cash collateralization established pursuant to Section 2.21 of any of the Existing Credit Agreements."

15. Amendments to Section 6.5.

(i) Section 6.5(b)(i) of the Credit Agreement is hereby amended by deleting the word "and" and inserting a comma immediately before clause (C) thereof and adding the following new clauses (D) and (E) immediately before the word "or" at the end of paragraph (i) thereof:

"(D) after the Extension Effective Date, subject to Section 2.6A, unsecured Indebtedness of one or more Guarantors resulting from Guarantees of Indebtedness of Gannett incurred after the Fifth Amendment and Waiver Effective Date in accordance with this Section 6.5(b)(i)(D) ("New Pari Passu Indebtedness"); provided that no Default or Event of Default has occurred and is continuing or would result from the incurrence of such New Pari Passu Indebtedness and the following conditions are satisfied: (1) the maturity and weighted average life of any such New Pari Passu Indebtedness must be at least 91 days later than the Extended Termination Date at the time such New Pari Passu Indebtedness is incurred (other than Permitted Short Term Debt); (2) the mandatory prepayment provisions applicable to any senior credit facilities constituting New Pari Passu Indebtedness shall be no more restrictive than the mandatory prepayment provisions set forth in Section 2.6A, and the redemption and mandatory prepayment provisions applicable to any notes, debt securities or similar instruments constituting New Pari Passu Indebtedness shall be no more restrictive than the redemption and mandatory prepayment provisions applicable to the 2017 Notes whether or not the 2017 Notes are outstanding; and (3) such New Pari Passu Indebtedness shall not be secured by any Liens, except as permitted by Section 6.1 of this Agreement, or guaranteed by entities other than Guarantors, except as permitted by Section 6.5(b)(ii) of this Agreement, and (E) Indebtedness outstanding from time to time under the Existing Agreements as in effect on the Extension Effective Date;"

(ii) Section 6.5 of the Credit Agreement is hereby amended by deleting the word "and" at the end of Section 6.5(a), deleting the period at the end of 6.5(b)(ii), inserting "; and" at the end of Section 6.5(b)(ii) and adding new paragraphs (c) and (d) immediately before the last paragraph in Section 6.5 as follows:

"(c) After the Extension Effective Date, permit Gannett to incur unsecured, non-guaranteed indebtedness for borrowed money (other than Pari Passu Indebtedness and Permitted Commercial Paper) ("New Non-Guaranteed Indebtedness") unless no Default or Event of Default has occurred and is continuing or would result from the incurrence of such New Non-Guaranteed Indebtedness and the following conditions are satisfied: (i) the maturity and weighted average life of any such New Non-Guaranteed Indebtedness must be at least 91 days later than the Extended Termination Date at the time such New Non-Guaranteed Indebtedness is incurred (other than Permitted Short Term Debt); (ii) the mandatory prepayment provisions applicable to any senior credit facilities constituting New Non-Guaranteed Indebtedness shall be no more restrictive than the mandatory prepayment provisions set forth in Section 2.6A (it being understood that no mandatory prepayment of Pari Passu Indebtedness or reduction of commitments hereunder shall be required with the proceeds of New Non-Guaranteed Indebtedness), and the redemption and mandatory prepayment provisions applicable to any notes, debt securities or similar instruments constituting New Non-Guaranteed Indebtedness shall be no more restrictive than the redemption and mandatory prepayment provisions applicable to the 2017 Notes whether or not the 2017 Notes are outstanding; and (iii) such New Non-Guaranteed Indebtedness shall only be permitted to be incurred by Gannett and shall not be secured by any Liens, except as permitted by Section 6.1 of this Agreement, or guaranteed by any other entity, except as permitted by Section 6.5(b)(ii) of this Agreement;

(d) To the extent that any New Pari Passu Indebtedness (including as a result of any amendment thereto), New Non-Guaranteed Indebtedness (including as a result of any amendment thereto) or Permitted Short Term Debt incurred after the Extension Effective Date (i) includes any financial covenants which are more restrictive than the financial covenants contained in this Agreement, (ii) in the case of any senior credit facilities constituting New Pari Passu Indebtedness, New Non-Guaranteed Indebtedness or Permitted Short Term Debt, includes any representations and warranties more restrictive than those set forth in this Agreement, (iii) includes any other covenants (except pricing and redemption premiums) or events of default applicable to any senior credit facilities which are more restrictive than the covenants and events of default set forth in this Agreement or (iv) includes any other covenants (except pricing and redemption premiums) or events of default applicable to any notes, debt securities or similar instruments which are more restrictive than the covenants and events of default applicable to the 2017 Notes, whether or not the 2017 Notes are outstanding, then, in any of the circumstances described in clauses (i) through (iv) above, Gannett agrees, at the request of the Administrative Agent or Required Lenders hereunder, to promptly amend this Agreement to incorporate such more restrictive provisions (in any event within 10 Business Days after receipt of such request).

16. Amendment to Article VI. Article VI of the Credit Agreement is hereby amended by adding the following new Section 6.6 at the end thereof as follows:

"Section 6.6. Transfer of Assets. (a) After the Extension Effective Date, no Guarantor shall be permitted to transfer any assets to Gannett, except for (i) such transfers as are necessary to accomplish reasonably substantial tax savings (provided that prior to or concurrently with the effectiveness of such transfers, Gannett shall have furnished to the Administrative Agent a certificate of an appropriate financial officer of Gannett certifying that such transfers are reasonably necessary to achieve reasonably substantial tax savings), (ii) transfers of assets made in the ordinary course of business, (iii) transfers by operation of law or that are reasonably necessary in order to comply with changes in any Requirement of Law, and (iv) transfers as a result of a corporate restructuring of Gannett and its consolidated subsidiaries, where no Default or Event of Default would result from such restructuring and Gannett remains in compliance with Section 6.6(b) after giving effect to such restructuring. For the avoidance of doubt, Gannett and the Lenders agree that aggregate annual tax savings in excess of $1,000,000 shall constitute "reasonably substantial tax savings" for the purposes of this Section 6.6.

(b) After the Extension Effective Date, Gannett shall not own greater than 30% (the "CTA Percentage") of the Consolidated Tangible Assets of Gannett and its Domestic Subsidiaries; provided, however, that upon the occurrence of (i) any Material Disposition by Gannett or a Domestic Subsidiary, (ii) any unusual or extraordinary impairment charges or acceleration of depreciation by Gannett or any Domestic Subsidiaries in excess of $50,000,000 in the aggregate in any Test Period, or (iii) any asset transfers from Gannett or to Gannett (as permitted by Section 6.6(a)(i) or Section 6.6(a)(iii)) (each, a "CTA Adjustment Event"), in each case where no Default or Event of Default would otherwise result from such CTA Adjustment Event, the CTA Percentage shall increase or decrease, as applicable, by multiplying the then current CTA Percentage by a fraction, the numerator of which shall be the Consolidated Tangible Assets of Gannett and its Domestic Subsidiaries as of the end of the prior period, and the denominator of which shall be the Consolidated Tangible Assets of Gannett and its Domestic Subsidiaries on a pro forma basis, giving effect to such CTA Adjustment Event, as of the end of such prior period; provided further, that the CTA Percentage shall not be decreased to below 30% in accordance with this proviso."

17. Amendment to Section 9.1. Section 9.1 of the Credit Agreement is hereby amended by adding a new paragraph at the end thereof as follows:

"Notwithstanding anything to the contrary contained in this Section 9.1, the defined term "Extended Termination Date" may be amended to a date beyond September 30, 2014 with the consent of (i) each Extending Lender willing to extend its Five-Year Commitments to such later date, (ii) the Administrative Agent and (iii) the Issuing Lender.

18. Amendment to Section 9.2. Section 9.2 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Section 9.2. Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Gannett, the Administrative Agent or the Issuing Lender, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Gannett:	7950 Jones Branch Drive McLean, VA 22107 Attention: Vice President & Treasurer Telecopy: 703-854-2047 Telephone: 703-854-6248
The Administrative Agent:	JPMorgan Chase Bank, N.A. Loan and Agency Services 1111 Fannin Street, Floor 10 Houston, TX 77002-6925 Attention: Sheila G. King Telecopy: 713-750-2358 Telephone: 713-750-2242

The Issuing Lender:	Bank of America, N.A. Bank of America Plaza 901 Main Street Dallas, TX 75202-3714 Attention: Antonikia (Toni) L. Thomas Telecopy: 877-206-8432 Telephone: 214-209-1569 With a copy to: Bank of America, Media & Telecom Group 100 Federal Street Boston, MA 02110 Attention: Peter van der Horst Telecopy: 980-233-7788 Telephone: 617-434-0164
The Issuing Lender:	JPMorgan Chase Bank, N.A. Global Trade Services — LC Department 10420 Highland Manor Drive, 4th Floor Tampa, FL, 33610-9128 Attention: James Alonzo Telecopy: 813-432-5161 Telephone: 813-432-6339

provided that any notice, request or demand to or upon the Administrative Agent, the Issuing Lender or the Lenders shall not be effective until received."

19. Appointment of Successor Administrative Agent and Waiver of Notice. Effective as of the Fifth Amendment and Waiver Effective Date, Bank of America, N.A. hereby resigns as Administrative Agent under the Existing Credit Agreements and Gannett appoints JPMorgan Chase Bank. N.A. as successor administrative agent. In connection with the foregoing, the Required Lenders hereby (i) approve of the appointment, by Gannett, of JPMorgan Chase Bank, N.A., as successor to Bank of America, N.A., as Administrative Agent and (ii) waive, along with Gannett, any notice of such resignation as may be required pursuant to Section 8.9 of the Credit Agreement.

20. Effectiveness. This Amendment and Waiver shall become effective as of the date (the "Fifth Amendment and Waiver Effective Date") on which the Administrative Agent shall have received (i) counterparts hereof duly executed by Gannett and the Administrative Agent and (ii) an executed consent letter from Lenders constituting Required Lenders authorizing the Administrative Agent to enter into this Amendment and Waiver.

21. Representations and Warranties. Gannett hereby represents and warrants that, on and as of the Fifth Amendment and Waiver Effective Date, after giving effect to this Amendment and Waiver:

(a) No Default or Event of Default has occurred and is continuing; and

(b) Each of the representations and warranties of Gannett in the Credit Agreement and this Amendment and Waiver is true and correct in all material respects, as if made on and as of the date hereof; and since December 27, 2009 there has been no Material change in the business or financial condition of Gannett and its Subsidiaries taken as a whole that has not been publicly disclosed.

22. Continuing Effect. Except as expressly amended hereby, the Credit Agreement shall continue to be and shall remain in full force and effect in accordance with its terms. From and after the date hereof, all references in the Credit Agreement thereto shall be to the Credit Agreement as amended hereby.

23. Counterparts. This Amendment and Waiver may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment and Waiver by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

24. Headings. Section headings used in this Amendment and Waiver are for convenience of reference only, are not part of this Amendment and Waiver and are not to affect the constructions of, or to be taken into consideration in interpreting, this Amendment and Waiver.

25. GOVERNING LAW. THIS AMENDMENT AND WAIVER AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT AND WAIVER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

26. Expenses. Gannett agrees to pay or reimburse each of the Administrative Agent and J.P. Morgan Securities LLC as a Joint Lead Arranger for all of their respective reasonable out-of-pocket costs and expenses incurred in connection with the preparation, negotiation and execution of this Amendment and Waiver, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent and counsel to J.P. Morgan Securities LLC as a Joint Lead Arranger.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment and Waiver to be executed and delivered by their duly authorized officers as of the date first written above.

GANNETT CO., INC.

By: /s/ Michael A. Hart
Name: Michael A. Hart
Title: Vice President & Treasurer

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Antonikia (Toni) Thomas
Name: Antonikia (Toni) Thomas
Title: Assistant Vice President

BANK OF AMERICA, N.A., as Issuing Lender

By: /s/ Peter van der Horst
Name: Peter van der Horst
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., as Issuing Lender

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

JPMORGAN CHASE BANK, N.A., as successor Administrative Agent

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

JPMORGAN CHASE BANK, N.A.., as Syndication Agent

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

CITIBANK, N.A.., as Syndication Agent

By: /s/ Elizabeth Minnella Gonzalez
Name: Elizabeth Minnella Gonzalez
Title:

BARCLAYS BANK PLC., as Documentation Agent

By: /s/ Noam Azachi
Name: Noam Azachi
Title: Assistant Vice President

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

BARCLAYS BANK PLC
(Lender)

By: /s/ Noam Azachi
Name: Noam Azachi
Title: Assistant Vice President

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

COMERICA BANK
(Lender)

By: /s/ Blake Arnett
Name: Blake Arnett
Title: Vice President

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

FIRST HAWAIIAN BANK
(Lender)

By: /s/ Dawn Hofmann
Name: Dawn Hofmann
Title: Vice President

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

JPMORGAN CHASE BANK
(Lender)

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

MIZUHO CORPORATE BANK, LTD.
(Lender)

By: /s/ Bertram Tang
Name: Bertram Tang
Title: Authorized Signatory

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

SUMITOMO MITSUI BANKING CORPORATION
(Lender)

By: /s/ Yoshibiro Hyakutome
Name: Yoshibiro Hyakutome
Title: General Manager

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

SUNTRUST BANK
(Lender)

By: /s/ Michael Vegh
Name: Michael Vegh
Title: Director

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.
(Lender)

By: /s/ George Stoecklein
Name: George Stoecklein
Title: Authorized Signatory

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

BANK OF TOKYO-MITSUBISHI UFJ TRUST COMPANY
(Lender)

By: /s/ George Stoecklein
Name: George Stoecklein
Title: Vice President

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

CITIBANK, N.A.
(Lender)

By: /s/ Elizabeth Minnella Gonzalez
Name: Elizabeth Minnella Gonzalez
Title: Director and Vice President

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

FIFTH THIRD BANK
(Lender)

By: /s/ Randolph J. Stierer
Name: Randolph J. Stierer
Title: Vice President

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

THE NORTHERN TRUST
(Lender)

By: /s/ Michael Kingsley
Name: Michael Kingsley
Title: Senior Vice President

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

US BANK, NATIONAL ASSOCIATION
(Lender)

By: /s/ Steven L. Sawyer
Name: Steven L. Sawyer
Title: Vice President

[Signature Page to Fifth Amendment — Gannett March 2004 Credit Agreement]

Exhibit A

Form of Extension Agreement

[Attached.]

Exhibit B

Form of Master Assignment Agreement

[Attached.]

FIFTH AMENDMENT AND WAIVER
TO GANNETT JANUARY 2005 CREDIT AGREEMENT

This FIFTH AMENDMENT AND WAIVER, dated as of September 30, 2010 (this "Amendment and Waiver"), to the Competitive Advance and Revolving Credit Agreement, dated as of December 13, 2004 and effective as of January 5, 2005, as amended by the First Amendment thereto, dated as of February 28, 2007 and effective as of March 15, 2007, as further amended by the Second Amendment thereto, dated as of October 23, 2008 and effective as of October 31, 2008, as further amended by the Third Amendment thereto, dated as of September 28, 2009 and as further amended by the Fourth Amendment thereto, dated as of August 25, 2010 (as further amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Gannett Co., Inc., a Delaware corporation ("Gannett"), the several banks and other financial institutions from time to time parties to the Credit Agreement (the "Lenders"), Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A. and Citibank, N.A., as syndication agents, and Barclays Bank PLC, as documentation agent, is made by and between Gannett, Bank of America, N.A., as administrative agent and as an Issuing Lender, J.P. Morgan Chase Bank, N.A., as successor administrative agent (in such capacity, the "Administrative Agent") and as an Issuing Lender, and the Lenders party hereto.

W I T N E S S E T H:

WHEREAS, Gannett has requested certain amendments to the Credit Agreement;

WHEREAS, the parties are willing to consent to the requested amendments on the terms and conditions contained herein;

NOW THEREFORE, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

2. Amendments to Section 1.1. Section 1.1 of the Credit Agreement is hereby amended as follows:

(i) by adding the following new definitions, to appear in proper alphabetical order:

"Application": an application, in such form as the Issuing Lender may specify from time to time, requesting the Issuing Lender to open a Letter of Credit.

"Consolidated Tangible Assets": for any period, with respect to Gannett and its Domestic Subsidiaries, all property, plant and equipment, inventories and trade receivables of Gannett and its Domestic Subsidiaries on a consolidated basis in accordance with GAAP.

“Defaulting Lender”: any Lender, as reasonably determined by the Administrative Agent, that has (a) failed to fund its portion of any Borrowing, or any portion of its participation in any Letter of Credit, within three Business Days of the date on which it shall have been required to fund the same, unless the subject of a good faith dispute between Gannett and such Lender, (b) notified Gannett, the Administrative Agent, the Issuing Lender or any other Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under agreements in which it commits to extend credit generally, (c) failed, within three Business Days after written request by the Administrative Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans (unless the subject of a good faith dispute between Gannett and such Lender) and participations in then outstanding Letters of Credit; provided that any such Lender shall cease to be a Defaulting Lender under this clause (c) upon receipt of such confirmation by the Administrative Agent, (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless the subject of a good faith dispute), or (e) (i) been (or has a parent company that has been) adjudicated as, or determined by any Governmental Authority having regulatory authority over such Person or its assets to be, insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian, appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment, unless in the case of any Lender referred to in this clause (e) Gannett, the Administrative Agent and the Issuing Lender shall be satisfied that such Lender intends, and has all approvals required to enable it, to continue to perform its obligations as a Lender hereunder. For the avoidance of doubt, a Lender shall not be deemed to be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in such Lender or its parent by a Governmental Authority.

“Designated Pari Passu Indebtedness”: New Pari Passu Indebtedness if (a) (i) such New Pari Passu Indebtedness is incurred before the repayment of other Pari Passu Indebtedness, (ii) the Net Cash Proceeds of such New Pari Passu Indebtedness are subsequently used to effect a repayment of the 2011 Notes, 2011 Term Loan Agreement or 2012 Notes (and the principal amount of such New Pari Passu Indebtedness may not exceed the outstanding principal amount of the 2011 Notes, 2011 Term Loan Agreement or 2012 Notes, as applicable, together with estimated accrued interest, fees and expenses payable in connection therewith) and (iii) such Net Cash Proceeds of New Pari Passu Indebtedness incurred before the repayment of the applicable Pari Passu Indebtedness shall be segregated in a separate account and applied to repay the applicable Pari Passu Indebtedness on the day which is no later than 90 days (or such later date as the Administrative Agent may reasonably agree to; provided that in the event such Net Cash Proceeds are not so applied on or prior to such day, the Administrative Agent may apply such Net Cash Proceeds to the repayment of other Pari Passu Indebtedness on such day in such order as it may determine) after the issuance of such New Pari Passu Indebtedness or (b) (i) such New Pari Passu Indebtedness is incurred no later than 120 days after the repayment of Pari Passu Indebtedness, (ii) such repayment is not made with the proceeds of other indebtedness or is initially made with the proceeds of borrowings under the Existing Credit Agreements and (iii) Gannett delivers to the Administrative Agent on or prior to the date of receipt of such Net Cash Proceeds a certificate of a financial officer of Gannett certifying (x) as to the earlier repayment of Pari Passu Indebtedness, (y) that such repayment was not made with the proceeds of other indebtedness or was initially made with the proceeds of borrowings under the Existing Credit Agreements and (z) that the Net Cash Proceeds of such New Pari Passu Indebtedness will be used to repay such borrowings within 10 Business Days after receipt of such Net Cash Proceeds.

“Existing Agreements”: the Existing Credit Agreements and the 2011 Term Loan Agreement.

“Existing Credit Agreements”: this Agreement, the 2002 Credit Agreement and the 2004 Credit Agreement.

“Extended Termination Date”: September 30, 2014 (or such earlier date on which the Five-Year Commitments terminate in accordance with the provisions hereof).

“Extending Lender”: as defined in Section 2.22.

“Extension Agreement”: an Extension Agreement, substantially in the form attached to the Fifth Amendment as Exhibit A.

“Extension Effective Date”: the date upon which the conditions precedent set forth in the Extension Agreement shall have been satisfied or waived.

“Extension Option”: as defined in Section 2.22.

“Fee Payment Date”: (a) the third Business Day following the last day of each March, June, September and December and (b) the Five-Year Termination Date and/or the Extended Termination Date, as applicable.

“Five-Year Extensions of Credit”: as to any Five-Year Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Five-Year Loans held by such Five-Year Lender then outstanding and (b) such Five-Year Lender’s Five-Year Commitment Percentage of the L/C Obligations then outstanding.

“Fifth Amendment and Waiver”: the Fifth Amendment and Waiver to the Agreement, dated as of September 30, 2010, among Gannett, the Lenders and the Administrative Agent.

“Fifth Amendment and Waiver Effective Date”: the date on which the conditions precedent set forth in Section 33 of the Fifth Amendment shall have been satisfied or waived.

“Issuing Lender”: Bank of America, N.A., JP Morgan Chase Bank, N.A. and any other Five-Year Lender selected by Gannett and approved by the Administrative Agent (not to be unreasonably withheld, delayed or conditioned) that has agreed in its sole discretion to act as an “Issuing Lender” hereunder, or any of their respective affiliates, in each case in its capacity as issuer of any Letter of Credit. Each reference herein to “the Issuing Lender” shall be deemed to be a reference to the relevant Issuing Lender.

“Joint Lead Arrangers”: J.P. Morgan Securities LLC and Citibank Global Markets Inc.

“L/C Commitment”: $33,000,000.

"L/C Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 2.20(e).

"L/C Participants": the collective reference to all the Five-Year Lenders other than the Issuing Lender.

"Letters of Credit": as defined in Section 2.20(a).

"Loan Documents": this Agreement, any Application, the Guarantee Agreement, any Extension Agreement, the Master Assignment Agreement and all other written agreements whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to either the Administrative Agent or any Lender in connection with this Agreement or the Facilities contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loan Party": the Borrower and any of its Subsidiaries that are party to a Loan Document.

"Master Assignment Agreement": a Master Assignment Agreement, substantially in the form attached to the Fifth Amendment and Waiver as Exhibit B.

"Net Cash Proceeds": in connection with any incurrence of Indebtedness, the cash proceeds received from such issuance or incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts (including original issue discount, if any) and commissions and other customary fees and expenses actually incurred in connection therewith.

"New Non-Guaranteed Indebtedness": as defined in Section 6.5(b)(i)(E).

"New Pari Passu Indebtedness": as defined in Section 6.5(b)(i)(D).

"Non-Extending Lender": as defined in Section 2.22.

"Pari Passu Commitments": any revolving credit commitments to advance Pari Passu Indebtedness.

"Pari Passu Debt Basket": at the time of incurrence of any New Pari Passu Indebtedness, (a) if the Total Leverage Ratio at such time is less than 1.00 to 1.00, $1,500,000,000 (so long as the pro forma Total Leverage Ratio after giving effect to the incurrence thereof is less than 2.25 to 1.00), (b) if the Total Leverage Ratio at such time is less than 1.50 to 1.00 but greater than or equal to 1.00 to 1.00, $1,000,000,000 (so long as the pro forma Total Leverage Ratio after giving effect to the incurrence thereof is less than 2.25 to 1.00) and (c) $750,000,000 otherwise.

"Pari Passu Indebtedness": any Indebtedness existing under (a) the 2011 Term Loan Agreement, (b) the Five-Year Commitments (including the extensions of credit made thereunder) under any Existing Credit Agreement or (c) 2011 Notes, 2012 Notes, 2014 Notes, 2015 Notes, 2016 Notes and 2017 Notes, and any refinancing, refunding, renewals or extensions of any of the foregoing.

"Permitted Commercial Paper": any commercial paper issued by Gannett to refinance Indebtedness at any time when Gannett has Credit Status 1, Credit Status 2, Credit Status 3 or Credit Status 4.

"Permitted Short Term Debt": any Indebtedness (a) which satisfies the requirements of Section 6.5(b)(i)(D) with respect to New Pari Passu Indebtedness (other than clause (1) of the proviso thereto) and the Net Cash Proceeds of which are to be applied as provided in Section 2.6A or (b) which satisfies the requirements of Section 6.5(c) with respect to New Non-Guaranteed Indebtedness (other than clause (i) of the proviso thereto), so long as (x) the aggregate principal amount of all Indebtedness under the foregoing clauses (a) and (b) incurred after the Extension Effective Date does not exceed $500,000,000 at any time outstanding under all of the Existing Credit Agreements. Permitted Short Term Debt shall be subject to the requirements of Section 6.5(d).

"Reimbursement Obligation": the obligation of Gannett to reimburse the applicable Issuing Lender pursuant to Section 2.20(e) for amounts drawn under Letters of Credit.

"Replacement Lender": as defined in Section 2.22.

"Termination Date": the Five-Year Termination Date and/or the Extended Termination Date, as applicable.

"2002 Credit Agreement": the Amended and Restated Competitive Advance and Revolving Credit Agreement, dated as of March 11, 2002 and effective as of March 18, 2002 (as further amended, supplemented or otherwise modified from time to time), among Gannett, the lenders thereto, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A. and Citibank, N.A., as syndication agents, and Barclays Bank PLC, as documentation agent.

"2004 Credit Agreement": the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as further amended, supplemented or otherwise modified from time to time), among Gannett, the lenders thereto, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A. and Citibank, N.A., as syndication agents, and Lloyds TSB Bank PLC and Suntrust Bank, as documentation agents.

"2011 Notes": Gannett's 5.75% Notes due June 2011.

"2011 Term Loan Agreement": the Term Loan Agreement dated as of June 27, 2008 and effective as of July 14, 2008 among Gannett, the several lenders from time to time parties thereto and BNP Paribas as administrative agent (as further amended, supplemented or otherwise modified from time to time).

"2012 Notes": Gannett's 6.375% Notes due April 2012.

“2014 Notes”: Gannett’s 8.75% Notes due November 2014.

“2015 Notes”: Gannett’s 10% Notes due June 2015.

“2016 Notes”: Gannett’s 10% Notes due April 2016.

“2017 Notes”: Gannett’s 9.375% Notes due November 2017.

(ii) by deleting the definition of “Aggregate Commitment Percentage” in its entirety and inserting in lieu thereof the following:

“Aggregate Commitment Percentage”: as to any Lender at any time, the percentage which such Lender’s Commitment then constitutes of the aggregate Commitments (or, at any time after the Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender’s Loans and Letters of Credit then outstanding constitutes of the aggregate principal amount of the Loans and Letters of Credit then outstanding).

(iii) by adding the following proviso at the end of the definition of “Applicable Margin”:

“provided, however, that on and after the earlier of (a) the date upon which there are no longer any Non-Extending Lenders under this Agreement or (b) the Five-Year Termination Date, “Applicable Margin” shall mean the appropriate rate per annum set forth in the table below opposite the applicable Total Leverage Ratio:

	Applicable Margin for:	
Total Leverage Ratio	ABR Loans	Eurodollar Loans
> 3.00 to 1.00	225.00 Basis Points	325.00 Basis Points
≤ 3.00 to 1.00 and > 2.50 to 1.00	200.00 Basis Points	300.00 Basis Points
≤ 2.50 to 1.00 and > 1.75 to 1.00	175.00 Basis Points	275.00 Basis Points
≤ 1.75 to 1.00 and > 1.00 to 1.00	125.00 Basis Points	225.00 Basis Points
≤ 1.00 to 1.00	100.00 Basis Points	200.00 Basis Points

(iv) by deleting the definition of “Borrowing” in its entirety and inserting in lieu thereof the following:

“Borrowing”: a group of Loans of a single Type made by the Lenders (or, in the case of a Competitive Borrowing, by the Lender or Lenders whose Competitive Bids have been accepted pursuant to Section 2.3) on a single date and as to which a single Interest Period is in effect or, where applicable, the issuance of a Letter of Credit.

(v) by deleting the definition of “Commitment Utilization Percentage” in its entirety.

(vi) by deleting the definition of “Excess Utilization Day” in its entirety.

(vii) by deleting the definition of "Five-Year Available Commitment" in its entirety and inserting in lieu thereof the following:

"Five-Year Available Commitment": as to any Five-Year Lender at any time, the excess, if any, of (a) such Five-Year Lender's Five-Year Commitment then in effect over (b) such Five-Year Lender's Five-Year Extensions of Credit then outstanding.

(viii) by deleting the definition of "Five-Year Commitment" in its entirety and inserting in lieu thereof the following:

"Five-Year Commitment": as to any Lender, the obligation of such Lender, if any, to make Five-Year Loans and participate in Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading "Five-Year Commitment" opposite such Lender's name on Schedule 1.1 or in the Assignment and Acceptance or New Lender Supplement pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof.

(ix) by deleting the definition of "Five-Year Commitment Percentage" in its entirety and inserting in lieu thereof the following:

"Five-Year Commitment Percentage": as to any Five-Year Lender at any time, the percentage which such Five-Year Lender's Five-Year Commitment then constitutes of the aggregate Five-Year Commitments (or, at any time after the Five-Year Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Five-Year Lender's Five-Year Extensions of Credit then outstanding constitutes of the aggregate principal amount of the Five-Year Extensions of Credit then outstanding).

(x) by deleting the definition of "Five-Year Commitment Period" in its entirety and inserting in lieu thereof the following:

"Five-Year Commitment Period": the period from and including the First Amendment Effective Date to the Five-Year Termination Date, as the same may be extended to the Extended Termination Date pursuant to Section 2.22.

(xi) by deleting the definition of "Five-Year Facility" in its entirety and inserting in lieu thereof the following:

"Five-Year Facility": the Five-Year Commitments and the Five-Year Extensions of Credit made thereunder.

(xii) by deleting the definition of "Incremental Facility Maturity Date" in its entirety and inserting in lieu thereof the following:

"Incremental Facility Maturity Date": with respect to the Incremental Loans, the maturity date specified in the applicable Incremental Facility Activation Notice, which date shall be a date that is at least 91 days after the Extended Termination Date.

(xiii) by deleting clause (y) of the definition of "Interest Payment Date" in its entirety and inserting in lieu thereof the following:

"the applicable Termination Date with respect to a Revolving Loan shall be deemed to be an "Interest Payment Date" with respect to any interest which is then accrued hereunder."

(xiv) by deleting the definition of "Obligations" in its entirety and inserting in lieu thereof the following:

"Obligations": the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and creation of Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, of Gannett, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of Gannett to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any Guarantee Agreement, the Letters of Credit or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by Gannett pursuant hereto) or otherwise.

(xv) by deleting the definition of "Termination Date" in its entirety and inserting in lieu thereof the following:

"Termination Date": the Five-Year Termination Date, the 364-Day Termination Date and/or the Extended Termination Date, as applicable.

(xvi) by deleting the definition of "Total Extensions of Credit" in its entirety and inserting in lieu thereof the following:

"Total Extensions of Credit": at any time, the aggregate amount of all Loans and L/C Obligations outstanding at such time.

3. Amendment to Section 2.1.

(i) Section 2.1 of the Credit Agreement is hereby amended by deleting paragraph (b) thereof in its entirety and inserting in lieu thereof the following new paragraph (b):

"(b) Subject to the terms and conditions hereof, each Five-Year Lender severally agrees to make revolving credit loans ("Five-Year Loans", and together with the 364-Day Loans, the "Revolving Credit Loans") to Gannett from time to time during the Five-Year Commitment Period in an aggregate principal amount at any one time outstanding which, when added to such Lender's Five-Year Commitment Percentage of the L/C Obligations then outstanding, does not exceed the amount of such Lender's Five-Year Commitment. During the Five-Year Commitment Period, Gannett may use the Five-Year Commitments by borrowing, prepaying the Five-Year Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. Notwithstanding anything to the contrary contained in this Agreement, in no event (after giving effect to the use of proceeds of any Borrowing) shall (i) the amount of any Lender's Five-Year Commitment Percentage multiplied by the amount of a Borrowing of Five-Year Loans exceed such Lender's Five-Year Available Commitment at the time of such Borrowing or (ii) the aggregate amount of Five-Year Extensions of Credit and Five-Year Competitive Loans at any one time outstanding exceed the aggregate Five-Year Commitments then in effect of all Lenders."

(ii) Section 2.1 of the Credit Agreement is hereby amended by deleting the phrase "Five-Year Termination Date" from paragraph (c) thereof and replacing that phrase with the phrase "applicable Termination Date".

(iii) Section 2.1 of the Credit Agreement is hereby amended by deleting paragraph (d) thereof in its entirety and inserting in lieu thereof the following new paragraph (d):

"(d) Gannett (upon receipt of requisite authorization from its Board of Directors) and any one or more Lenders (including New Lenders) may from time to time agree that such Lenders shall (x) make available to Gannett an additional credit facility (the "Incremental Facility" and any loans thereunder, the "Incremental Loans"), which credit facility shall take the form of a revolving credit facility which matures at least 91 days after the Extended Termination Date and/or (y) increase the amount of their Five-Year Commitment, or (in the case of a New Lender) make available a Five-Year Commitment which matures on the Extended Termination Date, in either such case by executing and delivering to the Administrative Agent an Incremental Facility Activation Notice specifying (i) the aggregate principal amount of such increase and the Facility or Facilities involved, (ii) the Incremental Facility Closing Date and (iii) in the case of an Incremental Facility, the applicable Incremental Facility Maturity Date. Notwithstanding the foregoing, (I) the sum of the aggregate principal amount of Incremental Facility Commitments under any Existing Credit Agreement and any increase in the Five-Year Commitments under any Existing Credit Agreement after the Fifth Amendment and Waiver Effective Date shall not exceed $250,000,000 in the aggregate under the Existing Credit Agreements, (II) no increase pursuant to this paragraph may be obtained after the occurrence and during the continuation of a Default or Event of Default or if a Default or Event of Default would result therefrom, (III) any increase effected pursuant to this paragraph shall be in a minimum amount of at least $10,000,000 and (IV) any Incremental Facility and/or increase in Five-Year Commitments shall be effected pursuant to documentation and procedures reasonably acceptable to the Administrative Agent (including, if applicable, procedures to ensure that outstandings are held ratably by the applicable Lenders). No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion."

4. Amendment to Section 2.3. Section 2.3 of the Credit Agreement is hereby amended by deleting existing clause (iii) of paragraph (f) thereof in its entirety and inserting in lieu thereof the following new clause (iii):

"(iii) if made under the Five-Year Facility, the aggregate principal amount of the Competitive Bids accepted by Gannett may not exceed the lesser of (A) the principal amount set forth in the related Competitive Bid Request and (B) the excess, if any, of the aggregate Five-Year Commitments of all Five-Year Lenders then in effect over the aggregate principal amount of all Five-Year Extensions of Credit outstanding immediately prior to the making of such Competitive Loans,"

5. Amendment to Section 2.4. Section 2.4 of the Credit Agreement is hereby amended in its entirety and inserting in lieu thereof the following:

"Gannett shall have the right, upon not less than two Business Days' notice to the Administrative Agent, to terminate the Five-Year Commitments when no Five-Year Loans or Letters of Credit are then outstanding or, from time to time, to reduce the unutilized portion of the Five-Year Commitments. Any such reduction pursuant to this Section 2.4 shall be in an amount equal to $10,000,000 or a multiple of $1,000 in excess thereof (other than in connection with the Fifth Amendment and Waiver, in which case such incremental reductions may be in multiples of less than $1,000) and shall reduce permanently the Five-Year Commitments then in effect, and the fees payable pursuant to Section 2.10 shall then reflect the reduced Five-Year Commitments."

6. Amendment to Section 2.6. (i) Section 2.6 of the Credit Agreement is hereby amended by deleting the phrase "Five-Year Termination Date" from clause (ii) of paragraph (a) thereof and replacing that phrase with the phrase "applicable Termination Date".

(ii) Section 2.6 of the Credit Agreement is hereby amended by deleting the phrase "Five-Year Termination Date" from clause (ii) of paragraph (b) thereof and replacing that phrase with the phrase "applicable Termination Date".

7. Amendment to Article II. Article II of the Credit Agreement is hereby amended by adding the following new Section 2.6A immediately before Section 2.6.

"2.6A Mandatory Prepayments and Commitment Reductions. (a) If any New Pari Passu Indebtedness shall be issued or incurred in accordance with Section 6.5(b)(i)(A) or 6.5(b)(i)(D), in each case issued or incurred after the Extension Effective Date and in an aggregate amount at any one time outstanding in excess of the Pari Passu Debt Basket, then Gannett shall, within 10 Business Days after the receipt of the Net Cash Proceeds of such New Pari Passu Indebtedness, permanently reduce Pari Passu Commitments (and make any related required prepayments of Pari Passu Indebtedness) and/or permanently repay, prepay or refinance any Pari Passu Indebtedness (other than Pari Passu Indebtedness covered by Pari Passu Commitments) in an aggregate amount equal to 100% of the Net Cash Proceeds of such New Pari Passu Indebtedness in excess of Pari Passu Debt Basket; provided that (i) the Net Cash Proceeds of Designated Pari Passu Indebtedness shall not be required to be so applied (except as otherwise provided in the definition of Designated Pari Passu Indebtedness) and (ii) in the case of any New Pari Passu Indebtedness covered by Pari Passu Commitments, (x) Gannett shall cause any such New Pari Passu Indebtedness to be fully drawn on the date first available for drawing (or shall otherwise make the prepayments and/or reductions required by this Section 2.6A on such date as if such New Pari Passu Indebtedness were fully drawn on such date) and (y) upon completion of the drawing, prepayment and/or reductions contemplated by Section 2.6A(ii)(x), Gannett shall have no further obligations under this Section 2.6A with respect to the Net Cash Proceeds of such New Pari Passu Indebtedness covered by Pari Passu Commitments.

(b) To the extent that Gannett elects to prepay Loans and/or reduce Five-Year Commitments (or Incremental Facility Commitments, if applicable) under this Agreement in order to comply with the requirements of Section 2.6(A)(a), such amounts will be applied first to reduce permanently the Five-Year Commitments; provided that so long as no Default or Event of Default shall have occurred and be continuing, such amounts will not be applied to reduce permanently the Five-Year Commitments below the amount of any outstanding Letters of Credit. Any such reduction of the Five-Year Commitments shall be accompanied by prepayment of the Five-Year Loans, to the extent, if any, that the Total Extensions of Credit exceed the amount of the Total Commitments as so reduced. The application of any prepayment pursuant to Section 2.6A shall be made, first, to ABR Loans and second, to Eurodollar Loans. Each prepayment of the Loans under Section 2.6A (except in the case of Five-Year Loans that are ABR Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid."

(c) If, on any Termination Date, the aggregate outstanding Five-Year Extensions of Credit exceed the Five-Year Commitments, then the Borrower shall prepay Loans (or, to the extent after giving effect to any such prepayment, any such excess remains, cash collateralize Letters of Credit in a manner consistent with the requirements in Section 7), to eliminate such excess and, in the event that the Borrower fails to comply with the preceding requirements, the Five-Year Commitments shall automatically terminate on such Termination Date.

8. Amendment to Section 2.8. Section 2.8 of the Credit Agreement is hereby amended by deleting existing paragraph (a) in its entirety and inserting in lieu thereof the following new paragraph (a):

"(a) Gannett hereby unconditionally promises to pay (i) to each 364-Day Lender on the 364-Day Termination Date (or such earlier date as the 364-Day Loans become due and payable pursuant to Article 7 or Section 2.5), the unpaid principal amount of each 364-Day Loan made by such 364-Day Lender, (ii) to each Five-Year Lender or Extending Lender on the Five-Year Termination Date or Extended Termination Date, as applicable (or such earlier date as the Five-Year Loans become due and payable pursuant to Article 7 or Section 2.5), the unpaid principal amount of each Five-Year Loan made by such Five-Year Lender, and (iii) to each applicable Lender on the last day of the applicable Interest Period, the unpaid principal amount of each Competitive Loan made by any such Lender. Gannett hereby further agrees to pay interest in immediately available funds at the office of the Administrative Agent on the unpaid principal amount of the Loans from time to time from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.9."

9. Amendment to Section 2.9. Section 2.9 of the Credit Agreement is hereby amended by deleting existing paragraph (e) in its entirety and inserting in lieu thereof the following new paragraph (e):

"(e) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section 2.9 plus 1% or (y) in the case of Reimbursement Obligations, the rate applicable to ABR Loans plus 1% and (ii) to the extent permitted under applicable law, if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans plus 1%, in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment)."

10. Amendment to Section 2.10. Section 2.10 of the Credit Agreement is hereby amended by inserting the following sentence at the end of paragraph (b) thereof:

"Notwithstanding the foregoing, on and after the earlier of (a) the date upon which there are no longer any Non-Extending Lenders under this Agreement or (b) the Five-Year Termination Date, Gannett shall no longer pay the Five-Year Facility Fee and shall only pay to the Administrative Agent, for the ratable account of the Extending Lenders, a fee at the rate per annum equal to 0.5000% of the aggregate undrawn Five-Year Commitments on such day."

11. Amendment to Section 2.11. Section 2.11 of the Credit Agreement is hereby amended by deleting the parenthetical "(other than the Utilization Fees, which shall be calculated as provided in Section 2.10(c))" in its entirety.

12. Amendment to Section 2.14. Section 2.14 of the Credit Agreement is hereby amended by:

(i) deleting existing clause (i) of paragraph (a) thereof in its entirety and inserting in lieu thereof the following new clause (i):

"(i) shall subject any Lender or the Issuing Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender or Issuing Lender in respect thereof (except for Non-Excluded Taxes covered by Section 2.15 and changes in the rate of tax on the overall net income of such Lender or Issuing Lender);"

(ii) deleting in its entirety the continuation of the sentence in paragraph (a) beginning "and the result" which follows clause (iii) thereof and inserting in lieu thereof the following:

"and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, Gannett shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable."

(iii) deleting existing paragraph (b) in its entirety and inserting in lieu thereof the following new paragraph (b):

"(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, within 15 days after submission by such Lender to Gannett (with a copy to the Administrative Agent) of a written request therefor, Gannett shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction; provided that Gannett shall not be required to compensate a Lender pursuant to this paragraph for any amounts incurred more than 30 days prior to the date that such Lender notifies Gannett of such Lender's intention to claim compensation therefor; and provided further that, if the circumstances giving rise to such claim have a retroactive effect, then such 30 day period shall be extended to include the period of such retroactive effect."

13. Amendment to Section 2.15. Section 2.15 of the Credit Agreement is hereby amended by:

(i) deleting existing paragraph (a) in its entirety and inserting in lieu thereof the following new paragraph (a):

"(a) All payments made by Gannett under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent, the Issuing Lender or any Lender hereunder, the amounts so payable to the Administrative Agent, the Issuing Lender or such Lender shall be increased to the extent necessary to yield to the Administrative Agent, the Issuing Lender or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, provided, however, that Gannett shall not be required to increase any such amounts payable to any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's failure to comply with the requirements of paragraph (d) or (e) of this Section or (ii) that are United States withholding taxes imposed on amounts payable to such Lender at the time the Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from Gannett with respect to such Non-Excluded Taxes pursuant to this paragraph."

(ii) deleting existing paragraph (e) in its entirety and inserting in lieu thereof the following new paragraph (e):

"(e) If the Administrative Agent, the Issuing Lender or any Lender receives a refund in respect of any amounts paid by Gannett pursuant to this Section 2.15, which refund in the reasonable judgment of such Administrative Agent, Issuing Lender or such Lender is allocable to such payment, it shall pay the amount of such refund to Gannett, net of all reasonable out-of-pocket expenses of the Administrative Agent, the Issuing Lender or such Lender, provided however, that Gannett, upon the request of such Lender, Issuing Lender or the Administrative Agent, agrees to repay the amount paid over to Gannett to the Administrative Agent, the Issuing Lender or such Lender in the event such Administrative Agent, Issuing Lender or the Lender is required to repay such refund. Nothing contained herein shall interfere with the right of the Administrative Agent or any Lender to arrange its tax affairs in whatever manner it deems fit nor oblige the Administrative Agent, the Issuing Lender or any Lender to apply for any refund or to disclose any information relating to its affairs or any computations in respect thereof."

14. Amendment to Section 2.17. Section 2.17 of the Credit Agreement is hereby amended by deleting existing Section 2.17 in its entirety and inserting in lieu thereof the following new Section 2.17:

"Section 2.17. Change of Lending Office. Each Lender and each Issuing Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.14 or 2.15(a) with respect to such Lender or Issuing Lender, it will, if requested by Gannett, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans or Letters of Credit affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of Gannett or the rights of any Lender or Issuing Lender pursuant to Section 2.14 or 2.15(a)."

15. Amendment to Section 2.18.

(i) Section 2.18(a) of the Credit Agreement is hereby amended by deleting the word "or" before clause (c) and inserting a comma thereof and adding the following new clause (d) at the end of clause (c) immediately before the proviso:

"or (d) after the Extension Effective Date and on or before the Extended Termination Date, with the consent of the Administrative Agent (such consent, in each case, shall not be unreasonably withheld, conditioned or delayed), is a Non-Extending Lender, in whole or in part (but if in part, in an aggregate principal amount of not less than $5,000,000 (other than in the case of the replacement of all of a Non-Extending Lender's interest under this Agreement)), provided that the Five-Year Commitment of such Non-Extending Lender is replaced by increases in the outstanding Five-Year Commitments of one or more Extending Lenders or Five-Year Commitments of one or more other lenders or financial institutions or other entities that will become "Lenders" under this Agreement (each, a "Replacement Lender") so long as (i) the maturity of any such replacement commitments shall not be earlier than the Extended Termination Date, (ii) the terms applicable to any such commitments are identical to those applicable to the Five-Year Commitments and (iii) the interest, fees or other compensation payable in respect of such commitments (in addition to additional interest and fees payable under this Agreement) shall not exceed the Extension Fees (as defined in the Extension Agreement)."

(ii) Section 2.18(a) of the Credit Agreement is hereby amended by inserting the word "further" immediately after the second instance of the word "provided" and adding the following new sentence at the end thereof:

"In addition, each Replacement Lender shall have entered into an Assignment and Assumption or other documentation reasonably satisfactory to Gannett and the Administrative Agent pursuant to which such Replacement Lender shall assume all or part of the outstanding Five-Year Commitment of such Non-Extending Lender. For the avoidance of doubt, after the Extension Effective Date and on or before the Extended Termination Date, any Non-Extending Lender that has not been replaced may, with the consent of Gannett, extend all, or a portion of, its Five-Year Commitment (but if electing to extend only a portion of its Five-Year Commitment, in an aggregate amount not less than $5,000,000), converting such Lender (as to the portion so extended) through the Extended Termination Date by executing and delivering to Gannett and the Administrative Agent an Extension Agreement and the Master Assignment Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the extended Five-Year Commitments of such Lender, as applicable."

16. Amendment to Section 2.19. Section 2.19 of the Credit Agreement is hereby amended by deleting existing paragraph (c) in its entirety and inserting in lieu thereof the following new paragraph (c):

"(c) Any such reduction of the Commitments pursuant to this Section 2.19 shall be accompanied by prepayment of the Loans (except for any then outstanding Competitive Loans, as to which such reduction shall be accompanied by cash collateralization of such Competitive Loans) to the extent, if any, that the aggregate principal amount of the then outstanding Loans exceeds the aggregate amount of the Commitments as so reduced. If, after giving effect to the prepayment of Loans pursuant to the preceding sentence, the Total Extensions of Credit exceed the aggregate amount of the Commitments as so reduced, then Gannett shall, to the extent of the balance of such excess, replace outstanding Letters of Credit and/or deposit an amount in cash equal to such excess in a cash collateral account established with the Administrative Agent for the benefit of the Lenders on terms and conditions satisfactory to the Administrative Agent. The application of any prepayment pursuant to this paragraph (c) shall be made, first, to ABR Loans and, second, to Eurodollar Loans. Each prepayment of the Loans under this paragraph (c) (except in the case of Loans that are ABR Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid."

17. Amendment to Article II. (a) Article II of the Credit Agreement is hereby amended by adding the following new Section 2.20 at the end thereof as follows:

"Section 2.20 (a) L/C Commitment. (i) Subject to the terms and conditions hereof, the Issuing Lender, in reliance on the agreements of the L/C Participants set forth in Section 2.20(e), agrees to issue letters of credit ("Letters of Credit") for the account of Gannett on any Business Day during the Five-Year Commitment Period in such form as may be approved from time to time by the Issuing Lender; provided that the Issuing Lender shall have no obligation to issue any Letter of Credit to the extent that, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment or (ii) the aggregate amount of the Five-Year Available Commitments would be less than zero. Each Letter of Credit shall (i) be denominated in Dollars and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Five-Year Termination Date, provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above). Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to mean the maximum face amount of such Letter of Credit after giving effect to all increases thereof contemplated by such Letter of Credit or the Application therefore, whether or not such maximum face amount is in effect at such time.

(ii) The Issuing Lender shall not at any time be obligated to issue any Letter of Credit to the extent (a) that such issuance would conflict with, or cause the Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law, (b) any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Fifth Amendment and Waiver Effective Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Fifth Amendment and Waiver Effective Date and which the Issuing Bank in good faith deems material to it or (c) the issuance of such Letter of Credit would violate one or more policies of the Issuing Bank applicable to letters of credit generally.

(iii) Subject to the provisions of Section 2.6A(c), on the Five-Year Termination Date (and without any further action), and to the extent that the Five-Year Commitments shall not have terminated at or prior to such time, the interests in the Issuing Lender's obligations and rights under and in respect of each outstanding Letter of Credit shall be reallocated so that each Extending Lender shall be an L/C Participant with respect to an undivided interest equal to such Extending Lender's Five-Year Commitment Percentage as of such date in the Issuing Lender's obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by the Issuing Lender thereunder, and the Non-Extending Lenders shall be released as L/C Participants in respect of such outstanding Letters of Credit.

(b) Procedure for Issuance of Letters of Credit. Gannett may from time to time request that the Issuing Lender issue a Letter of Credit by delivering to the Issuing Lender at its address for notices specified herein or otherwise on file with the Administrative Agent (with a copy to the Administrative Agent) an Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may reasonably request. Unless the Issuing Lender has received written notice from any Lender or the Administrative Agent at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit that the conditions precedent set forth in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the Issuing Lender shall, on the requested date, issue a Letter of Credit or enter into the applicable amendment, as the case may be, in accordance with its customary procedures (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto). The Issuing Lender shall furnish a copy of such Letter of Credit to Gannett promptly following the issuance thereof. The Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof). A Letter of Credit shall be issued only to the extent (and upon issuance of each Letter of Credit Gannett shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the L/C Obligations shall not exceed the L/C Commitment and (ii) the aggregate amount of the Five-Year Extensions of Credit shall not exceed the aggregate Five-Year Commitments. Such Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

(c) Fees and Other Charges. Gannett will pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Five-Year Facility, shared ratably among the Five-Year Lenders and payable quarterly in arrears on each Fee Payment Date after the issuance date. In addition to the foregoing fee, Gannett shall pay or reimburse the Issuing Lender for such normal and customary costs and expenses as are incurred or charged by the Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

(d) L/C Participations. (i) The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lender to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Five-Year Commitment Percentage in the Issuing Lender's obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Participant agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by Gannett in accordance with the terms of this Agreement, such L/C Participant shall pay to the Issuing Lender upon demand an amount equal to such L/C Participant's Five-Year Commitment Percentage of the amount of such draft, or any part thereof, that is not so reimbursed. Each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against the Issuing Lender, Gannett or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Article 4, (iii) any adverse change in the condition (financial or otherwise) of Gannett, (iv) any breach of this Agreement by Gannett, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(ii) If any amount required to be paid by any L/C Participant to the Issuing Lender pursuant to Section 2.20(d)(i) in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit is paid to the Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to the Issuing Lender on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 2.20(d)(i) is not made available to the Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, the Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans under the Five-Year Facility. A certificate of the Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(iii) Whenever, at any time after the Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 2.20(d)(i), the Issuing Lender receives any payment related to such Letter of Credit (whether directly from Gannett or otherwise, including proceeds of collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such L/C Participant shall return to the Issuing Lender the portion thereof previously distributed by the Issuing Lender to it.

(e) Reimbursement Obligation of Gannett. If any draft is paid under any Letter of Credit, Gannett shall reimburse the Issuing Lender for the amount of (a) the draft so paid and (b) any taxes, fees, charges or other costs or expenses incurred by the Issuing Lender in connection with such payment, not later than 12:00 Noon, New York City time, on (i) the Business Day that Gannett receives notice of such draft, if such notice is received on such day prior to 11:00 A.M., New York City time, or (ii) if clause (i) above does not apply, the Business Day immediately following the day that Gannett receives such notice. Each such payment shall be made to the Issuing Lender at its address for notices referred to herein in Dollars and in immediately available funds. Interest shall be payable on any such amounts from the date on which the relevant draft is paid until payment in full at the rate set forth in (x) until the Business Day next succeeding the date of the relevant notice, Section 2.9(a) and (y) thereafter, Section 2.9(e).

(f) Obligations Absolute. Gannett's obligations under this Section 2.20 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that Gannett may have or have had against the Issuing Lender, any beneficiary of a Letter of Credit or any other Person. Gannett also agrees with the Issuing Lender that the Issuing Lender shall not be responsible for, and Gannett's Reimbursement Obligations under Section 2.20(e) shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among Gannett and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of Gannett against any beneficiary of such Letter of Credit or any such transferee. The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Issuing Lender. Gannett agrees that any action lawfully taken or omitted by the Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct, shall be binding on Gannett and shall not result in any liability of the Issuing Lender to Gannett.

(g) Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify Gannett and the Administrative Agent of the date and amount thereof. The responsibility of the Issuing Lender to Gannett in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining, using reasonable care, that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

(h) Payments. Any payments and reimbursements due to the Issuing Lender hereunder shall be remitted to the Administrative Agent which shall, in turn, remit such funds to the Issuing Lender.

(i) Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 2.20, the provisions of this Section 2.20 shall apply."

18. Amendment to Article II. Article II of the Credit Agreement is hereby amended by adding the following new Section 2.21 after new Section 2.20 as follows:

"Section 2.21 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) if any L/C Obligations exists at the time a Lender becomes a Defaulting Lender then within one Business Day following notice by the Administrative Agent, Gannett shall cash collateralize such Defaulting Lender's Five-Year Commitment Percentage of the L/C Obligations in accordance with the procedures satisfactory to the Administrative Agent for so long as such L/C Obligations are outstanding;

(b) so long as any Lender is a Defaulting Lender, the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by cash collateral provided by Gannett.

19. Amendment to Article II. Article II of the Credit Agreement is hereby amended by adding the following new Section 2.22 at the end thereof as follows:

"Section 2.22 Extending Lenders. (a) On the Extension Effective Date, at the request of Gannett, individual Lenders may, pursuant to the Extension Agreement extend the maturity date of such Lender's Five-Year Commitments (including any L/C Commitments) from the Five-Year Termination Date to the Extended Termination Date (each, an "Extending Lender", and each such Lender that does not elect to so extend, a "Non-Extending Lender"), on the same terms and conditions as the existing Five-Year Facility (the "Extension Option"), except as set forth in the Extension Agreement. Each such Extending Lender shall execute and deliver to Gannett and the Administrative Agent an Extension Agreement and the Master Assignment Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the extended Five-Year Commitments of such Extending Lender. Each such Extending Lender shall be subject to the conditions set forth in paragraph (b) below.

(b) Notwithstanding anything to the contrary in the Extension Agreement, the Extension Option is subject to the following conditions in addition to any conditions set forth in the Extension Agreement: (a) Extension Agreements shall have been fully executed and delivered by all applicable parties, pursuant to which the maturity of Five-Year Commitments in an aggregate amount of at least $1,000,000,000 (or such lesser or greater amount as is approved by Gannett and the Joint Lead Arrangers prior to the Extension Effective Date) under this Agreement shall be extended to the Extended Termination Date; (b) the Extending Lenders shall have executed and delivered a Master Assignment Agreement pursuant to which Extending Lenders shall be assigned Commitments such that each Extending Lender shall hold its allocated Commitments after giving effect thereto; (c) Gannett shall have delivered notice of the reduction of Five-Year Commitments pursuant to Section 2.4 such that the aggregate commitments of the Lenders under this Agreement after such reductions is approximately $543,106,535.53; (d)(i) the representations and warranties contained in the this Agreement shall be true and correct in all material respects on and as of such date, (ii) since December 27, 2009, there has been no Material change in the business or financial condition of Gannett and its Subsidiaries taken as a whole that has not been publicly disclosed, and (iii) no Default or Event of Default shall have occurred and be continuing; (e) the Administrative Agent shall have received closing documents, including legal opinions, documents, certificates and other instruments, as are customary for the transactions described in this Section 2.22 and the Extension Agreement, or as such Administrative Agent may reasonably request; (f) the representations and warranties, covenants and events of default applicable to such Extension Option shall be the same as those set forth in this Agreement and (g) all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent, including the reasonable fees and disbursements of counsel, shall have been paid or reimbursed."

20. Amendment to Article III. Article III of the Credit Agreement is hereby amended by inserting the words "and issue and/or participate in Letters of Credit" between the word "Loans" and the comma immediately thereafter in the first sentence thereof.

21. Amendments to Article IV. Article IV of the Credit Agreement is hereby amended by:

(i) inserting the words "and issue and/or participate in Letters of Credit" between the words "Loan" and "hereunder" in the first line of the first sentence thereof.

(ii) adding the following sentence at the end of clause (b) thereof:

"Each Borrowing hereunder shall constitute a representation and warranty by Gannett as of the date of such extension of credit that the conditions contained in this Article IV(b) have been satisfied."

22. Amendments to Article V. (a) Article V of the Credit Agreement is hereby amended by inserting the words "and Letter of Credit" between the words "Loan" and "and" in the second line of the first sentence thereof.

(b) Article V of the Credit Agreement is hereby amended by adding the following new Section 5.10 after Section 5.9 as follows:

" Section 5.10 Restrictive Agreements. Gannett shall provide to the Administrative Agent, no later than 5 Business Days after the execution thereof, any agreements with respect to New Pari Passu Indebtedness, New Non-Guaranteed Indebtedness or Permitted Short Term Debt executed on or after the Extension Effective Date that contain (i) any financial covenants which are more restrictive than the financial covenants contained in this Agreement, (ii) in the case of senior credit facilities, any representations and warranties more restrictive than those set forth in this Agreement, (iii) in the case of senior credit facilities, any other covenants (except pricing and redemption premiums) or events of default which are more restrictive than the covenants and events of default set forth in this Agreement or (iv) in the case of notes, debt securities or similar instruments, any other covenants (except pricing and redemption premiums) or events of default which are more restrictive than the covenants and events of default applicable to the 2017 Notes, whether or not the 2017 Notes are outstanding."

23. Amendment to Article VI. Article VI of the Credit Agreement is hereby amended by inserting the words “and Letter of Credit” between the words “Loan” and “and” in the second line of the first sentence thereof.

24. Amendment to Section 6.1. Section 6.1 of the Credit Agreement is hereby amended by deleting existing paragraph (f) in its entirety and inserting in lieu thereof the following new paragraph (f) as follows:

“(f) cash collateralization established pursuant to Section 2.21 of any of the Existing Credit Agreements.”

25. Amendments to Section 6.5.

(i) Section 6.5(b)(i) of the Credit Agreement is hereby amended by deleting the word “and” and inserting a comma immediately before clause (C) thereof and adding the following new clauses (D) and (E) immediately before the word “or” at the end of paragraph (i) thereof:

“(D) after the Extension Effective Date, subject to Section 2.6A, unsecured Indebtedness of one or more Guarantors resulting from Guarantees of Indebtedness of Gannett incurred after the Fifth Amendment and Waiver Effective Date in accordance with this Section 6.5(b)(i)(D) (“New Pari Passu Indebtedness”); provided that no Default or Event of Default has occurred and is continuing or would result from the incurrence of such New Pari Passu Indebtedness and the following conditions are satisfied: (1) the maturity and weighted average life of any such New Pari Passu Indebtedness must be at least 91 days later than the Extended Termination Date at the time such New Pari Passu Indebtedness is incurred (other than Permitted Short Term Debt); (2) the mandatory prepayment provisions applicable to any senior credit facilities constituting New Pari Passu Indebtedness shall be no more restrictive than the mandatory prepayment provisions set forth in Section 2.6A, and the redemption and mandatory prepayment provisions applicable to any notes, debt securities or similar instruments constituting New Pari Passu Indebtedness shall be no more restrictive than the redemption and mandatory prepayment provisions applicable to the 2017 Notes whether or not the 2017 Notes are outstanding; and (3) such New Pari Passu Indebtedness shall not be secured by any Liens, except as permitted by Section 6.1 of this Agreement, or guaranteed by entities other than Guarantors, except as permitted by Section 6.5(b)(ii) of this Agreement, and (E) Indebtedness outstanding from time to time under the Existing Agreements as in effect on the Extension Effective Date;”

(ii) Section 6.5 of the Credit Agreement is hereby amended by deleting the word “and” at the end of Section 6.5(a), deleting the period at the end of 6.5(b)(ii), inserting “; and” at the end of Section 6.5(b)(ii) and adding new paragraphs (c) and (d) immediately before the last paragraph in Section 6.5 as follows:

“(c) After the Extension Effective Date, permit Gannett to incur unsecured, non-guaranteed indebtedness for borrowed money (other than Pari Passu Indebtedness and Permitted Commercial Paper) (“New Non-Guaranteed Indebtedness”) unless no Default or Event of Default has occurred and is continuing or would result from the incurrence of such New Non-Guaranteed Indebtedness and the following conditions are satisfied: (i) the maturity and weighted average life of any such New Non-Guaranteed Indebtedness must be at least 91 days later than the Extended Termination Date at the time such New Non-Guaranteed Indebtedness is incurred (other than Permitted Short Term Debt); (ii) the mandatory prepayment provisions applicable to any senior credit facilities constituting New Non-Guaranteed Indebtedness shall be no more restrictive than the mandatory prepayment provisions set forth in Section 2.6A (it being understood that no mandatory prepayment of Pari Passu Indebtedness or reduction of commitments hereunder shall be required with the proceeds of New Non-Guaranteed Indebtedness), and the redemption and mandatory prepayment provisions applicable to any notes, debt securities or similar instruments constituting New Non-Guaranteed Indebtedness shall be no more restrictive than the redemption and mandatory prepayment provisions applicable to the 2017 Notes whether or not the 2017 Notes are outstanding; and (iii) such New Non-Guaranteed Indebtedness shall only be permitted to be incurred by Gannett and shall not be secured by any Liens, except as permitted by Section 6.1 of this Agreement, or guaranteed by any other entity, except as permitted by Section 6.5(b)(ii) of this Agreement;

(d) To the extent that any New Pari Passu Indebtedness (including as a result of any amendment thereto), New Non-Guaranteed Indebtedness (including as a result of any amendment thereto) or Permitted Short Term Debt incurred after the Extension Effective Date (i) includes any financial covenants which are more restrictive than the financial covenants contained in this Agreement, (ii) in the case of any senior credit facilities constituting New Pari Passu Indebtedness, New Non-Guaranteed Indebtedness or Permitted Short Term Debt, includes any representations and warranties more restrictive than those set forth in this Agreement, (iii) includes any other covenants (except pricing and redemption premiums) or events of default applicable to any senior credit facilities which are more restrictive than the covenants and events of default set forth in this Agreement or (iv) includes any other covenants (except pricing and redemption premiums) or events of default applicable to any notes, debt securities or similar instruments which are more restrictive than the covenants and events of default applicable to the 2017 Notes, whether or not the 2017 Notes are outstanding, then, in any of the circumstances described in clauses (i) through (iv) above, Gannett agrees, at the request of the Administrative Agent or Required Lenders hereunder, to promptly amend this Agreement to incorporate such more restrictive provisions (in any event within 10 Business Days after receipt of such request).

26. Amendment to Article VI. Article VI of the Credit Agreement is hereby amended by adding the following new Section 6.6 at the end thereof as follows:

“Section 6.6. Transfer of Assets. (a) After the Extension Effective Date, no Guarantor shall be permitted to transfer any assets to Gannett, except for (i) such transfers as are necessary to accomplish reasonably substantial tax savings (provided that prior to or concurrently with the effectiveness of such transfers, Gannett shall have furnished to the Administrative Agent a certificate of an appropriate financial officer of Gannett certifying that such transfers are reasonably necessary to achieve reasonably substantial tax savings), (ii) transfers of assets made in the ordinary course of business, (iii) transfers by operation of law or that are reasonably necessary in order to comply with changes in any Requirement of Law, and (iv) transfers as a result of a corporate restructuring of Gannett and its consolidated subsidiaries, where no Default or Event of Default would result from such restructuring and Gannett remains in compliance with Section 6.6(b) after giving effect to such restructuring. For the avoidance of doubt, Gannett and the Lenders agree that aggregate annual tax savings in excess of $1,000,000 shall constitute “reasonably substantial tax savings” for the purposes of this Section 6.6.

(b) After the Extension Effective Date, Gannett shall not own greater than 30% (the "CTA Percentage") of the Consolidated Tangible Assets of Gannett and its Domestic Subsidiaries; provided, however, that upon the occurrence of (i) any Material Disposition by Gannett or a Domestic Subsidiary, (ii) any unusual or extraordinary impairment charges or acceleration of depreciation by Gannett or any Domestic Subsidiaries in excess of $50,000,000 in the aggregate in any Test Period, or (iii) any asset transfers from Gannett or to Gannett (as permitted by Section 6.6(a)(i) or Section 6.6(a)(iii)) (each, a "CTA Adjustment Event"), in each case where no Default or Event of Default would otherwise result from such CTA Adjustment Event, the CTA Percentage shall increase or decrease, as applicable, by multiplying the then current CTA Percentage by a fraction, the numerator of which shall be the Consolidated Tangible Assets of Gannett and its Domestic Subsidiaries as of the end of the prior period, and the denominator of which shall be the Consolidated Tangible Assets of Gannett and its Domestic Subsidiaries on a pro forma basis, giving effect to such CTA Adjustment Event, as of the end of such prior period; provided further, that the CTA Percentage shall not be decreased to below 30% in accordance with this proviso."

27. Amendment to Section 7.2. Section 7.2 of the Credit Agreement is hereby amended by deleting existing paragraphs (a) and (b) thereof in their entirety and inserting in lieu thereof the following new paragraphs (a) and (b):

"(a) If an Event of Default specified in Section 7.1(e) or (f) shall occur and be continuing, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable.

(b) If an Event of Default other than those specified in Section 7.1(e) or (f) shall occur and be continuing, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to Gannett, declare Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to Gannett, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, Gannett shall as soon as practicable thereafter, but in no event later than one Business Day thereafter, deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of Gannett hereunder. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of Gannett hereunder shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to Gannett (or such other Person as may be lawfully entitled thereto)."

28. Amendment to Section 8.10. Section 8.10 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Section 8.10 Syndication Agents, Documentation Agent and Issuing Lender. Notwithstanding any provision to the contrary elsewhere in this Agreement, (i) neither the Syndication Agents nor the Documentation Agent shall have any duties or responsibilities hereunder, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against either the Syndication Agents or the Documentation Agent and (ii) the Issuing Lender shall be entitled to the benefits of Article VIII in its capacity as an Issuing Lender."

29. Amendment to Section 9.1. Section 9.1 of the Credit Agreement is hereby amended by:

(i) adding a new paragraph at the end thereof as follows:

"Notwithstanding anything to the contrary contained in this Section 9.1, the defined term "Extended Termination Date" may be amended to a date beyond September 30, 2014 with the consent of (i) each Extending Lender willing to extend its Five-Year Commitments to such later date, (ii) the Administrative Agent and (iii) the Issuing Lender.

(ii) adding the following clause (vi) at the end of the proviso thereof:

"; or (vi) amend, modify or waive any provision of Section 2.20 without the written consent of the Issuing Lender"

30. Amendment to Section 9.2. Section 9.2 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Section 9.2. Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Gannett, the Administrative Agent or the Issuing Lender, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Gannett:	7950 Jones Branch Drive McLean, VA 22107 Attention: Vice President & Treasurer Telecopy: 703-854-2047 Telephone: 703-854-6248

The Administrative Agent: JPMorgan Chase Bank, N.A.
Loan and Agency Services
1111 Fannin Street, Floor 10
Houston, TX 77002-6925
Attention: Sheila G. King
Telecopy: 713-750-2358
Telephone: 713-750-2242

The Issuing Lender: Bank of America, N.A.
Bank of America Plaza
901 Main Street
Dallas, TX 75202-3714
Attention: Antonikia (Toni) L. Thomas
Telecopy: 877-206-8432
Telephone: 214-209-1569

With a copy to:

Bank of America, Media & Telecom Group
100 Federal Street
Boston, MA 02110
Attention: Peter van der Horst
Telecopy: 980-233-7788
Telephone: 617-434-0164]

The Issuing Lender: JPMorgan Chase Bank, N.A.
Global Trade Services — LC Department 10420 Highland Manor Drive, 4th Floor
Tampa, FL, 33610-9128
Attention: James Alonzo
Telecopy: 813-432-5161
Telephone: 813-432-6339

provided that any notice, request or demand to or upon the Administrative Agent, the Issuing Lender or the Lenders shall not be effective until received.“

31. Amendment to Section 9.6. Section 9.6 of the Credit Agreement is hereby amended by:

(i) deleting existing paragraph (a) in its entirety and inserting in lieu thereof the following new paragraph (a):

“(a) This Agreement shall be binding upon and inure to the benefit of Gannett, the Lenders, the Administrative Agent, the Issuing Lender, all future holders of the Loans and Letters of Credit and their respective successors and assigns, except that Gannett may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.”

(ii) deleting the existing second sentence of paragraph (b) thereof in its entirety and inserting in lieu thereof the following new sentence:

"In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement, and Gannett, the Administrative Agent and the Issuing Lender shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement."

(iii) deleting the existing first sentence of paragraph (c) thereof in its entirety and inserting in lieu thereof the following new sentence:

"Any Lender other than any Conduit Lender (an "Assignor") may, in accordance with applicable law, at any time and from time to time assign to any Lender or, with the consent of Gannett, the Administrative Agent and the Issuing Lender (which, in each case, shall not be unreasonably withheld, delayed or conditioned; it being understood that (i) the Administrative Agent and each Lender effecting an assignment to any Person other than a Lender should notify Gannett as promptly as possible of any request for assignment and Gannett, in turn, should promptly consider such request for assignment; and (ii) Gannett's consent shall not be considered to be unreasonably withheld, delayed or conditioned if Gannett withholds, delays or conditions its consent because, among other factors, it is concerned about a potential Assignee's capital adequacy, liquidity or ability to perform its obligations under this Agreement), to any Lender Affiliate, an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement pursuant to an Assignment and Acceptance, executed by such Assignee, such Assignor and any other Person whose consent is required pursuant to this paragraph, and delivered to the Administrative Agent for its acceptance and recording in the Register; provided that, unless otherwise agreed by Gannett and the Administrative Agent, no such assignment to an Assignee (other than any Lender or any Lender Affiliate) shall be in an aggregate principal amount of less than $10,000,000, in each case except in the case of an assignment of all of a Lender's interests under this Agreement."

(iv) deleting the existing second sentence of paragraph (d) thereof in its entirety and inserting in lieu thereof the following new sentence:

"The entries in the Register shall be conclusive, in the absence of manifest error, and Gannett, the Administrative Agent, the Issuing Lender and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any promissory notes evidencing the Loans recorded therein for all purposes of this Agreement."

32. Appointment of Successor Administrative Agent and Waiver of Notice. Effective as of the Fifth Amendment and Waiver Effective Date, Bank of America, N.A. hereby resigns as Administrative Agent under the Existing Credit Agreements and Gannett appoints JPMorgan Chase Bank. N.A. as successor administrative agent. In connection with the foregoing, the Required Lenders hereby (i) approve of the appointment, by Gannett, of JPMorgan Chase Bank, N.A., as successor to Bank of America, N.A., as Administrative Agent and (ii) waive, along with Gannett, any notice of such resignation as may be required pursuant to Section 8.9 of the Credit Agreement.

33. Effectiveness. This Amendment and Waiver shall become effective as of the date (the "Fifth Amendment and Waiver Effective Date") on which the Administrative Agent shall have received (i) counterparts hereof duly executed by Gannett and the Administrative Agent and (ii) an executed consent letter from Lenders constituting Required Lenders authorizing the Administrative Agent to enter into this Amendment and Waiver.

34. Representations and Warranties. Gannett hereby represents and warrants that, on and as of the Fifth Amendment and Waiver Effective Date, after giving effect to this Amendment and Waiver:

(a) No Default or Event of Default has occurred and is continuing; and

(b) Each of the representations and warranties of Gannett in the Credit Agreement and this Amendment and Waiver is true and correct in all material respects, as if made on and as of the date hereof; and since December 27, 2009 there has been no Material change in the business or financial condition of Gannett and its Subsidiaries taken as a whole that has not been publicly disclosed.

35. Continuing Effect. Except as expressly amended hereby, the Credit Agreement shall continue to be and shall remain in full force and effect in accordance with its terms. From and after the date hereof, all references in the Credit Agreement thereto shall be to the Credit Agreement as amended hereby.

36. Counterparts. This Amendment and Waiver may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment and Waiver by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

37. Headings. Section headings used in this Amendment and Waiver are for convenience of reference only, are not part of this Amendment and Waiver and are not to affect the constructions of, or to be taken into consideration in interpreting, this Amendment and Waiver.

38. GOVERNING LAW. THIS AMENDMENT AND WAIVER AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT AND WAIVER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

39. Expenses. Gannett agrees to pay or reimburse each of the Administrative Agent and J.P. Morgan Securities LLC as a Joint Lead Arranger for all of their respective reasonable out-of-pocket costs and expenses incurred in connection with the preparation, negotiation and execution of this Amendment and Waiver, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent and counsel to J.P. Morgan Securities LLC as a Joint Lead Arranger.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment and Waiver to be executed and delivered by their duly authorized officers as of the date first written above.

GANNETT CO., INC.

By: /s/ Michael A. Hart
Name: Michael A. Hart
Title: Vice President & Treasurer

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Antonikia (Toni) Thomas
Name: Antonikia (Toni) Thomas
Title: Assistant Vice President

BANK OF AMERICA, N.A., as Issuing Lender

By: /s/ Peter van der Horst
Name: Peter van der Horst
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., as Issuing Lender

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

JPMORGAN CHASE BANK, N.A., as successor Administrative Agent

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

JPMORGAN CHASE BANK, N.A.., as Syndication Agent

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

CITIBANK, N.A.., as Syndication Agent

By: /s/ Elizabeth Minnella Gonzalez
Name: Elizabeth Minnella Gonzalez
Title: Vice President and Director

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

BARCLAYS BANK PLC
(Lender)

By: /s/ Noam Azachi
Name: Noam Azachi
Title: Assistant Vice President

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

COMERICA BANK
(Lender)

By: /s/ Blake Arnett
Name: Blake Arnett
Title: Vice President

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

FIRST HAWAIIAN BANK
(Lender)

By: /s/ Dawn Hofmann
Name: Dawn Hofmann
Title: Vice President

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

JPMORGAN CHASE BANK, N.A.
(Lender)

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

MIZUHO CORPORATE BANK, LTD.
(Lender)

By: /s/ Bertram Tang
Name: Bertram Tang
Title: Authorized Signatory

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

SUMITOMO MITSUI BANKING CORPORATION
(Lender)

By: /s/ Yoshihiro Hyakutome
Name: Yoshihiro Hyakutome
Title: General Manager

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

SUNTRUST BANK
(Lender)

By: /s/ Michael Vegh
Name: Michael Vegh
Title: Director

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.
(Lender)

By: /s/ George Stoecklein
Name: George Stoecklein
Title: Authorized Signatory

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

BANK OF TOKYO-MITSUBISHI UFJ TRUST COMPANY
(Lender)

By: /s/ George Stoecklein
Name: George Stoecklein
Title: Vice President

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

CAPITAL ONE, N.A.
(Lender)

By: /s/ Rick Larsen
Name: Rick Larsen
Title: Senior Vice President

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

CITIBANK, N.A.
(Lender)

By: /s/ Elizabeth Minnella Gonzalez
Name: Elizabeth Minnella Gonzalez
Title: Director and Vice President

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

FIFTH THIRD BANK
(Lender)

By: /s/ Randolph J. Stierer
Name: Randolph J. Stierer
Title: Vice President

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

PNC BANK, N.A.
(Lender)

By: /s/ D. Jermaine Johnson
Name: D. Jermaine Johnson
Title: Senior Vice President

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

THE NORTHERN TRUST COMPANY
(Lender)

By: /s/ Michael Kingsley
Name: Michael Kingsley
Title: Senior Vice President

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

US BANK, NATIONAL ASSOCIATION
(Lender)

By: /s/ Steven L. Sawyer
Name: Steven L. Sawyer
Title: Vice President

[Signature Page to Fifth Amendment — Gannett January 2005 Credit Agreement]

Exhibit A

Form of Extension Agreement

[Attached.]

Exhibit B

Form of Master Assignment Agreement

[Attached.]

Exhibit 10-10-5

FIFTH AMENDMENT AND WAIVER
TO GANNETT MARCH 2002 CREDIT AGREEMENT

This FIFTH AMENDMENT AND WAIVER, dated as of September 30, 2010 (this "Amendment and Waiver"), to the Amended and Restated Competitive Advance and Revolving Credit Agreement, dated as of March 11, 2002 and effective as of March 18, 2002, as amended and restated as of December 13, 2004 and effective as of January 5, 2005, as amended by the First Amendment thereto, dated as of February 28, 2007 and effective as of March 15, 2007, as further amended by the Second Amendment thereto, dated as of October 23, 2008 and effective as of October 31, 2008, as further amended by the Third Amendment thereto, dated as of September 28, 2009 and as further amended by the Fourth Amendment thereto, dated as of August 25, 2010 (as further amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Gannett Co., Inc., a Delaware corporation ("Gannett"), the several banks and other financial institutions from time to time parties to the Credit Agreement (the "Lenders"), Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A. and Citibank, N.A., as syndication agents, and Barclays Bank PLC, as documentation agent, is made by and between Gannett, Bank of America, N.A., as administrative agent and as an Issuing Lender, J.P. Morgan Chase Bank, N.A., as successor administrative agent (in such capacity, the "Administrative Agent") and as an Issuing Lender, and the Lenders party hereto.

W I T N E S S E T H:

WHEREAS, Gannett has requested certain amendments to the Credit Agreement;

WHEREAS, the parties are willing to consent to the requested amendments on the terms and conditions contained herein;

NOW THEREFORE, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

2. Amendments to Section 1.1. Section 1.1 of the Credit Agreement is hereby amended as follows:

(i) by adding the following new definitions, to appear in proper alphabetical order:

"Application": an application, in such form as the Issuing Lender may specify from time to time, requesting the Issuing Lender to open a Letter of Credit.

"Consolidated Tangible Assets": for any period, with respect to Gannett and its Domestic Subsidiaries, all property, plant and equipment, inventories and trade receivables of Gannett and its Domestic Subsidiaries on a consolidated basis in accordance with GAAP.

"Defaulting Lender": any Lender, as reasonably determined by the Administrative Agent, that has (a) failed to fund its portion of any Borrowing, or any portion of its participation in any Letter of Credit, within three Business Days of the date on which it shall have been required to fund the same, unless the subject of a good faith dispute between Gannett and such Lender, (b) notified Gannett, the Administrative Agent, the Issuing Lender or any other Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under agreements in which it commits to extend credit generally, (c) failed, within three Business Days after written request by the Administrative Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans (unless the subject of a good faith dispute between Gannett and such Lender) and participations in then outstanding Letters of Credit; provided that any such Lender shall cease to be a Defaulting Lender under this clause (c) upon receipt of such confirmation by the Administrative Agent, (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless the subject of a good faith dispute), or (e) (i) been (or has a parent company that has been) adjudicated as, or determined by any Governmental Authority having regulatory authority over such Person or its assets to be, insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian, appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment, unless in the case of any Lender referred to in this clause (e) Gannett, the Administrative Agent and the Issuing Lender shall be satisfied that such Lender intends, and has all approvals required to enable it, to continue to perform its obligations as a Lender hereunder. For the avoidance of doubt, a Lender shall not be deemed to be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in such Lender or its parent by a Governmental Authority.

"Designated Pari Passu Indebtedness": New Pari Passu Indebtedness if (a) (i) such New Pari Passu Indebtedness is incurred before the repayment of other Pari Passu Indebtedness, (ii) the Net Cash Proceeds of such New Pari Passu Indebtedness are subsequently used to effect a repayment of the 2011 Notes, 2011 Term Loan Agreement or 2012 Notes (and the principal amount of such New Pari Passu Indebtedness may not exceed the outstanding principal amount of the 2011 Notes, 2011 Term Loan Agreement or 2012 Notes, as applicable, together with estimated accrued interest, fees and expenses payable in connection therewith) and (iii) such Net Cash Proceeds of New Pari Passu Indebtedness incurred before the repayment of the applicable Pari Passu Indebtedness shall be segregated in a separate account and applied to repay the applicable Pari Passu Indebtedness on the day which is no later than 90 days (or such later date as the Administrative Agent may reasonably agree to; provided that in the event such Net Cash Proceeds are not so applied on or prior to such day, the Administrative Agent may apply such Net Cash Proceeds to the repayment of other Pari Passu Indebtedness on such day in such order as it may determine) after the issuance of such New Pari Passu Indebtedness or (b) (i) such New Pari Passu Indebtedness is incurred no later than 120 days after the repayment of Pari Passu Indebtedness, (ii) such repayment is not made with the proceeds of other indebtedness or is initially made with the proceeds of borrowings under the Existing Credit Agreements and (iii) Gannett delivers to the Administrative Agent on or prior to the date of receipt of such Net Cash Proceeds a certificate of a financial officer of Gannett certifying (x) as to the earlier repayment of Pari Passu Indebtedness, (y) that such repayment was not made with the proceeds of other indebtedness or was initially made with the proceeds of borrowings under the Existing Credit Agreements and (z) that the Net Cash Proceeds of such New Pari Passu Indebtedness will be used to repay such borrowings within 10 Business Days after receipt of such Net Cash Proceeds.

“Existing Agreements”: the Existing Credit Agreements and the 2011 Term Loan Agreement.

“Existing Credit Agreements”: this Agreement, the 2004 Credit Agreement and the 2005 Credit Agreement.

“Extended Termination Date”: September 30, 2014 (or such earlier date on which the Five-Year Commitments terminate in accordance with the provisions hereof).

“Extending Lender”: as defined in Section 2.22.

“Extension Agreement”: an Extension Agreement, substantially in the form attached to the Fifth Amendment as Exhibit A.

“Extension Effective Date”: the date upon which the conditions precedent set forth in the Extension Agreement shall have been satisfied or waived.

“Extension Option”: as defined in Section 2.22.

“Fee Payment Date”: (a) the third Business Day following the last day of each March, June, September and December and (b) the Five-Year Termination Date and/or the Extended Termination Date, as applicable.

“Five-Year Extensions of Credit”: as to any Five-Year Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Five-Year Loans held by such Five-Year Lender then outstanding and (b) such Five-Year Lender’s Five-Year Commitment Percentage of the L/C Obligations then outstanding.

“Fifth Amendment and Waiver”: the Fifth Amendment and Waiver to the Agreement, dated as of September 30, 2010, among Gannett, the Lenders and the Administrative Agent.

“Fifth Amendment and Waiver Effective Date”: the date on which the conditions precedent set forth in Section 33 of the Fifth Amendment shall have been satisfied or waived.

“Issuing Lender”: Bank of America, N.A., JP Morgan Chase Bank, N.A. and any other Five-Year Lender selected by Gannett and approved by the Administrative Agent (not to be unreasonably withheld, delayed or conditioned) that has agreed in its sole discretion to act as an “Issuing Lender” hereunder, or any of their respective affiliates, in each case in its capacity as issuer of any Letter of Credit. Each reference herein to “the Issuing Lender” shall be deemed to be a reference to the relevant Issuing Lender.

“Joint Lead Arrangers”: J.P. Morgan Securities LLC and Citibank Global Markets Inc.

“L/C Commitment”: $33,000,000.

“L/C Obligations”: at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 2.20(e).

“L/C Participants”: the collective reference to all the Five-Year Lenders other than the Issuing Lender.

“Letters of Credit”: as defined in Section 2.20(a).

“Loan Documents”: this Agreement, any Application, the Guarantee Agreement, any Extension Agreement, the Master Assignment Agreement and all other written agreements whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to either the Administrative Agent or any Lender in connection with this Agreement or the Facilities contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“Loan Party”: the Borrower and any of its Subsidiaries that are party to a Loan Document.

“Master Assignment Agreement”: a Master Assignment Agreement, substantially in the form attached to the Fifth Amendment and Waiver as Exhibit B.

“Net Cash Proceeds”: in connection with any incurrence of Indebtedness, the cash proceeds received from such issuance or incurrence, net of attorneys’ fees, investment banking fees, accountants’ fees, underwriting discounts (including original issue discount, if any) and commissions and other customary fees and expenses actually incurred in connection therewith.

“New Non-Guaranteed Indebtedness”: as defined in Section 6.5(b)(i)(E).

“New Pari Passu Indebtedness”: as defined in Section 6.5(b)(i)(D).

“Non-Extending Lender”: as defined in Section 2.22.

“Pari Passu Commitments”: any revolving credit commitments to advance Pari Passu Indebtedness.

“Pari Passu Debt Basket”: at the time of incurrence of any New Pari Passu Indebtedness, (a) if the Total Leverage Ratio at such time is less than 1.00 to 1.00, $1,500,000,000 (so long as the pro forma Total Leverage Ratio after giving effect to the incurrence thereof is less than 2.25 to 1.00), (b) if the Total Leverage Ratio at such time is less than 1.50 to 1.00 but greater than or equal to 1.00 to 1.00, $1,000,000,000 (so long as the pro forma Total Leverage Ratio after giving effect to the incurrence thereof is less than 2.25 to 1.00) and (c) $750,000,000 otherwise.

"Pari Passu Indebtedness": any Indebtedness existing under (a) the 2011 Term Loan Agreement, (b) the Five-Year Commitments (including the extensions of credit made thereunder) under any Existing Credit Agreement or (c) 2011 Notes, 2012 Notes, 2014 Notes, 2015 Notes, 2016 Notes and 2017 Notes, and any refinancing, refunding, renewals or extensions of any of the foregoing.

"Permitted Commercial Paper": any commercial paper issued by Gannett to refinance Indebtedness at any time when Gannett has Credit Status 1, Credit Status 2, Credit Status 3 or Credit Status 4.

"Permitted Short Term Debt": any Indebtedness (a) which satisfies the requirements of Section 6.5(b)(i)(D) with respect to New Pari Passu Indebtedness (other than clause (1) of the proviso thereto) and the Net Cash Proceeds of which are to be applied as provided in Section 2.6A or (b) which satisfies the requirements of Section 6.5(c) with respect to New Non-Guaranteed Indebtedness (other than clause (i) of the proviso thereto), so long as (x) the aggregate principal amount of all Indebtedness under the foregoing clauses (a) and (b) incurred after the Extension Effective Date does not exceed $500,000,000 at any time outstanding under all of the Existing Credit Agreements. Permitted Short Term Debt shall be subject to the requirements of Section 6.5(d).

"Reimbursement Obligation": the obligation of Gannett to reimburse the applicable Issuing Lender pursuant to Section 2.20(e) for amounts drawn under Letters of Credit.

"Replacement Lender": as defined in Section 2.22.

"Termination Date": the Five-Year Termination Date and/or the Extended Termination Date, as applicable.

"2004 Credit Agreement": the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as further amended, supplemented or otherwise modified from time to time), among Gannett, the lenders thereto, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A., and Citibank, N.A., as syndication agents, and Barclays Bank PLC and Suntrust Bank, as documentation agents.

"2005 Credit Agreement": the Competitive Advance and Revolving Credit Agreement, dated as of December 13, 2004 and effective as of January 5, 2005 (as further amended, supplemented or otherwise modified from time to time), among Gannett, the lenders thereto, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A., and Citibank, N.A., as syndication agents, and Barclays Bank PLC, as documentation agent.

"2011 Notes": Gannett's 5.75% Notes due June 2011.

"2011 Term Loan Agreement": the Term Loan Agreement dated as of June 27, 2008 and effective as of July 14, 2008 among Gannett, the several lenders from time to time parties thereto and BNP Paribas as administrative agent (as further amended, supplemented or otherwise modified from time to time).

"2012 Notes": Gannett's 6.375% Notes due April 2012.

"2014 Notes": Gannett's 8.75% Notes due November 2014.

"2015 Notes": Gannett's 10% Notes due June 2015.

"2016 Notes": Gannett's 10% Notes due April 2016.

"2017 Notes": Gannett's 9.375% Notes due November 2017.

(ii) by deleting the definition of "Aggregate Commitment Percentage" in its entirety and inserting in lieu thereof the following:

"Aggregate Commitment Percentage": as to any Lender at any time, the percentage which such Lender's Commitment then constitutes of the aggregate Commitments (or, at any time after the Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender's Loans and Letters of Credit then outstanding constitutes of the aggregate principal amount of the Loans and Letters of Credit then outstanding).

(iii) by adding the following proviso at the end of the definition of "Applicable Margin":

"provided, however, that on and after the earlier of (a) the date upon which there are no longer any Non-Extending Lenders under this Agreement or (b) the Five-Year Termination Date, "Applicable Margin" shall mean the appropriate rate per annum set forth in the table below opposite the applicable Total Leverage Ratio:

	Applicable Margin for:	
Total Leverage Ratio	ABR Loans	Eurodollar Loans
> 3.00 to 1.00	225.00 Basis Points	325.00 Basis Points
≤ 3.00 to 1.00 and > 2.50 to 1.00	200.00 Basis Points	300.00 Basis Points
≤ 2.50 to 1.00 and > 1.75 to 1.00	175.00 Basis Points	275.00 Basis Points
≤ 1.75 to 1.00 and > 1.00 to 1.00	125.00 Basis Points	225.00 Basis Points
≤1.00 to 1.00	100.00 Basis Points	200.00 Basis Points

(iv) by deleting the definition of "Borrowing" in its entirety and inserting in lieu thereof the following:

"Borrowing": a group of Loans of a single Type made by the Lenders (or, in the case of a Competitive Borrowing, by the Lender or Lenders whose Competitive Bids have been accepted pursuant to Section 2.3) on a single date and as to which a single Interest Period is in effect or, where applicable, the issuance of a Letter of Credit.

(v) by deleting the definition of "Commitment Utilization Percentage" in its entirety.

(vi) by deleting the definition of "Excess Utilization Day" in its entirety.

(vii) by deleting the definition of "Five-Year Available Commitment" in its entirety and inserting in lieu thereof the following:

"Five-Year Available Commitment": as to any Five-Year Lender at any time, the excess, if any, of (a) such Five-Year Lender's Five-Year Commitment then in effect over (b) such Five-Year Lender's Five-Year Extensions of Credit then outstanding.

(viii) by deleting the definition of "Five-Year Commitment" in its entirety and inserting in lieu thereof the following:

"Five-Year Commitment": as to any Lender, the obligation of such Lender, if any, to make Five-Year Loans and participate in Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading "Five-Year Commitment" opposite such Lender's name on Schedule 1.1 or in the Assignment and Acceptance or New Lender Supplement pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof.

(ix) by deleting the definition of "Five-Year Commitment Percentage" in its entirety and inserting in lieu thereof the following:

"Five-Year Commitment Percentage": as to any Five-Year Lender at any time, the percentage which such Five-Year Lender's Five-Year Commitment then constitutes of the aggregate Five-Year Commitments (or, at any time after the Five-Year Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Five-Year Lender's Five-Year Extensions of Credit then outstanding constitutes of the aggregate principal amount of the Five-Year Extensions of Credit then outstanding).

(x) by deleting the definition of "Five-Year Commitment Period" in its entirety and inserting in lieu thereof the following:

"Five-Year Commitment Period": the period from and including the First Amendment Effective Date to the Five-Year Termination Date, as the same may be extended to the Extended Termination Date pursuant to Section 2.22.

(xi) by deleting the definition of "Five-Year Facility" in its entirety and inserting in lieu thereof the following:

"Five-Year Facility": the Five-Year Commitments and the Five-Year Extensions of Credit made thereunder.

(xii) by deleting the definition of "Incremental Facility Maturity Date" in its entirety and inserting in lieu thereof the following:

"Incremental Facility Maturity Date": with respect to the Incremental Loans, the maturity date specified in the applicable Incremental Facility Activation Notice, which date shall be a date that is at least 91 days after the Extended Termination Date.

(xiii) by deleting clause (y) of the definition of "Interest Payment Date" in its entirety and inserting in lieu thereof the following:

"the applicable Termination Date with respect to a Revolving Loan shall be deemed to be an "Interest Payment Date" with respect to any interest which is then accrued hereunder."

(xiv) by deleting the definition of "Obligations" in its entirety and inserting in lieu thereof the following:

"Obligations": the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and creation of Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, of Gannett, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of Gannett to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any Guarantee Agreement, the Letters of Credit or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by Gannett pursuant hereto) or otherwise.

(xv) by deleting the definition of "Termination Date" in its entirety and inserting in lieu thereof the following:

"Termination Date": the Five-Year Termination Date, the 364-Day Termination Date and/or the Extended Termination Date, as applicable.

(xvi) by deleting the definition of "Total Extensions of Credit" in its entirety and inserting in lieu thereof the following:

"Total Extensions of Credit": at any time, the aggregate amount of all Loans and L/C Obligations outstanding at such time.

3. Amendment to Section 2.1.

(i) Section 2.1 of the Credit Agreement is hereby amended by deleting paragraph (b) thereof in its entirety and inserting in lieu thereof the following new paragraph (b):

"(b) Subject to the terms and conditions hereof, each Five-Year Lender severally agrees to make revolving credit loans ("Five-Year Loans", and together with the 364-Day Loans, the "Revolving Credit Loans") to Gannett from time to time during the Five-Year Commitment Period in an aggregate principal amount at any one time outstanding which, when added to such Lender's Five-Year Commitment Percentage of the L/C Obligations then outstanding, does not exceed the amount of such Lender's Five-Year Commitment. During the Five-Year Commitment Period, Gannett may use the Five-Year Commitments by borrowing, prepaying the Five-Year Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. Notwithstanding anything to the contrary contained in this Agreement, in no event (after giving effect to the use of proceeds of any Borrowing) shall (i) the amount of any Lender's Five-Year Commitment Percentage multiplied by the amount of a Borrowing of Five-Year Loans exceed such Lender's Five-Year Available Commitment at the time of such Borrowing or (ii) the aggregate amount of Five-Year Extensions of Credit and Five-Year Competitive Loans at any one time outstanding exceed the aggregate Five-Year Commitments then in effect of all Lenders."

(ii) Section 2.1 of the Credit Agreement is hereby amended by deleting the phrase "Five-Year Termination Date" from paragraph (c) thereof and replacing that phrase with the phrase "applicable Termination Date".

(iii) Section 2.1 of the Credit Agreement is hereby amended by deleting paragraph (d) thereof in its entirety and inserting in lieu thereof the following new paragraph (d):

"(d) Gannett (upon receipt of requisite authorization from its Board of Directors) and any one or more Lenders (including New Lenders) may from time to time agree that such Lenders shall (x) make available to Gannett an additional credit facility (the "Incremental Facility" and any loans thereunder, the "Incremental Loans"), which credit facility shall take the form of a revolving credit facility which matures at least 91 days after the Extended Termination Date and/or (y) increase the amount of their Five-Year Commitment, or (in the case of a New Lender) make available a Five-Year Commitment which matures on the Extended Termination Date, in either such case by executing and delivering to the Administrative Agent an Incremental Facility Activation Notice specifying (i) the aggregate principal amount of such increase and the Facility or Facilities involved, (ii) the Incremental Facility Closing Date and (iii) in the case of an Incremental Facility, the applicable Incremental Facility Maturity Date. Notwithstanding the foregoing, (I) the sum of the aggregate principal amount of Incremental Facility Commitments under any Existing Credit Agreement and any increase in the Five-Year Commitments under any Existing Credit Agreement after the Fifth Amendment and Waiver Effective Date shall not exceed $250,000,000 in the aggregate under the Existing Credit Agreements, (II) no increase pursuant to this paragraph may be obtained after the occurrence and during the continuation of a Default or Event of Default or if a Default or Event of Default would result therefrom, (III) any increase effected pursuant to this paragraph shall be in a minimum amount of at least $10,000,000 and (IV) any Incremental Facility and/or increase in Five-Year Commitments shall be effected pursuant to documentation and procedures reasonably acceptable to the Administrative Agent (including, if applicable, procedures to ensure that outstandings are held ratably by the applicable Lenders). No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion."

4. Amendment to Section 2.3. Section 2.3 of the Credit Agreement is hereby amended by deleting existing clause (iii) of paragraph (f) thereof in its entirety and inserting in lieu thereof the following new clause (iii):

"(iii) if made under the Five-Year Facility, the aggregate principal amount of the Competitive Bids accepted by Gannett may not exceed the lesser of (A) the principal amount set forth in the related Competitive Bid Request and (B) the excess, if any, of the aggregate Five-Year Commitments of all Five-Year Lenders then in effect over the aggregate principal amount of all Five-Year Extensions of Credit outstanding immediately prior to the making of such Competitive Loans,"

5. Amendment to Section 2.4. Section 2.4 of the Credit Agreement is hereby amended in its entirety and inserting in lieu thereof the following:

"Gannett shall have the right, upon not less than two Business Days' notice to the Administrative Agent, to terminate the Five-Year Commitments when no Five-Year Loans or Letters of Credit are then outstanding or, from time to time, to reduce the unutilized portion of the Five-Year Commitments. Any such reduction pursuant to this Section 2.4 shall be in an amount equal to $10,000,000 or a multiple of $1,000 in excess thereof (other than in connection with the Fifth Amendment and Waiver, in which case such incremental reductions may be in multiples of less than $1,000) and shall reduce permanently the Five-Year Commitments then in effect, and the fees payable pursuant to Section 2.10 shall then reflect the reduced Five-Year Commitments."

6. Amendment to Section 2.6. (i) Section 2.6 of the Credit Agreement is hereby amended by deleting the phrase "Five-Year Termination Date" from clause (ii) of paragraph (a) thereof and replacing that phrase with the phrase "applicable Termination Date".

(ii) Section 2.6 of the Credit Agreement is hereby amended by deleting the phrase "Five-Year Termination Date" from clause (ii) of paragraph (b) thereof and replacing that phrase with the phrase "applicable Termination Date".

7. Amendment to Article II. Article II of the Credit Agreement is hereby amended by adding the following new Section 2.6A immediately before Section 2.6.

"2.6A Mandatory Prepayments and Commitment Reductions. (a) If any New Pari Passu Indebtedness shall be issued or incurred in accordance with Section 6.5(b)(i)(A) or 6.5(b)(i)(D), in each case issued or incurred after the Extension Effective Date and in an aggregate amount at any one time outstanding in excess of the Pari Passu Debt Basket, then Gannett shall, within 10 Business Days after the receipt of the Net Cash Proceeds of such New Pari Passu Indebtedness, permanently reduce Pari Passu Commitments (and make any related required prepayments of Pari Passu Indebtedness) and/or permanently repay, prepay or refinance any Pari Passu Indebtedness (other than Pari Passu Indebtedness covered by Pari Passu Commitments) in an aggregate amount equal to 100% of the Net Cash Proceeds of such New Pari Passu Indebtedness in excess of Pari Passu Debt Basket; provided that (i) the Net Cash Proceeds of Designated Pari Passu Indebtedness shall not be required to be so applied (except as otherwise provided in the definition of Designated Pari Passu Indebtedness) and (ii) in the case of any New Pari Passu Indebtedness covered by Pari Passu Commitments, (x) Gannett shall cause any such New Pari Passu Indebtedness to be fully drawn on the date first available for drawing (or shall otherwise make the prepayments and/or reductions required by this Section 2.6A on such date as if such New Pari Passu Indebtedness were fully drawn on such date) and (y) upon completion of the drawing, prepayment and/or reductions contemplated by Section 2.6A(ii)(x), Gannett shall have no further obligations under this Section 2.6A with respect to the Net Cash Proceeds of such New Pari Passu Indebtedness covered by Pari Passu Commitments.

(b) To the extent that Gannett elects to prepay Loans and/or reduce Five-Year Commitments (or Incremental Facility Commitments, if applicable) under this Agreement in order to comply with the requirements of Section 2.6(A)(a), such amounts will be applied first to reduce permanently the Five-Year Commitments; provided that so long as no Default or Event of Default shall have occurred and be continuing, such amounts will not be applied to reduce permanently the Five-Year Commitments below the amount of any outstanding Letters of Credit. Any such reduction of the Five-Year Commitments shall be accompanied by prepayment of the Five-Year Loans, to the extent, if any, that the Total Extensions of Credit exceed the amount of the Total Commitments as so reduced. The application of any prepayment pursuant to Section 2.6A shall be made, first, to ABR Loans and second, to Eurodollar Loans. Each prepayment of the Loans under Section 2.6A (except in the case of Five-Year Loans that are ABR Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid."

(c) If, on any Termination Date, the aggregate outstanding Five-Year Extensions of Credit exceed the Five-Year Commitments, then the Borrower shall prepay Loans (or, to the extent after giving effect to any such prepayment, any such excess remains, cash collateralize Letters of Credit in a manner consistent with the requirements in Section 7), to eliminate such excess and, in the event that the Borrower fails to comply with the preceding requirements, the Five-Year Commitments shall automatically terminate on such Termination Date.

8. Amendment to Section 2.8. Section 2.8 of the Credit Agreement is hereby amended by deleting existing paragraph (a) in its entirety and inserting in lieu thereof the following new paragraph (a):

"(a) Gannett hereby unconditionally promises to pay (i) to each 364-Day Lender on the 364-Day Termination Date (or such earlier date as the 364-Day Loans become due and payable pursuant to Article 7 or Section 2.5), the unpaid principal amount of each 364-Day Loan made by such 364-Day Lender, (ii) to each Five-Year Lender or Extending Lender on the Five-Year Termination Date or Extended Termination Date, as applicable (or such earlier date as the Five-Year Loans become due and payable pursuant to Article 7 or Section 2.5), the unpaid principal amount of each Five-Year Loan made by such Five-Year Lender, and (iii) to each applicable Lender on the last day of the applicable Interest Period, the unpaid principal amount of each Competitive Loan made by any such Lender. Gannett hereby further agrees to pay interest in immediately available funds at the office of the Administrative Agent on the unpaid principal amount of the Loans from time to time from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.9."

9. Amendment to Section 2.9. Section 2.9 of the Credit Agreement is hereby amended by deleting existing paragraph (e) in its entirety and inserting in lieu thereof the following new paragraph (e):

"(e) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section 2.9 plus 1% or (y) in the case of Reimbursement Obligations, the rate applicable to ABR Loans plus 1% and (ii) to the extent permitted under applicable law, if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans plus 1%, in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment)."

10. Amendment to Section 2.10. Section 2.10 of the Credit Agreement is hereby amended by inserting the following sentence at the end of paragraph (b) thereof:

"Notwithstanding the foregoing, on and after the earlier of (a) the date upon which there are no longer any Non-Extending Lenders under this Agreement or (b) the Five-Year Termination Date, Gannett shall no longer pay the Five-Year Facility Fee and shall only pay to the Administrative Agent, for the ratable account of the Extending Lenders, a fee at the rate per annum equal to 0.5000% of the aggregate undrawn Five-Year Commitments on such day."

11. Amendment to Section 2.11. Section 2.11 of the Credit Agreement is hereby amended by deleting the parenthetical "(other than the Utilization Fees, which shall be calculated as provided in Section 2.10(c))" in its entirety.

12. Amendment to Section 2.14. Section 2.14 of the Credit Agreement is hereby amended by:

(i) deleting existing clause (i) of paragraph (a) thereof in its entirety and inserting in lieu thereof the following new clause (i):

"(i) shall subject any Lender or the Issuing Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender or Issuing Lender in respect thereof (except for Non-Excluded Taxes covered by Section 2.15 and changes in the rate of tax on the overall net income of such Lender or Issuing Lender);"

(ii) deleting in its entirety the continuation of the sentence in paragraph (a) beginning "and the result" which follows clause (iii) thereof and inserting in lieu thereof the following:

"and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, Gannett shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable."

(iii) deleting existing paragraph (b) in its entirety and inserting in lieu thereof the following new paragraph (b):

"(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, within 15 days after submission by such Lender to Gannett (with a copy to the Administrative Agent) of a written request therefor, Gannett shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction; provided that Gannett shall not be required to compensate a Lender pursuant to this paragraph for any amounts incurred more than 30 days prior to the date that such Lender notifies Gannett of such Lender's intention to claim compensation therefor; and provided further that, if the circumstances giving rise to such claim have a retroactive effect, then such 30 day period shall be extended to include the period of such retroactive effect."

13. Amendment to Section 2.15. Section 2.15 of the Credit Agreement is hereby amended by:

(i) deleting existing paragraph (a) in its entirety and inserting in lieu thereof the following new paragraph (a):

"(a) All payments made by Gannett under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent, the Issuing Lender or any Lender hereunder, the amounts so payable to the Administrative Agent, the Issuing Lender or such Lender shall be increased to the extent necessary to yield to the Administrative Agent, the Issuing Lender or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, provided, however, that Gannett shall not be required to increase any such amounts payable to any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's failure to comply with the requirements of paragraph (d) or (e) of this Section or (ii) that are United States withholding taxes imposed on amounts payable to such Lender at the time the Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from Gannett with respect to such Non-Excluded Taxes pursuant to this paragraph."

(ii) deleting existing paragraph (e) in its entirety and inserting in lieu thereof the following new paragraph (e):

"(e) If the Administrative Agent, the Issuing Lender or any Lender receives a refund in respect of any amounts paid by Gannett pursuant to this Section 2.15, which refund in the reasonable judgment of such Administrative Agent, Issuing Lender or such Lender is allocable to such payment, it shall pay the amount of such refund to Gannett, net of all reasonable out-of-pocket expenses of the Administrative Agent, the Issuing Lender or such Lender, provided however, that Gannett, upon the request of such Lender, Issuing Lender or the Administrative Agent, agrees to repay the amount paid over to Gannett to the Administrative Agent, the Issuing Lender or such Lender in the event such Administrative Agent, Issuing Lender or the Lender is required to repay such refund. Nothing contained herein shall interfere with the right of the Administrative Agent or any Lender to arrange its tax affairs in whatever manner it deems fit nor oblige the Administrative Agent, the Issuing Lender or any Lender to apply for any refund or to disclose any information relating to its affairs or any computations in respect thereof."

14. Amendment to Section 2.17. Section 2.17 of the Credit Agreement is hereby amended by deleting existing Section 2.17 in its entirety and inserting in lieu thereof the following new Section 2.17:

"Section 2.17. Change of Lending Office. Each Lender and each Issuing Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.14 or 2.15(a) with respect to such Lender or Issuing Lender, it will, if requested by Gannett, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans or Letters of Credit affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of Gannett or the rights of any Lender or Issuing Lender pursuant to Section 2.14 or 2.15(a)."

15. Amendment to Section 2.18.

(i) Section 2.18(a) of the Credit Agreement is hereby amended by deleting the word "or" before clause (c) and inserting a comma thereof and adding the following new clause (d) at the end of clause (c) immediately before the proviso:

"or (d) after the Extension Effective Date and on or before the Extended Termination Date, with the consent of the Administrative Agent (such consent, in each case, shall not be unreasonably withheld, conditioned or delayed), is a Non-Extending Lender, in whole or in part (but if in part, in an aggregate principal amount of not less than $5,000,000 (other than in the case of the replacement of all of a Non-Extending Lender's interest under this Agreement)), provided that the Five-Year Commitment of such Non-Extending Lender is replaced by increases in the outstanding Five-Year Commitments of one or more Extending Lenders or Five-Year Commitments of one or more other lenders or financial institutions or other entities that will become "Lenders" under this Agreement (each, a "Replacement Lender") so long as (i) the maturity of any such replacement commitments shall not be earlier than the Extended Termination Date, (ii) the terms applicable to any such commitments are identical to those applicable to the Five-Year Commitments and (iii) the interest, fees or other compensation payable in respect of such commitments (in addition to additional interest and fees payable under this Agreement) shall not exceed the Extension Fees (as defined in the Extension Agreement)."

(ii) Section 2.18(a) of the Credit Agreement is hereby amended by inserting the word "further" immediately after the second instance of the word "provided" and adding the following new sentence at the end thereof:

"In addition, each Replacement Lender shall have entered into an Assignment and Assumption or other documentation reasonably satisfactory to Gannett and the Administrative Agent pursuant to which such Replacement Lender shall assume all or part of the outstanding Five-Year Commitment of such Non-Extending Lender. For the avoidance of doubt, after the Extension Effective Date and on or before the Extended Termination Date, any Non-Extending Lender that has not been replaced may, with the consent of Gannett, extend all, or a portion of, its Five-Year Commitment (but if electing to extend only a portion of its Five-Year Commitment, in an aggregate amount not less than $5,000,000), converting such Lender (as to the portion so extended) through the Extended Termination Date by executing and delivering to Gannett and the Administrative Agent an Extension Agreement and the Master Assignment Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the extended Five-Year Commitments of such Lender, as applicable."

16. Amendment to Section 2.19. Section 2.19 of the Credit Agreement is hereby amended by deleting existing paragraph (c) in its entirety and inserting in lieu thereof the following new paragraph (c):

"(c) Any such reduction of the Commitments pursuant to this Section 2.19 shall be accompanied by prepayment of the Loans (except for any then outstanding Competitive Loans, as to which such reduction shall be accompanied by cash collateralization of such Competitive Loans) to the extent, if any, that the aggregate principal amount of the then outstanding Loans exceeds the aggregate amount of the Commitments as so reduced. If, after giving effect to the prepayment of Loans pursuant to the preceding sentence, the Total Extensions of Credit exceed the aggregate amount of the Commitments as so reduced, then Gannett shall, to the extent of the balance of such excess, replace outstanding Letters of Credit and/or deposit an amount in cash equal to such excess in a cash collateral account established with the Administrative Agent for the benefit of the Lenders on terms and conditions satisfactory to the Administrative Agent. The application of any prepayment pursuant to this paragraph (c) shall be made, first, to ABR Loans and, second, to Eurodollar Loans. Each prepayment of the Loans under this paragraph (c) (except in the case of Loans that are ABR Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid."

17. Amendment to Article II. (a) Article II of the Credit Agreement is hereby amended by adding the following new Section 2.20 at the end thereof as follows:

"Section 2.20 (a) L/C Commitment. (i) Subject to the terms and conditions hereof, the Issuing Lender, in reliance on the agreements of the L/C Participants set forth in Section 2.20(e), agrees to issue letters of credit ("Letters of Credit") for the account of Gannett on any Business Day during the Five-Year Commitment Period in such form as may be approved from time to time by the Issuing Lender; provided that the Issuing Lender shall have no obligation to issue any Letter of Credit to the extent that, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment or (ii) the aggregate amount of the Five-Year Available Commitments would be less than zero. Each Letter of Credit shall (i) be denominated in Dollars and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Five-Year Termination Date, provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above). Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to mean the maximum face amount of such Letter of Credit after giving effect to all increases thereof contemplated by such Letter of Credit or the Application therefore, whether or not such maximum face amount is in effect at such time.

(ii) The Issuing Lender shall not at any time be obligated to issue any Letter of Credit to the extent (a) that such issuance would conflict with, or cause the Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law, (b) any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Fifth Amendment and Waiver Effective Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Fifth Amendment and Waiver Effective Date and which the Issuing Bank in good faith deems material to it or (c) the issuance of such Letter of Credit would violate one or more policies of the Issuing Bank applicable to letters of credit generally.

(iii) Subject to the provisions of Section 2.6A(c), on the Five-Year Termination Date (and without any further action), and to the extent that the Five-Year Commitments shall not have terminated at or prior to such time, the interests in the Issuing Lender’s obligations and rights under and in respect of each outstanding Letter of Credit shall be reallocated so that each Extending Lender shall be an L/C Participant with respect to an undivided interest equal to such Extending Lender’s Five-Year Commitment Percentage as of such date in the Issuing Lender’s obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by the Issuing Lender thereunder, and the Non-Extending Lenders shall be released as L/C Participants in respect of such outstanding Letters of Credit.

(b) Procedure for Issuance of Letters of Credit. Gannett may from time to time request that the Issuing Lender issue a Letter of Credit by delivering to the Issuing Lender at its address for notices specified herein or otherwise on file with the Administrative Agent (with a copy to the Administrative Agent) an Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may reasonably request. Unless the Issuing Lender has received written notice from any Lender or the Administrative Agent at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit that the conditions precedent set forth in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the Issuing Lender shall, on the requested date, issue a Letter of Credit or enter into the applicable amendment, as the case may be, in accordance with its customary procedures (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto). The Issuing Lender shall furnish a copy of such Letter of Credit to Gannett promptly following the issuance thereof. The Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof). A Letter of Credit shall be issued only to the extent (and upon issuance of each Letter of Credit Gannett shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the L/C Obligations shall not exceed the L/C Commitment and (ii) the aggregate amount of the Five-Year Extensions of Credit shall not exceed the aggregate Five-Year Commitments. Such Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

(c) Fees and Other Charges. Gannett will pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Five-Year Facility, shared ratably among the Five-Year Lenders and payable quarterly in arrears on each Fee Payment Date after the issuance date. In addition to the foregoing fee, Gannett shall pay or reimburse the Issuing Lender for such normal and customary costs and expenses as are incurred or charged by the Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

(d) L/C Participations. (i) The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lender to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Five-Year Commitment Percentage in the Issuing Lender's obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Participant agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by Gannett in accordance with the terms of this Agreement, such L/C Participant shall pay to the Issuing Lender upon demand an amount equal to such L/C Participant's Five-Year Commitment Percentage of the amount of such draft, or any part thereof, that is not so reimbursed. Each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against the Issuing Lender, Gannett or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Article 4, (iii) any adverse change in the condition (financial or otherwise) of Gannett, (iv) any breach of this Agreement by Gannett, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(ii) If any amount required to be paid by any L/C Participant to the Issuing Lender pursuant to Section 2.20(d)(i) in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit is paid to the Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to the Issuing Lender on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 2.20(d)(i) is not made available to the Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, the Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans under the Five-Year Facility. A certificate of the Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(iii) Whenever, at any time after the Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 2.20(d)(i), the Issuing Lender receives any payment related to such Letter of Credit (whether directly from Gannett or otherwise, including proceeds of collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such L/C Participant shall return to the Issuing Lender the portion thereof previously distributed by the Issuing Lender to it.

(e) Reimbursement Obligation of Gannett. If any draft is paid under any Letter of Credit, Gannett shall reimburse the Issuing Lender for the amount of (a) the draft so paid and (b) any taxes, fees, charges or other costs or expenses incurred by the Issuing Lender in connection with such payment, not later than 12:00 Noon, New York City time, on (i) the Business Day that Gannett receives notice of such draft, if such notice is received on such day prior to 11:00 A.M., New York City time, or (ii) if clause (i) above does not apply, the Business Day immediately following the day that Gannett receives such notice. Each such payment shall be made to the Issuing Lender at its address for notices referred to herein in Dollars and in immediately available funds. Interest shall be payable on any such amounts from the date on which the relevant draft is paid until payment in full at the rate set forth in (x) until the Business Day next succeeding the date of the relevant notice, Section 2.9(a) and (y) thereafter, Section 2.9(e).

(f) Obligations Absolute. Gannett's obligations under this Section 2.20 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that Gannett may have or have had against the Issuing Lender, any beneficiary of a Letter of Credit or any other Person. Gannett also agrees with the Issuing Lender that the Issuing Lender shall not be responsible for, and Gannett's Reimbursement Obligations under Section 2.20(e) shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among Gannett and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of Gannett against any beneficiary of such Letter of Credit or any such transferee. The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Issuing Lender. Gannett agrees that any action lawfully taken or omitted by the Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct, shall be binding on Gannett and shall not result in any liability of the Issuing Lender to Gannett.

(g) Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify Gannett and the Administrative Agent of the date and amount thereof. The responsibility of the Issuing Lender to Gannett in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining, using reasonable care, that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

(h) Payments. Any payments and reimbursements due to the Issuing Lender hereunder shall be remitted to the Administrative Agent which shall, in turn, remit such funds to the Issuing Lender.

(i) Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 2.20, the provisions of this Section 2.20 shall apply."

18. Amendment to Article II. Article II of the Credit Agreement is hereby amended by adding the following new Section 2.21 after new Section 2.20 as follows:

"Section 2.21 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) if any L/C Obligations exists at the time a Lender becomes a Defaulting Lender then within one Business Day following notice by the Administrative Agent, Gannett shall cash collateralize such Defaulting Lender's Five-Year Commitment Percentage of the L/C Obligations in accordance with the procedures satisfactory to the Administrative Agent for so long as such L/C Obligations are outstanding;

(b) so long as any Lender is a Defaulting Lender, the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by cash collateral provided by Gannett.

19. Amendment to Article II. Article II of the Credit Agreement is hereby amended by adding the following new Section 2.22 at the end thereof as follows:

"Section 2.22 Extending Lenders. (a) On the Extension Effective Date, at the request of Gannett, individual Lenders may, pursuant to the Extension Agreement extend the maturity date of such Lender's Five-Year Commitments (including any L/C Commitments) from the Five-Year Termination Date to the Extended Termination Date (each, an "Extending Lender", and each such Lender that does not elect to so extend, a "Non-Extending Lender"), on the same terms and conditions as the existing Five-Year Facility (the "Extension Option"), except as set forth in the Extension Agreement. Each such Extending Lender shall execute and deliver to Gannett and the Administrative Agent an Extension Agreement and the Master Assignment Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the extended Five-Year Commitments of such Extending Lender. Each such Extending Lender shall be subject to the conditions set forth in paragraph (b) below.

(b) Notwithstanding anything to the contrary in the Extension Agreement, the Extension Option is subject to the following conditions in addition to any conditions set forth in the Extension Agreement: (a) Extension Agreements shall have been fully executed and delivered by all applicable parties, pursuant to which the maturity of Five-Year Commitments in an aggregate amount of at least $1,000,000,000 (or such lesser or greater amount as is approved by Gannett and the Joint Lead Arrangers prior to the Extension Effective Date) under this Agreement shall be extended to the Extended Termination Date; (b) the Extending Lenders shall have executed and delivered a Master Assignment Agreement pursuant to which Extending Lenders shall be assigned Commitments such that each Extending Lender shall hold its allocated Commitments after giving effect thereto; (c) Gannett shall have delivered notice of the reduction of Five-Year Commitments pursuant to Section 2.4 such that the aggregate commitments of the Lenders under this Agreement after such reductions is approximately $463,451,308.31; (d)(i) the representations and warranties contained in the this Agreement shall be true and correct in all material respects on and as of such date, (ii) since December 27, 2009, there has been no Material change in the business or financial condition of Gannett and its Subsidiaries taken as a whole that has not been publicly disclosed, and (iii) no Default or Event of Default shall have occurred and be continuing; (e) the Administrative Agent shall have received closing documents, including legal opinions, documents, certificates and other instruments, as are customary for the transactions described in this Section 2.22 and the Extension Agreement, or as such Administrative Agent may reasonably request; (f) the representations and warranties, covenants and events of default applicable to such Extension Option shall be the same as those set forth in this Agreement and (g) all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent, including the reasonable fees and disbursements of counsel, shall have been paid or reimbursed."

20. Amendment to Article III. Article III of the Credit Agreement is hereby amended by inserting the words "and issue and/or participate in Letters of Credit" between the word "Loans" and the comma immediately thereafter in the first sentence thereof.

21. Amendments to Article IV. Article IV of the Credit Agreement is hereby amended by:

(i) inserting the words "and issue and/or participate in Letters of Credit" between the words "Loan" and "hereunder" in the first line of the first sentence thereof.

(ii) adding the following sentence at the end of clause (b) thereof:

"Each Borrowing hereunder shall constitute a representation and warranty by Gannett as of the date of such extension of credit that the conditions contained in this Article IV(b) have been satisfied."

22. Amendments to Article V. (a) Article V of the Credit Agreement is hereby amended by inserting the words "and Letter of Credit" between the words "Loan" and "and" in the second line of the first sentence thereof.

(b) Article V of the Credit Agreement is hereby amended by adding the following new Section 5.10 after Section 5.9 as follows:

"Section 5.10 Restrictive Agreements. Gannett shall provide to the Administrative Agent, no later than 5 Business Days after the execution thereof, any agreements with respect to New Pari Passu Indebtedness, New Non-Guaranteed Indebtedness or Permitted Short Term Debt executed on or after the Extension Effective Date that contain (i) any financial covenants which are more restrictive than the financial covenants contained in this Agreement, (ii) in the case of senior credit facilities, any representations and warranties more restrictive than those set forth in this Agreement, (iii) in the case of senior credit facilities, any other covenants (except pricing and redemption premiums) or events of default which are more restrictive than the covenants and events of default set forth in this Agreement or (iv) in the case of notes, debt securities or similar instruments, any other covenants (except pricing and redemption premiums) or events of default which are more restrictive than the covenants and events of default applicable to the 2017 Notes, whether or not the 2017 Notes are outstanding."

23. Amendment to Article VI. Article VI of the Credit Agreement is hereby amended by inserting the words "and Letter of Credit" between the words "Loan" and "and" in the second line of the first sentence thereof.

24. Amendment to Section 6.1. Section 6.1 of the Credit Agreement is hereby amended by deleting existing paragraph (f) in its entirety and inserting in lieu thereof the following new paragraph (f) as follows:

"(f) cash collateralization established pursuant to Section 2.21 of any of the Existing Credit Agreements."

25. Amendments to Section 6.5.

(i) Section 6.5(b)(i) of the Credit Agreement is hereby amended by deleting the word "and" and inserting a comma immediately before clause (C) thereof and adding the following new clauses (D) and (E) immediately before the word "or" at the end of paragraph (i) thereof:

"(D) after the Extension Effective Date, subject to Section 2.6A, unsecured Indebtedness of one or more Guarantors resulting from Guarantees of Indebtedness of Gannett incurred after the Fifth Amendment and Waiver Effective Date in accordance with this Section 6.5(b)(i)(D) ("New Pari Passu Indebtedness"); provided that no Default or Event of Default has occurred and is continuing or would result from the incurrence of such New Pari Passu Indebtedness and the following conditions are satisfied: (1) the maturity and weighted average life of any such New Pari Passu Indebtedness must be at least 91 days later than the Extended Termination Date at the time such New Pari Passu Indebtedness is incurred (other than Permitted Short Term Debt); (2) the mandatory prepayment provisions applicable to any senior credit facilities constituting New Pari Passu Indebtedness shall be no more restrictive than the mandatory prepayment provisions set forth in Section 2.6A, and the redemption and mandatory prepayment provisions applicable to any notes, debt securities or similar instruments constituting New Pari Passu Indebtedness shall be no more restrictive than the redemption and mandatory prepayment provisions applicable to the 2017 Notes whether or not the 2017 Notes are outstanding; and (3) such New Pari Passu Indebtedness shall not be secured by any Liens, except as permitted by Section 6.1 of this Agreement, or guaranteed by entities other than Guarantors, except as permitted by Section 6.5(b)(ii) of this Agreement, and (E) Indebtedness outstanding from time to time under the Existing Agreements as in effect on the Extension Effective Date;"

(ii) Section 6.5 of the Credit Agreement is hereby amended by deleting the word "and" at the end of Section 6.5(a), deleting the period at the end of 6.5(b)(ii), inserting "; and" at the end of Section 6.5(b)(ii) and adding new paragraphs (c) and (d) immediately before the last paragraph in Section 6.5 as follows:

"(c) After the Extension Effective Date, permit Gannett to incur unsecured, non-guaranteed indebtedness for borrowed money (other than Pari Passu Indebtedness and Permitted Commercial Paper) ("New Non-Guaranteed Indebtedness") unless no Default or Event of Default has occurred and is continuing or would result from the incurrence of such New Non-Guaranteed Indebtedness and the following conditions are satisfied: (i) the maturity and weighted average life of any such New Non-Guaranteed Indebtedness must be at least 91 days later than the Extended Termination Date at the time such New Non-Guaranteed Indebtedness is incurred (other than Permitted Short Term Debt); (ii) the mandatory prepayment provisions applicable to any senior credit facilities constituting New Non-Guaranteed Indebtedness shall be no more restrictive than the mandatory prepayment provisions set forth in Section 2.6A (it being understood that no mandatory prepayment of Pari Passu Indebtedness or reduction of commitments hereunder shall be required with the proceeds of New Non-Guaranteed Indebtedness), and the redemption and mandatory prepayment provisions applicable to any notes, debt securities or similar instruments constituting New Non-Guaranteed Indebtedness shall be no more restrictive than the redemption and mandatory prepayment provisions applicable to the 2017 Notes whether or not the 2017 Notes are outstanding; and (iii) such New Non-Guaranteed Indebtedness shall only be permitted to be incurred by Gannett and shall not be secured by any Liens, except as permitted by Section 6.1 of this Agreement, or guaranteed by any other entity, except as permitted by Section 6.5(b)(ii) of this Agreement;

(d) To the extent that any New Pari Passu Indebtedness (including as a result of any amendment thereto), New Non-Guaranteed Indebtedness (including as a result of any amendment thereto) or Permitted Short Term Debt incurred after the Extension Effective Date (i) includes any financial covenants which are more restrictive than the financial covenants contained in this Agreement, (ii) in the case of any senior credit facilities constituting New Pari Passu Indebtedness, New Non-Guaranteed Indebtedness or Permitted Short Term Debt, includes any representations and warranties more restrictive than those set forth in this Agreement, (iii) includes any other covenants (except pricing and redemption premiums) or events of default applicable to any senior credit facilities which are more restrictive than the covenants and events of default set forth in this Agreement or (iv) includes any other covenants (except pricing and redemption premiums) or events of default applicable to any notes, debt securities or similar instruments which are more restrictive than the covenants and events of default applicable to the 2017 Notes, whether or not the 2017 Notes are outstanding, then, in any of the circumstances described in clauses (i) through (iv) above, Gannett agrees, at the request of the Administrative Agent or Required Lenders hereunder, to promptly amend this Agreement to incorporate such more restrictive provisions (in any event within 10 Business Days after receipt of such request).

26. Amendment to Article VI. Article VI of the Credit Agreement is hereby amended by adding the following new Section 6.6 at the end thereof as follows:

"Section 6.6. Transfer of Assets. (a) After the Extension Effective Date, no Guarantor shall be permitted to transfer any assets to Gannett, except for (i) such transfers as are necessary to accomplish reasonably substantial tax savings (provided that prior to or concurrently with the effectiveness of such transfers, Gannett shall have furnished to the Administrative Agent a certificate of an appropriate financial officer of Gannett certifying that such transfers are reasonably necessary to achieve reasonably substantial tax savings), (ii) transfers of assets made in the ordinary course of business, (iii) transfers by operation of law or that are reasonably necessary in order to comply with changes in any Requirement of Law, and (iv) transfers as a result of a corporate restructuring of Gannett and its consolidated subsidiaries, where no Default or Event of Default would result from such restructuring and Gannett remains in compliance with Section 6.6(b) after giving effect to such restructuring. For the avoidance of doubt, Gannett and the Lenders agree that aggregate annual tax savings in excess of $1,000,000 shall constitute "reasonably substantial tax savings" for the purposes of this Section 6.6.

(b) After the Extension Effective Date, Gannett shall not own greater than 30% (the "CTA Percentage") of the Consolidated Tangible Assets of Gannett and its Domestic Subsidiaries; provided, however, that upon the occurrence of (i) any Material Disposition by Gannett or a Domestic Subsidiary, (ii) any unusual or extraordinary impairment charges or acceleration of depreciation by Gannett or any Domestic Subsidiaries in excess of $50,000,000 in the aggregate in any Test Period, or (iii) any asset transfers from Gannett or to Gannett (as permitted by Section 6.6(a)(i) or Section 6.6(a)(iii)) (each, a "CTA Adjustment Event"), in each case where no Default or Event of Default would otherwise result from such CTA Adjustment Event, the CTA Percentage shall increase or decrease, as applicable, by multiplying the then current CTA Percentage by a fraction, the numerator of which shall be the Consolidated Tangible Assets of Gannett and its Domestic Subsidiaries as of the end of the prior period, and the denominator of which shall be the Consolidated Tangible Assets of Gannett and its Domestic Subsidiaries on a pro forma basis, giving effect to such CTA Adjustment Event, as of the end of such prior period; provided further, that the CTA Percentage shall not be decreased to below 30% in accordance with this proviso."

27. Amendment to Section 7.2. Section 7.2 of the Credit Agreement is hereby amended by deleting existing paragraphs (a) and (b) thereof in their entirety and inserting in lieu thereof the following new paragraphs (a) and (b):

"(a) If an Event of Default specified in Section 7.1(e) or (f) shall occur and be continuing, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable.

(b) If an Event of Default other than those specified in Section 7.1(e) or (f) shall occur and be continuing, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to Gannett, declare Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to Gannett, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, Gannett shall as soon as practicable thereafter, but in no event later than one Business Day thereafter, deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of Gannett hereunder. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of Gannett hereunder shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to Gannett (or such other Person as may be lawfully entitled thereto)."

28. Amendment to Section 8.10. Section 8.10 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Section 8.10 Syndication Agents, Documentation Agent and Issuing Lender. Notwithstanding any provision to the contrary elsewhere in this Agreement, (i) neither the Syndication Agents nor the Documentation Agent shall have any duties or responsibilities hereunder, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against either the Syndication Agents or the Documentation Agent and (ii) the Issuing Lender shall be entitled to the benefits of Article VIII in its capacity as an Issuing Lender."

29. Amendment to Section 9.1. Section 9.1 of the Credit Agreement is hereby amended by:

(i) adding a new paragraph at the end thereof as follows:

"Notwithstanding anything to the contrary contained in this Section 9.1, the defined term "Extended Termination Date" may be amended to a date beyond September 30, 2014 with the consent of (i) each Extending Lender willing to extend its Five-Year Commitments to such later date, (ii) the Administrative Agent and (iii) the Issuing Lender.

(ii) adding the following clause (vi) at the end of the proviso thereof:

";or (vi) amend, modify or waive any provision of Section 2.20 without the written consent of the Issuing Lender"

30. Amendment to Section 9.2. Section 9.2 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Section 9.2. Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Gannett, the Administrative Agent or the Issuing Lender, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Gannett:	7950 Jones Branch Drive McLean, VA 22107 Attention: Vice President & Treasurer Telecopy: 703-854-2047 Telephone: 703-854-6248
The Administrative Agent:	JPMorgan Chase Bank, N.A. Loan and Agency Services 1111 Fannin Street, Floor 10 Houston, TX 77002-6925 Attention: Sheila G. King Telecopy: 713-750-2358 Telephone: 713-750-2242

The Issuing Lender:	Bank of America, N.A. Bank of America Plaza 901 Main Street Dallas, TX 75202-3714 Attention: Antonikia (Toni) L. Thomas Telecopy: 877-206-8432 Telephone: 214-209-1569 With a copy to: Bank of America, Media & Telecom Group 100 Federal Street Boston, MA 02110 Attention: Peter van der Horst Telecopy: 980-233-7788 Telephone: 617-434-0164]
The Issuing Lender:	JPMorgan Chase Bank, N.A. Global Trade Services — LC Department 10420 Highland Manor Drive, 4th Floor Tampa, FL, 33610-9128 Attention: James Alonzo Telecopy: 813-432-5161 Telephone: 813-432-6339

provided that any notice, request or demand to or upon the Administrative Agent, the Issuing Lender or the Lenders shall not be effective until received."

31. Amendment to Section 9.6. Section 9.6 of the Credit Agreement is hereby amended by:

(i) deleting existing paragraph (a) in its entirety and inserting in lieu thereof the following new paragraph (a):

"(a) This Agreement shall be binding upon and inure to the benefit of Gannett, the Lenders, the Administrative Agent, the Issuing Lender, all future holders of the Loans and Letters of Credit and their respective successors and assigns, except that Gannett may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender."

(ii) deleting the existing second sentence of paragraph (b) thereof in its entirety and inserting in lieu thereof the following new sentence:

"In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement, and Gannett, the Administrative Agent and the Issuing Lender shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement."

(iii) deleting the existing first sentence of paragraph (c) thereof in its entirety and inserting in lieu thereof the following new sentence:

"Any Lender other than any Conduit Lender (an "Assignor") may, in accordance with applicable law, at any time and from time to time assign to any Lender or, with the consent of Gannett, the Administrative Agent and the Issuing Lender (which, in each case, shall not be unreasonably withheld, delayed or conditioned; it being understood that (i) the Administrative Agent and each Lender effecting an assignment to any Person other than a Lender should notify Gannett as promptly as possible of any request for assignment and Gannett, in turn, should promptly consider such request for assignment; and (ii) Gannett's consent shall not be considered to be unreasonably withheld, delayed or conditioned if Gannett withholds, delays or conditions its consent because, among other factors, it is concerned about a potential Assignee's capital adequacy, liquidity or ability to perform its obligations under this Agreement), to any Lender Affiliate, an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement pursuant to an Assignment and Acceptance, executed by such Assignee, such Assignor and any other Person whose consent is required pursuant to this paragraph, and delivered to the Administrative Agent for its acceptance and recording in the Register; provided that, unless otherwise agreed by Gannett and the Administrative Agent, no such assignment to an Assignee (other than any Lender or any Lender Affiliate) shall be in an aggregate principal amount of less than $10,000,000, in each case except in the case of an assignment of all of a Lender's interests under this Agreement."

(iv) deleting the existing second sentence of paragraph (d) thereof in its entirety and inserting in lieu thereof the following new sentence:

"The entries in the Register shall be conclusive, in the absence of manifest error, and Gannett, the Administrative Agent, the Issuing Lender and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any promissory notes evidencing the Loans recorded therein for all purposes of this Agreement."

32. Appointment of Successor Administrative Agent and Waiver of Notice. Effective as of the Fifth Amendment and Waiver Effective Date, Bank of America, N.A. hereby resigns as Administrative Agent under the Existing Credit Agreements and Gannett appoints JPMorgan Chase Bank. N.A. as successor administrative agent. In connection with the foregoing, the Required Lenders hereby (i) approve of the appointment, by Gannett, of JPMorgan Chase Bank, N.A., as successor to Bank of America, N.A., as Administrative Agent and (ii) waive, along with Gannett, any notice of such resignation as may be required pursuant to Section 8.9 of the Credit Agreement.

33. Effectiveness. This Amendment and Waiver shall become effective as of the date (the "Fifth Amendment and Waiver Effective Date") on which the Administrative Agent shall have received (i) counterparts hereof duly executed by Gannett and the Administrative Agent and (ii) an executed consent letter from Lenders constituting Required Lenders authorizing the Administrative Agent to enter into this Amendment and Waiver.

34. Representations and Warranties. Gannett hereby represents and warrants that, on and as of the Fifth Amendment and Waiver Effective Date, after giving effect to this Amendment and Waiver:

(a) No Default or Event of Default has occurred and is continuing; and

(b) Each of the representations and warranties of Gannett in the Credit Agreement and this Amendment and Waiver is true and correct in all material respects, as if made on and as of the date hereof; and since December 27, 2009 there has been no Material change in the business or financial condition of Gannett and its Subsidiaries taken as a whole that has not been publicly disclosed.

35. Continuing Effect. Except as expressly amended hereby, the Credit Agreement shall continue to be and shall remain in full force and effect in accordance with its terms. From and after the date hereof, all references in the Credit Agreement thereto shall be to the Credit Agreement as amended hereby.

36. Counterparts. This Amendment and Waiver may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment and Waiver by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

37. Headings. Section headings used in this Amendment and Waiver are for convenience of reference only, are not part of this Amendment and Waiver and are not to affect the constructions of, or to be taken into consideration in interpreting, this Amendment and Waiver.

38. GOVERNING LAW. THIS AMENDMENT AND WAIVER AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT AND WAIVER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

39. Expenses. Gannett agrees to pay or reimburse each of the Administrative Agent and J.P. Morgan Securities LLC as a Joint Lead Arranger for all of their respective reasonable out-of-pocket costs and expenses incurred in connection with the preparation, negotiation and execution of this Amendment and Waiver, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent and counsel to J.P. Morgan Securities LLC as a Joint Lead Arranger.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment and Waiver to be executed and delivered by their duly authorized officers as of the date first written above.

GANNETT CO., INC.

By: /s/ Michael A. Hart
Name: Michael A. Hart
Title: Vice President & Treasurer

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Antonikia (Toni) Thomas
Name: Antonikia (Toni) Thomas
Title: Assistant Vice President

BANK OF AMERICA, N.A., as Issuing Lender

By: /s/ Peter van der Horst
Name: Peter van der Horst
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., as Issuing Lender

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

JPMORGAN CHASE BANK, N.A., as successor Administrative Agent

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

JPMORGAN CHASE BANK, N.A.., as Syndication Agent

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

CITIBANK, N.A.., as Syndication Agent

By: /s/ Elizabeth Minnella Gonzalez
Name: Elizabeth Minnella Gonzalez
Title: Vice President and Director

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

BARCLAYS BANK PLC
(Lender)

By: /s/ Noam Azachi
Name: Noam Azachi
Title: Assistant Vice President

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

COMERICA BANK
(Lender)

By: /s/ Blake Arnett
Name: Blake Arnett
Title: Vice President

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

FIRST HAWAIIAN BANK
(Lender)

By: /s/ Dawn Hofmann
Name: Dawn Hofmann
Title: Vice President

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

JPMORGAN CHASE BANK, N.A.
(Lender)

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

MIZHUHO CORPORATE BANK, LTD.
(Lender)

By: /s/ Bertram Tang
Name: Bertram Tang
Title: Authorized Signatory

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

SUNTRUST BANK
(Lender)

By: /s/ Michael Vegh
Name: Michael Vegh
Title: Director

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD
(Lender)

By: /s/ George Stoecklein
Name: George Stoecklein
Title: Authorized Signatory

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

BANK OF TOKYO-MITSUBISHI UFJ TRUST COMPANY
(Lender)

By: /s/ George Stoecklein
Name: George Stoecklein
Title: Vice President

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

CITIBANK, N.A.
(Lender)

By: /s/ Elizabeth Minnella Gonzalez
Name: Elizabeth Minnella Gonzalez
Title: Director and Vice President

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

FIFTH THIRD BANK
(Lender)

By: /s/ Randolph J. Stierer
Name: Randolph J. Stierer
Title: Vice President

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

THE NORTHER TRUST COMPANY
(Lender)

By: /s/ Michael Kingsley
Name: Michael Kingsley
Title: Senior Vice President

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

US BANK, NATIONAL ASSOCIATION
(Lender)

By: /s/ Steven L. Sawyer
Name: Steven L. Sawyer
Title: Vice President

[Signature Page to Fifth Amendment — Gannett March 2002 Credit Agreement]

Exhibit A

Form of Extension Agreement

[Attached.]

Exhibit B

Form of Master Assignment Agreement

[Attached.]

Exhibit 10-11

MASTER ASSIGNMENT AND ASSUMPTION

Reference is made to (i) the Amended and Restated Competitive Advance and Revolving Credit Agreement, dated as of March 11, 2002 and effective as of March 18, 2002 (the "2002 Credit Agreement"), as amended and restated as of December 13, 2004 and effective as of January 5, 2005, as amended by the First Amendment thereto, dated as of February 28, 2007 and effective as of March 15, 2007 and as further amended by the Second Amendment thereto, dated as of October 23, 2008 and effective as of October 31, 2008 and as further amended by the Third Amendment thereto, dated as of September 28, 2009 and as further amended by the Fourth Amendment thereto, dated as of August 25, 2010 and as further amended by the Fifth Amendment thereto, dated as of September 30, 2010, among Gannett, the lenders thereto, Bank of America, N.A., as initial administrative agent, JPMorgan Chase Bank, N.A. and Citibank, N.A. as syndication agents and JPMorgan Chase Bank, N.A. as successor administrative agent, and Barclays Bank PLC, as documentation agent, (ii) the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (the "2004 Credit Agreement"), as amended by the First Amendment thereto, dated as of February 28, 2007 and effective as of March 15, 2007 and as further amended by the Second Amendment thereto, dated as of October 23, 2008 and effective as of October 31, 2008 and as further amended by the Third Amendment thereto, dated as of September 28, 2009 and as further amended by the Fourth Amendment thereto, dated as of August 25, 2010 and as further amended by the Fifth Amendment thereto, dated as of September 30, 2010, among Gannett, the lenders thereto, Bank of America, N.A., as initial administrative agent, JPMorgan Chase Bank, N.A. and Citibank, N.A. as syndication agents and JPMorgan Chase Bank, N.A. as successor administrative agent, and Barclays Bank PLC and Suntrust Bank, as documentation agents, and (iii) the Competitive Advance and Revolving Credit Agreement, dated as of December 13, 2004 and effective as of January 5, 2005 (the "2005 Credit Agreement"), as amended by the First Amendment thereto, dated as of February 28, 2007 and effective as of March 15, 2007 and as further amended by the Second Amendment thereto, dated as of October 23, 2008 and effective as of October 31, 2008 and as further amended by the Third Amendment thereto, dated as of September 28, 2009 and as further amended by the Fourth Amendment thereto, dated as of August 25, 2010 and as further amended by the Fifth Amendment thereto, dated as of September 30, 2010, among Gannett, the lenders thereto, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A. and Citibank, N.A. as syndication agents and JPMorgan Chase Bank, N.A. as successor administrative agent, and Barclays Bank PLC, as documentation agent (the Credit Agreements described in clauses (i), (ii) and (iii) above as amended, supplemented or otherwise modified on or prior to the date hereof, the "Existing Credit Agreements" and after the Extension Effective Date, the "Credit Agreements"). Unless otherwise defined herein, terms defined in the Existing Credit Agreements and used herein shall have the meanings given to them in the Existing Credit Agreements.

This Master Assignment and Assumption (the "Assignment and Assumption") is dated as of the Extension Effective Date (as defined in the Credit Agreements) and is entered into by and between each of the Lenders listed on Schedule 1 (each an "Assignor"; collectively, the "Assignors") and each Assignee set forth on Schedule 1 (each an "Assignee"; collectively, the "Assignees").

Gannett has notified the Administrative Agent and the Lenders that, substantially contemporaneously with the effectiveness of the Fifth Amendment and Waiver, the Five-Year Commitments under the 2002 Credit Agreement shall be permanently reduced by $365,393,623.38, the Five -Year Commitments under the 2004 Credit Agreement shall be permanently reduced by $468,303,261.36 and the Five-Year Commitments under the 2005 Credit Agreement shall be permanently reduced by $285,738,396.15 such that, following such reduction, the aggregate amount of Five-Year Commitments under the Credit Agreements shall be $1,630,564,719.11. The Administrative Agent and Lenders party hereto hereby waive any notice requirement in respect of such reduction pursuant to Section 2.4 of the Existing Credit Agreements.

The Assignors and the Assignees hereto agree as follows:

1. The Assignors hereby irrevocably sell and assign to the Assignees without recourse to any such Assignor, and the Assignees hereby irrevocably purchase and assume from the Assignors (in each case, on a ratable basis in accordance with the amounts of the applicable Assigned Facility (as defined below) to be purchased and assumed by such Assignee hereunder) without recourse to any such Assignor, as of the Extension Effective Date, all of the respective interests of the Assignors (with respect to each Assignee or Assignor, as applicable, its "Assigned Interest") in and to the Assignors' rights and obligations in respect of their Five-Year Commitments under the Existing Credit Agreements as set forth on Schedule 1 hereto (individually, an "Assigned Facility"; collectively, the "Assigned Facilities"), in a principal amount for each Assigned Facility as set forth on Schedule 1 hereto. The parties hereto hereby agree that on the Extension Effective Date each Assignor shall receive payment in full from the Assignees and Gannett of all outstanding principal and accrued interest and fees owing to it except for any such amounts that will continue to be owing to it as a party to the Credit Agreements. Each Assignee shall only be responsible for purchasing the assigned amount set forth next to its name set forth on Schedule 1 and no Assignee shall be liable in any way for the failure of any other Assignee to purchase any amounts to be purchased by such other Assignee.

2. No Assignor (a) makes any representation or warranty or assumes any responsibility with respect to any statements, warranties or representations made in or in connection with the Existing Credit Agreements or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Existing Credit Agreements, any other Loan Document or any other instrument or document furnished pursuant thereto, other than that such Assignor is the legal and beneficial owner of the interest being assigned by it hereunder, has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim or (b) makes any representation or warranty or assumes any responsibility with respect to the financial condition of Gannett, any of its Affiliates or any other obligor or the performance or observance by Gannett, any of its Affiliates or any other obligor of any of their respective obligations under the Existing Credit Agreements or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto

3. Each Assignee (a) represents and warrants that it is legally authorized to enter into this Master Assignment and Assumption; (b) confirms that it has received copies of the Existing Credit Agreements and the Credit Agreements, together with copies of the financial statements delivered pursuant to Section 5.1 of the Credit Agreements, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Master Assignment and Assumption; (c) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent or any Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Existing Credit Agreements and the Credit Agreements, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Existing Credit Agreements and the Credit Agreements, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Existing Credit Agreements and the Credit Agreements and will perform in accordance with their respective terms all the obligations required to be performed by it as a Lender including, if it is organized under the laws of a jurisdiction outside the United States, its obligation pursuant to Section 2.15(d) of the Existing Credit Agreements and the Credit Agreements.

4. The effective date of this Master Assignment and Assumption shall be the Extension Effective Date. For the avoidance of doubt, each Assignee shall have consented to the Credit Agreements (and the amendments to the Existing Credit Agreements set forth therein) once all conditions to effectiveness under the Credit Agreements (other than receipt by the Administrative Agent of the signatures of the Assignees) have been satisfied.

5. Following the execution of this Master Assignment and Assumption, it will be delivered to the Administrative Agent for acceptance by it and recording by the Administrative Agent pursuant to the Existing Credit Agreements, effective as of the Extension Effective Date.

6. Upon such acceptance and recording, from and after the Extension Effective Date, the Administrative Agent shall make all payments in respect of the applicable Assigned Interest (including payments of principal, interest, fees and other amounts) to the applicable Assignor for amounts which have accrued to the Extension Effective Date and to the applicable Assignee for amounts which have accrued subsequent to the Extension Effective Date.

7. From and after the Extension Effective Date, (a) each Assignee shall be a party to the applicable Credit Agreement(s) to which its Five-Year Commitments have been assigned hereunder, as applicable, and, to the extent provided in this Master Assignment and Assumption, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof and (b) each Assignor that has assigned all of its existing Five-Year Commitments, relinquish its rights and be released from its obligations under the Existing Credit Agreements and the Credit Agreements, if any. Each Assignee agrees to promptly execute and deliver to Gannett and the Administrative Agent a counterpart of each Credit Agreement to which it becomes a party hereunder.

8. This Master Assignment and Assumption shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Master Assignment and Assumption to be executed as of the Extension Effective Date by their respective duly authorized officers.

Schedule 1
to the Master Assignment and Assumption with respect to
(i) the 2002 Credit Agreement,
(ii) the 2004 Credit Agreement, and
(iii) the 2005 Credit Agreement

Name of Assignor: Each Lender listed as an Assignor in the table below

Assignor	**2002 Credit Agreement Assigned**	**2004 Credit Agreement Assigned**	**2005 Credit Agreement Assigned**	**Principal Amount Assigned**
Barclays Bank PLC	(4,063,918.59)	(8,257,132.61)	(13,903,500.10)	(26,224,551.30)
Comerica Bank	(2,573,474.01)	—	(9,518,616.02)	(12,092,090.03)
First Hawaiian Bank	(1,941,132.41)	(5,760,729.92)	(4,022,616.60)	(11,724,478.93)
JPMorgan Chase Bank, N.A.	(43,926,586.66)	(33,051,555.74)	(52,722,614.47)	(129,700,756.87)
Mizuho Corporate Bank, Ltd.	(8,492,464.20)	(16,182,027.66)	(14,753,854.84)	(39,428,346.70)
Sumitomo Mitsui Banking Corporation	—	(26,173,720.66)	(19,692,739.36)	(45,866,460.02)
SunTrust Bank	(3,655,834.32)	(8,990,287.74)	(8,107,104.69)	(20,753,226.75)
The Bank of Tokyo-Mitsubishi UFJ Ltd., New York Branch	(7,977,769.41)	(15,026,168.52)	(17,609,439.66)	(40,613,377.59)
TOTALS	**(72,631,179.60)**	**(113,441,622.85)**	**(140,330,485.74)**	**(326,403,288.19)**

Name of Assignee: Each Lender listed as an Assignee in the table below

Assignee	2002 Credit Agreement Assumed	2004 Credit Agreement Assumed	2005 Credit Agreement Assumed	Principal Amount Assumed
Capital One, N.A.	—	—	31,162,177.65	31,162,177.65
Citibank, N.A.	20,738,157.72	29,536,804.05	8,392,011.37	58,666,973.14
Fifth Third Bank	10,467,078.16	16,292,516.29	3,502,751.66	30,262,346.11
PNC Bank, N.A.	—	—	79,504,963.18	79,504,963.18
The Northern Trust Company	7,805,232.14	6,606,014.10	1,439,567.16	15,850,813.40
US Bank, National Association	33,620,711.58	61,006,288.41	16,329,014.72	110,956,014.71
TOTALS	**72,631,179.60**	**113,441,622.85**	**140,330,485.74**	**326,403,288.19**

Post-Assignment Commitments: After giving effect to the assignments contemplated hereby, but before giving effect to any reductions as described in Section 2.22(b)(c) of each Credit Agreement, each person listed as an Extending Lender in the table below will have the following Commitments:

Extending Lender	2002 Credit Agreement Commitment	2004 Credit Agreement Commitment	2005 Credit Agreement Commitment	Principal Amount Commitment
Barclays Bank PLC	$ 62,348,537.72	$ 93,546,172.12	$ 56,004,348.64	$ 211,899,058.48
Capital One, N.A.	$ 0.00	$ 0.00	$ 38,152,962.52	$ 38,152,962.52
Citibank, N.A.	$ 86,713,689.97	$132,650,880.95	$ 77,426,012.01	$ 296,790,582.93
Comerica Bank	$ 14,903,488.18	$ 0.00	$ 25,435,308.35	$ 40,338,796.53
Fifth Third Bank	$ 27,944,040.35	$ 45,129,503.90	$ 13,115,080.86	$ 86,188,625.11
First Hawaiian Bank	$ 5,049,652.46	$ 13,900,852.54	$ 6,463,560.71	$ 25,414,065.71
JPMorgan Chase Bank, N.A.	$122,104,554.11	$ 84,917,939.02	$ 88,840,779.24	$ 295,863,272.37
Mizuho Corporate Bank, Ltd.	$ 49,181,511.01	$ 81,688,960.58	$ 39,424,727.94	$ 170,295,199.53
PNC Bank, N.A.	$ 0.00	$ 0.00	$114,458,887.55	$ 114,458,887.55
Sumitomo Mitsui Banking Corporation	$ 0.00	$ 26,257,165.90	$ 15,261,185.01	$ 41,518,350.91
SunTrust Bank	$ 48,775,052.24	$ 91,502,244.83	$ 31,216,060.23	$ 171,493,357.30
The Bank of Tokyo-Mitsubishi UFJ Ltd., New York Branch	$ 46,200,813.37	$ 75,854,034.85	$ 47,055,320.43	$ 169,110,168.65
The Northern Trust Company	$ 35,768,371.64	$ 32,821,457.38	$ 17,168,833.13	$ 85,758,662.15
US Bank, National Association	$ 51,097,673.77	$ 93,775,592.51	$ 27,252,116.09	$ 172,125,382.37
Totals	**$550,087,384.82**	**$772,044,804.58**	**$597,275,182.71**	**$ 1,919,407,372.11**

Post-Reduction Commitments: After giving effect to the assignments contemplated hereby and the subsequent reductions described in Section 2.22(b)(c) of each Credit Agreement, each person listed as an Extending Lender in the table below will have the following Commitments:

Extending Lender	2002 Credit Agreement Commitment	2004 Credit Agreement Commitment	2005 Credit Agreement Commitment	Principal Amount Commitment
Barclays Bank PLC	$ 34,862,385.32	$ 53,440,366.98	$ 36,697,247.70	$ 125,000,000.00
Capital One, N.A.	$ 0.00	$ 0.00	$ 25,000,000.00	$ 25,000,000.00
Citibank, N.A.	$ 48,486,238.53	$ 75,779,816.51	$ 50,733,944.96	$ 175,000,000.00
Comerica Bank	$ 8,333,333.33	$ 0.00	$ 16,666,666.67	$ 25,000,000.00
Fifth Third Bank	$ 15,625,000.00	$ 25,781,250.00	$ 8,593,750.00	$ 50,000,000.00
First Hawaiian Bank	$ 2,823,529.41	$ 7,941,176.47	$ 4,235,294.12	$ 15,000,000.00
JPMorgan Chase Bank, N.A.	$ 68,275,154.00	$ 48,511,293.64	$ 58,213,552.36	$ 175,000,000.00
Mizuho Corporate Bank, Ltd.	$ 27,500,000.00	$ 46,666,666.66	$ 25,833,333.34	$ 100,000,000.00
PNC Bank, N.A.	$ 0.00	$ 0.00	$ 75,000,000.00	$ 75,000,000.00
Sumitomo Mitsui Banking Corporation	$ 0.00	$ 15,000,000.00	$ 10,000,000.00	$ 25,000,000.00
SunTrust Bank	$ 27,272,727.27	$ 52,272,727.28	$ 20,454,545.45	$ 100,000,000.00
The Bank of Tokyo-Mitsubishi UFJ Ltd., New York Branch	$ 25,833,333.33	$ 43,333,333.34	$ 30,833,333.33	$ 100,000,000.00
The Northern Trust Company	$ 20,000,000.00	$ 18,750,000.00	$ 11,250,000.00	$ 50,000,000.00
US Bank, National Association	$ 28,571,428.57	$ 53,571,428.57	$ 17,857,142.86	$ 100,000,000.00
Totals	**$307,583,129.76**	**$441,048,059.45**	**$391,368,810.79**	**$ 1,140,000,000.00**

Extension Effective Date: September 30, 2010

BARCLAY’S BANK PLC, as an Assignor

By: /s/ Noam Azachi
Name: Noam Azachi
Title: Assistant Vice President

Extension Effective Date: September 30, 2010

Comerica Bank, as an Assignor

By: /s/ Blake Arnett
Name: Blake Arnett
Title: Vice President

Extension Effective Date: September 30, 2010

First Hawaiian Bank, as an Assignor

By: /s/ Dawn Hofmann
Name: Dawn Hofmann
Title: Vice President

Extension Effective Date: September 30, 2010

JPMORGAN CHASE BANK, N.A., as an Assignor

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

Extension Effective Date: September 30, 2010

MIZUHO CORPORATE BANK, LTD., as an Assignor

By: /s/ Bertram H. Tang
Name: Bertram Tang
Title: Authorized Signatory

Extension Effective Date: September 30, 2010

Sumitomo Mitsui Banking Corporation, as an Assignor

By: /s/ Yoshihiro Hyakutome
Name: Yoshihiro Hyakutome
Title: General Manager

Extension Effective Date: September 30, 2010

SUNTRUST BANK, as an Assignor

By: /s/ Michael Vegh
Name: Michael Vegh
Title: Director

Extension Effective Date: September 30, 2010

The Bank of Tokyo-Mitsubishi UFJ, Ltd., as an Assignor

By: /s/ George Stoecklein
Name: George Stoecklein
Title: Authorized Signatory

Extension Effective Date: September 30, 2010

The Bank of Tokyo-Mitsubishi UFJ Trust Company, as an Assignor

By: /s/ George Stoecklein
Name: George Stoecklein
Title: Vice President

Extension Effective Date: September 30, 2010

Capital One, N.A., as an Assignee

By: /s/ Rick Larsen
Name: Rick Larsen
Title: Senior Vice President

Extension Effective Date: September 30, 2010

CITIBANK, N.A., as an Assignee

By: /s/ Elisabeth Minnella Gonzalez
Name: Elisabeth Minnella Gonzalez
Title: Director and Vice President

Extension Effective Date: September 30, 2010

FIFTH THIRD BANK, as an Assignee

By: /s/ Randolph J. Stierer
Name: Randolph J. Stierer
Title: Vice President

Extension Effective Date: September 30, 2010

PNC Bank, N.A., as an Assignee

By: /s/ D. Jermaine Johnson

Name: D. Jermaine Johnson

Title: Senior Vice President

Extension Effective Date: September 30, 2010

The Northern Trust Company, as an Assignee

By: /s/ Michael Kingsley
Name: Michael Kingsley
Title: Senior Vice President

Extension Effective Date: September 30, 2010

US Bank, National Association, as an Assignee

By: /s/ Steven L. Sawyer
Name: Steven L. Sawyer
Title: Vice President

Extension Effective Date: September 30, 2010

Accepted for Recordation in the Register:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

Consented by:

GANNETT CO., INC.

By: /s/ Michael A. Hart
Name: Michael A. Hart
Title: Vice President & Treasurer

Consented by:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

JPMORGAN CHASE BANK, N.A., as
Issuing Lender

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Executive Director

BANK OF AMERICA, N.A., as
Issuing Lender

By: /s/ Peter van der Horst
Name: Peter van der Horst
Title: Senior Vice President

GANNETT CO., INC.
Amendment to Craig A. Dubow
Employment Agreement

Pursuant to Section 18 of the Employment Agreement between Gannett Co., Inc. and Craig A. Dubow, dated February 27, 2007 (the "Agreement"), the parties hereby amend the Agreement as of December 24, 2010, as follows:

1. Section 5(c) is amended by deleting the last two sentences in that section and substituting the following in its place:

> The cash payment described in clause (c)(1) shall be made in a lump sum subject to the condition that a valid release agreement (in the form attached hereto as Exhibit B) with respect to claims which Dubow or his estate or beneficiaries may have arising out of Dubow's employment (the "Release") is executed by Dubow's estate or beneficiaries and such Release must be effective and non-revocable. The lump sum payment shall be made to Dubow's estate on the sixty-fifth (65^{th}) day after the date of Dubow's death; provided that such Release must become effective and non-revocable by the sixty-fifth (65^{th}) day after the date of Dubow's death and no payment is required if the Release does not become effective and non-revocable by the sixty-fifth (65^{th}) day after the date of Dubow's death.

2. The first sentence of Section 5(d) is amended by replacing "as of the date his employment terminates (the "Termination Date")" with "as of the date of his separation from service within the meaning of Code Section 409A (the "Termination Date")".

3. Section 5(d) is amended by deleting the last sentence in that section and substituting the following in its place:

> The lump sum payment shall be made on the thirtieth (30^{th}) day after the Termination Date (the thirtieth (30^{th}) day after Dubow's Termination Date is hereinafter referred to as the "Payment Date"); provided that such Release must become effective and non-revocable before the Payment Date and no payment is required if the Release does not become effective and non-revocable before the Payment Date.

4. The second sentence of Section 7 is amended by replacing each occurrence of "within 65 days after Dubow's Termination Date" with "before the Payment Date".

5. The first sentence of Section 7(d) is amended by replacing "provided that if the Release does become effective and non-revocable within 65 days after Dubow's Termination Date" with "provided that if the Release does not become effective and non-revocable before the Payment Date".

6. Section 20 is amended by adding the following sentence to the end of that section:

> Any reference in this Agreement to “ceases employment”, “terminates employment”, “employment terminates”, or similar phrase shall have the same meaning as “separation from service” within the meaning of Code Section 409A.

7. The following new Exhibit B shall be added as an exhibit at the end of the Agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Agreement as of the date first set forth above.

GANNETT CO., INC.

By: /s/ Roxanne V. Horning
Roxanne V. Horning
Senior V.P./Human Resources

By: /s/ Craig A. Dubow
Craig A. Dubow

GANNETT CO., INC.
Amendment to Gracia C. Martore
Employment Agreement

Pursuant to Section 18 of the Employment Agreement between Gannett Co., Inc. and Gracia C. Martore, dated February 27, 2007 (the "Agreement"), the parties hereby amend the Agreement as of December 24, 2010, as follows:

1. Section 5(c) is amended by deleting the last two sentences in that section and substituting the following in its place:

> The cash payment described in clause (c)(1) shall be made in a lump sum subject to the condition that a valid release agreement (in the form attached hereto as Exhibit B) with respect to claims which Martore or her estate or beneficiaries may have arising out of Martore's employment (the "Release") is executed by Martore's estate or beneficiaries and such Release must be effective and non-revocable. The lump sum payment shall be made to Martore's estate on the sixty-fifth (65^{th}) day after the date of Martore's death; provided that such Release must become effective and non-revocable by the sixty-fifth (65^{th}) day after the date of Martore's death and no payment is required if the Release does not become effective and non-revocable by the sixty-fifth (65^{th}) day after the date of Martore's death.

2. The first sentence of Section 5(d) is amended by replacing "as of the date her employment terminates (the "Termination Date")" with "as of the date of her separation from service within the meaning of Code Section 409A (the "Termination Date")".

3. Section 5(d) is amended by deleting the last sentence in that section and substituting the following in its place:

> The lump sum payment shall be made on the thirtieth (30^{th}) day after the Termination Date (the thirtieth (30^{th}) day after Martore's Termination Date is hereinafter referred to as the "Payment Date"); provided that such Release must become effective and non-revocable before the Payment Date and no payment is required if the Release does not become effective and non-revocable before the Payment Date.

4. The second sentence of Section 7 is amended by replacing each occurrence of "within 65 days after Martore's Termination Date" with "before the Payment Date".

5. The first sentence of Section 7(d) is amended by replacing "provided that if the Release does become effective and non-revocable within 65 days after Martore's Termination Date" with "provided that if the Release does not become effective and non-revocable before the Payment Date".

6. Section 20 is amended by adding the following sentence to the end of that section:

> Any reference in this Agreement to “ceases employment”, “terminates employment”, “employment terminates”, or similar phrase shall have the same meaning as “separation from service” within the meaning of Code Section 409A.

7. The following new Exhibit B shall be added as an exhibit at the end of the Agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Agreement as of the date first set forth above.

GANNETT CO., INC.

By: /s/ Roxanne V. Horning
Roxanne V. Horning
Senior V.P./Human Resources

By: /s/ Gracia C. Martore
Gracia C. Martore

Exhibit 21

SUBSIDIARY LIST (2011)

UNIT	STATE OF INCORPORATION
101, INC.	HAWAII
6600 BROADVIEW, LLC	OHIO
ACTION ADVERTISING, INC.	WISCONSIN
THE ADVERTISER COMPANY	ALABAMA
ALEXANDRIA NEWSPAPERS, INC.	LOUISIANA
ARKANSAS TELEVISION COMPANY	ARKANSAS
BAXTER COUNTY NEWSPAPERS, INC.	ARKANSAS
CAPE PUBLICATIONS, INC.	DELAWARE
CAREERBUILDER, LLC	DELAWARE
CENTRAL NEWSPAPERS, INC.	INDIANA
CITIZEN PUBLISHING COMPANY	ARIZONA
CLIPPER MAGAZINE, LLC	DELAWARE
CNF CORP.	ARIZONA
COMBINED COMMUNICATIONS CORPORATION OF OKLAHOMA, INC.	OKLAHOMA
THE COURIER-JOURNAL, INC.	DELAWARE
DES MOINES PRESS CITIZEN LLC	DELAWARE
DES MOINES REGISTER AND TRIBUNE COMPANY	IOWA
THE DESERT SUN PUBLISHING COMPANY	CALIFORNIA
DETROIT FREE PRESS, INC.	MICHIGAN
DETROIT NEWSPAPER PARTNERSHIP, L.P.	DELAWARE
DETROIT WEEKEND DIRECT, LLC	DELAWARE
DIGICOL, INC.	DELAWARE
FEDERATED PUBLICATIONS, INC.	DELAWARE
FIRST COAST TOWER GROUP	FLORIDA
GCCC, LLC	DELAWARE
GNSS, LLC	DELAWARE
GANNETT DIRECT MARKETING SERVICES, INC.	KENTUCKY
GANNETT GEORGIA, LLC	DELAWARE
GANNETT INTERNATIONAL COMMUNICATIONS, INC.	DELAWARE
GANNETT MISSOURI PUBLISHING, INC.	KANSAS
GANNETT NEVADA PUBLISHING, INC.	NEVADA
GANNETT PACIFIC CORPORATION	HAWAII
GANNETT PACIFIC PUBLICATIONS, INC.	DELAWARE
GANNETT RETAIL ADVERTISING GROUP, INC.	DELAWARE

UNIT	STATE OF INCORPORATION
GANNETT RIVER STATES PUBLISHING CORPORATION	ARKANSAS
GANNETT SATELLITE INFORMATION NETWORK, INC.	DELAWARE
GANNETT SUPPLY CORPORATION	DELAWARE
GANNETT U.K. LIMITED	UNITED KINGDOM
GANNETT VERMONT INSURANCE, INC.	VERMONT
GANNETT VERMONT PUBLISHING, INC.	DELAWARE
GANSAT ACQUISITION SUBSIDIARY, INC.	DELAWARE
GCOE, LLC	DELAWARE
GUAM PUBLICATIONS, INCORPORATED	HAWAII
HAWAIITOURISM, LLC	DELAWARE
INDIANA NEWSPAPERS, INC.	INDIANA
KXTV, INC.	MICHIGAN
LAKE CEDAR GROUP LLC	DELAWARE
MARION, LLC	DELAWARE
MMS HOLDINGS, INC.	DELAWARE
MULTIMEDIA, INC.	SOUTH CAROLINA
MULTIMEDIA ENTERTAINMENT, INC.	SOUTH CAROLINA
MULTIMEDIA HOLDINGS CORPORATION	SOUTH CAROLINA
MULTIMEDIA KSDK, INC.	SOUTH CAROLINA
MUSKOGEE PHOENIX, LLC	DELAWARE
NEWSQUEST MEDIA LTD	UNITED KINGDOM
NEWSQUEST MEDIA (SOUTHERN) LTD.	UNITED KINGDOM
NEWSQUEST PLC	UNITED KINGDOM
PACIFIC MEDIA, INC.	DELAWARE
PACIFIC AND SOUTHERN COMPANY, INC.	DELAWARE
PHOENIX NEWSPAPERS, INC.	ARIZONA
PLANET DISCOVER, LLC	DELAWARE
POINT ROLL, INC.	DELAWARE
PRESS-CITIZEN COMPANY INC.	IOWA
RENO NEWSPAPERS, INC.	NEVADA
RIPPLE6, INC.	DELAWARE
SALINAS NEWSPAPERS INC.	CALIFORNIA
SCHEDULE STAR, LLC	DELAWARE
SEDONA PUBLISHING COMPANY, INC.	ARIZONA
SHOPLOCAL, LLC	DELAWARE
THE SUN COMPANY OF SAN BERNARDINO, CALIFORNIA	CALIFORNIA
TELEFARM, INC.	DELAWARE

UNIT	STATE OF INCORPORATION
TEXAS-NEW MEXICO NEWSPAPERS PARTNERSHIP	DELAWARE
THE TIMES HERALD COMPANY	MICHIGAN
TIMES NEWS GROUP, INC.	DELAWARE
TNI PARTNERS	ARIZONA
USA TODAY INTERNATIONAL CORPORATION	DELAWARE
VERTICORE COMMUNICATIONS LTD.	CANADA
VISALIA NEWSPAPERS INC.	CALIFORNIA
WFMY TELEVISION CORP.	NORTH CAROLINA
WKYC HOLDINGS, INC.	DELAWARE
WKYC-TV, INC.	DELAWARE
X.COM, INC.	DELAWARE

Exhibit 23

Consent of Ernst & Young LLP,
Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements of Gannett Co., Inc. (Gannett):

Form S-8 (No. 2-63038),
Form S-8 (No. 2-84088),
Form S-8 (No. 33-15319),
Form S-8 (No. 33-28413),
Form S-8 (No. 33-35305),
Form S-8 (No. 33-64959),
Form S-8 (No. 333-04459),
Form S-8 (No. 333-48202),
Form S-8 (No. 333-60402),
Form S-8 (No. 333-61859),
Form S-8 (No. 333-66051),
Form S-8 (No. 333-83426),
Form S-8 (No. 333-90309),
Form S-8 (No. 333-105029),
Form S-8 (No. 333-107240),
Form S-8 (No. 333-115135),
Form S-8 (No. 333-154846),
Form S-8 (No. 333-160838),
Form S-8 (No. 333-163576),
Form S-3 (No. 333-159020), and
Form S-8 (No. 333-171027)

and in the related Prospectuses, of our reports dated February 23, 2011, with respect to the consolidated financial statements and schedule of Gannett, and the effectiveness of internal control over financial reporting of Gannett, included in this Annual Report (Form 10-K) for the year ended December 26, 2010.

Ernst + Young LLP

McLean, Virginia
February 23, 2011

Exhibit 31-1

CERTIFICATIONS

I, Craig A. Dubow, certify that:

1. I have reviewed this annual report on Form 10-K of Gannett Co., Inc.;

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 registrant as of, and for, the periods presented in this report;

4. The registrant's 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we 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 registrant, 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   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 registrant's 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 registrant's internal control over financial reporting.

Date: February 23, 2011

/s/ Craig A. Dubow

Craig A. Dubow
Chairman and Chief Executive Officer (principal executive officer)

Exhibit 31-2

CERTIFICATIONS

I, Paul N. Saleh, certify that:

1. I have reviewed this annual report on Form 10-K of Gannett Co., Inc.;

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 registrant as of, and for, the periods presented in this report;

4. The registrant's 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we 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 registrant, 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

    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 registrant's 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 registrant's internal control over financial reporting.

Date: February 23, 2011

/s/ Paul N. Saleh

Paul N. Saleh
Senior Vice President and Chief Financial Officer (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 Annual Report of Gannett Co., Inc. (“Gannett”) on Form 10-K for the year ended December 26, 2010 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Craig A. Dubow, chairman and chief executive officer of Gannett, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) 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 Gannett.

/s/ Craig A. Dubow

Craig A. Dubow
Chairman and Chief Executive Officer (principal executive officer)

February 23, 2011

Exhibit 32-2

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 Annual Report of Gannett Co., Inc. (“Gannett”) on Form 10-K for the year ended December 26, 2010 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Paul N. Saleh, senior vice president and chief financial officer of Gannett, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) 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 Gannett.

/s/ Paul N. Saleh
Paul N. Saleh
Senior Vice President and Chief Financial Officer (principal financial officer)

February 23, 2011