

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

- Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 29, 1997 or
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 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.)

1100 Wilson Boulevard, Arlington, Virginia 22234  
(Address of principal executive offices) (Zip Code)

(703) 284-6000  
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if  
changed since last report)

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

The number of shares outstanding of the issuer's Common Stock, Par Value \$1.00, as of June 29, 1997, was 141,725,724.

PART I. FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS

OPERATING SUMMARY

Operating income for the second quarter of 1997 rose \$76.8 million or 27%. Newspaper publishing earnings were up \$60.5 million or 30% for the quarter, reflecting strong advertising demand, a 26% reduction in newsprint expense, continued strong USA TODAY operating results and a favorable comparison year to year at The Detroit News.

Broadcasting earnings were up \$14.9 million or 18%, reflecting continued strong demand for TV and radio advertising. Operating income for the Company's cable and security businesses rose \$1.8 million or 15% for the quarter.

Operating income for the first six months of 1997 rose \$145.4 million or 31%.

NEWSPAPERS

Newspaper publishing revenues rose \$59 million or 7% in the second quarter of 1997, which included a \$51.3 million or 8% gain in advertising revenues. Newspaper publishing revenues were up \$98 million or 6% for the year-to-date, including advertising gains of \$88 million or 8%. The tables below provide, on a pro forma basis, further details of newspaper ad revenue and lineage and preprint distribution for the second quarter and year-to-date periods of 1997 and 1996:

Advertising revenue, in thousands of dollars (pro forma)

Second Quarter	1997	1996	% Change
Local	\$211,770	\$201,568	5
National	118,054	101,948	16
Classified	232,384	208,782	11
	-----	-----	--
Total Run-of-Press	562,208	512,298	10
	-----	-----	--
Preprint and other advertising	94,098	90,281	4
	-----	-----	--
Total ad revenue	\$656,306	\$602,579	9
	=====	=====	==

Advertising lineage, in thousands of inches (pro forma)

Second Quarter	1997	1996	% Change
Local	8,435	7,968	6
National	692	620	12
Classified	9,959	9,227	8
	-----	-----	--
Total Run-of-Press lineage	19,086	17,815	7
	=====	=====	==
Preprint distribution	1,590	1,542	3

Advertising revenue, in thousands of dollars (pro forma)

Year-to-date	1997	1996	% Change
Local	\$407,092	\$385,063	6
National	220,465	197,684	12
Classified	443,258	401,106	11
	-----	-----	--
Total Run-of-Press	1,070,815	983,853	9
	-----	-----	--
Preprint and other advertising	178,280	173,205	3
	-----	-----	--
Total ad revenue	\$1,249,095	\$1,157,058	8
	=====	=====	==

Advertising linage, in thousands of inches (pro forma)

Year-to-date	1997	1996	% Change
Local	16,201	15,261	6
National	1,312	1,151	14
Classified	18,872	17,558	7
	-----	-----	--
Total Run-of-Press linage	36,385	33,970	7
	=====	=====	==

Preprint distribution                      3,053                      2,964                      3

In the pro forma presentation above, total advertising revenues for the Company's newspapers rose 9% for the quarter and 8% for the year-to-date. Local ad revenues increased 5% for the quarter and 6% for the first six months with broad based gains recorded by most of the Company's newspapers. National ad revenues rose 16% for the quarter and 12% year-to-date, reflecting significant gains by USA TODAY and USA WEEKEND. Classified advertising revenues increased 11% for the quarter and the year-to-date, reflecting gains across the newspaper group in all categories, particularly in employment.

Reported newspaper circulation revenues rose 2% for the quarter and for the first six months. Net paid daily circulation for the Company's local newspapers was down 1% for the quarter and for the six-month period, while Sunday circulation declined 1% for the quarter and 2% for the six-month period. USA TODAY reported an average daily paid circulation of 2,156,159 in the ABC Publisher's statement for the 26 weeks ended March 30, 1997, which, subject to audit, is a 2% increase over the comparable period a year ago.

Operating costs in total for the newspaper segment were flat for the quarter and were down \$22.7 million or 2% for the first six months due to lower newsprint prices. Newsprint expense declined 26% for the quarter and 27% year-to-date with consumption up 8% for the quarter and 7% year-to-date. Newsprint prices are expected to increase in coming months and the favorable expense comparisons experienced for the first six months are not likely to continue into the fourth quarter of 1997.

Newspaper operating income increased \$60.5 million or 30% for the quarter and \$120.7 million or 34% for the year-to-date, reflecting continued strong advertising gains throughout the group, lower newsprint prices, strong operating results at USA TODAY and USA WEEKEND and a favorable comparison year to year at The Detroit News.

In April 1997, the Company sold The Observer in Moultrie, Georgia. In May 1997, the Company's commercial printing division, Gannett Offset, acquired Printed Media Companies, a full-service heat set printer based in Minneapolis, Minnesota. These transactions did not materially affect newspaper operating results for the quarter.

In August 1997, the Company acquired Army Times Publishing Company, located in Springfield, VA, which publishes six weekly newspapers and one monthly publication.

Also in August 1997, the Company announced that it had entered into an agreement to purchase New Jersey Press, Inc., which publishes the daily Asbury Park Press and Home News & Tribune of East Brunswick, and operates In Jersey, an Internet service. The Asbury Park Press,

founded in 1879, has a daily circulation of approximately 160,000 and 230,000 on Sunday. The Home News & Tribune has approximately 81,000 daily circulation and 87,000 on Sunday. Closing is expected to occur in the third quarter of 1997, subject to obtaining applicable governmental approvals and the satisfaction of other pre-closing conditions.

#### BROADCASTING

Broadcast revenues increased \$12.9 million or 7% for the second quarter and \$21.9 million or 7% for the first six months, while operating costs were down \$1.9 million or 2% for the quarter and were flat for the year-to-date.

Pro forma broadcasting revenues increased 9% for the quarter and 8% for the first six months, reflecting strong demand for television advertising. Pro forma local television ad revenues grew 8% for the quarter and 10% for the year-to-date, while pro forma national revenues rose 9% for the quarter and 5% for the first six months. Pro forma radio revenues were up 17% for the quarter and 20% for the first six months.

Reported broadcast operating income rose \$14.9 million or 18% for the quarter and \$22.2 million or 17% for the first six months. Continued high demand for TV and radio advertising, coupled with cost controls, resulted in stronger earnings at most of the Company's broadcasting stations.

In January 1997, the Company concluded the transaction with Argyle Television, Inc. to exchange WLWT-TV (NBC-Cincinnati) and KOCO-TV (ABC-Oklahoma City) for WZZM-TV (ABC-Grand Rapids/Kalamazoo/Battle Creek) and WGRZ-TV (NBC-Buffalo). This exchange, which was necessary to comply with Federal Communication Commission (FCC) cross-ownership rules, was accounted for as a non-monetary transaction under which no gain or loss was recognized. This exchange did not materially affect broadcast operating results for the quarter.

In April 1997, the Company announced that it had entered into an agreement to sell its remaining radio stations, WGCI-AM/FM, Chicago, KHKS-FM, Dallas and KKBQ-AM/FM, Houston, to Evergreen Media. The transaction is expected to close later this year or in early 1998.

In May 1997, the Company acquired KNAZ-TV (Flagstaff, AZ) and KMOH-TV (Kingman, AZ). With the completion of this transaction, Gannett Broadcasting includes 18 television stations reaching 16 percent of the U.S. television homes.

#### CABLE AND SECURITY

Cable television and alarm security operating revenues rose \$6.6 million or 11% for the quarter and \$11.6 million or 10% for the year-to-date, while operating expenses rose \$4.8 million or 11% for the quarter and increased \$8.1 million or 9% for the first six months. Operating income from cable and security rose \$1.8 million or 15% for the quarter and \$3.5 million or 15% for the year-to-date.

Cable revenues increased 11% for the quarter and 9% for the year-to-date as the number of basic cable subscribers at quarter end increased 2% and the number of pay subscribers decreased 3%. Alarm security revenue rose 16% for the quarter and 14% for the year-to-date as the number of alarm security subscribers at quarter end increased 14%.

#### NON-OPERATING INCOME AND EXPENSE

Interest expense decreased \$13.6 million or 35% for the quarter and \$27.5 million or 35% for the year-to-date, reflecting the pay down of commercial paper borrowings from operating cash flow and the proceeds from the sale of the outdoor and entertainment businesses in the second half of 1996.

#### PROVISION FOR INCOME TAXES

The Company's effective income tax rate was 41.3% for the quarter and for the year-to-date versus 43.2% and 43.1% for the comparable periods in 1996. The decrease in the effective tax rate reflects the diminished impact of the amortization of non-deductible intangible assets given expected earnings gains in 1997.

## NET INCOME

Income from continuing operations rose \$57.5 million or 42% for the quarter and \$106.1 million or 47% for the year-to-date. Earnings per share from continuing operations for the quarter rose to \$1.38 from \$0.98, an increase of 41%. Earnings per share from continuing operations for the first six months rose to \$2.33 from \$1.59 or 47%. Net income rose \$44.7 million or 30% for the quarter and \$90.4 million or 38% for the year-to-date. Net income per share rose to \$1.38 from \$1.07 for the quarter, an increase of 29%, and to \$2.33 from \$1.70 for the year-to-date, an increase of 37%. In 1996, income from the discontinued outdoor advertising and entertainment operations was \$12.8 million or \$0.09 per share for the quarter and \$15.7 million or \$0.11 per share for the year-to-date.

The weighted average number of shares outstanding totaled 141,621,000 for the second quarter of 1997, compared to 140,845,000 for the second quarter of 1996. Average shares outstanding for the year-to-date totaled 141,521,000 for 1997 and 140,763,000 for 1996. The increase in the number of shares outstanding for the quarter and year-to-date periods is due mainly to the issuance of shares upon the exercise of stock options and the settlement of stock incentive rights.

## LIQUIDITY AND CAPITAL RESOURCES

The Company's consolidated operating cash flow (defined as operating income plus depreciation and amortization of intangible assets) as reported in the accompanying Business Segment Information totaled \$768 million for the first half of 1997, compared with \$618 million a year ago, reflecting strong overall operating results.

Capital expenditures for the year-to-date totaled \$92 million, compared to \$107 million in 1996. The Company's long-term debt (commercial paper obligations) was reduced by \$228 million from operating cash flow in the first half of 1997. The Company's regular quarterly dividend of \$0.36 per share was declared in the first and second quarters and totaled \$102 million.

At the end of the second quarter, the Company's long term debt included a \$275 million note payable due in March 1998. This note and the Company's commercial paper obligations are supported by a \$3.0 billion revolving credit agreement with a term extending to November 12, 2000. As a result, these obligations are classified as long-term debt.

## OTHER MATTERS

Expenses for the first six months included the gift of the Niagara Gazette newspaper to the Gannett Foundation. Subsequent to the transfer, the Gannett Foundation sold the Niagara Gazette so that the proceeds could be used to fund the Foundation and its community grants. The sale also resolved the FCC newspaper-television cross-ownership issues that arose as a result of the company's acquisition of a television station in Buffalo, New York.

CONSOLIDATED BALANCE SHEETS  
Gannett Co., Inc. and Subsidiaries  
Unaudited, in thousands of dollars

	June 29, 1997	Dec. 29, 1996
	-----	-----
<b>ASSETS</b>		
Cash	\$ 44,163	\$ 27,179
Marketable securities	12,548	4,023
Trade receivables, less allowance (1997 - \$19,299; 1996 - \$18,942)	539,279	569,095
Other receivables	37,366	47,850
Inventories	80,694	73,621
Prepaid expenses	29,618	44,837
	-----	-----
Total current assets	743,668	766,605
	-----	-----
Property, plant and equipment:		
Cost	3,523,600	3,423,400
Less accumulated depreciation	(1,521,662)	(1,429,340)
	-----	-----
Net property, plant and equipment	2,001,938	1,994,060
	-----	-----
Intangible and other assets:		
Excess of acquisition cost over the value of assets acquired, less amortization (1997 - \$617,665; 1996 - \$569,527)	3,371,963	3,393,931
Investments and other assets	204,844	195,001
	-----	-----
Total intangible and other assets	3,576,807	3,588,932
	-----	-----
Total assets	\$ 6,322,413	\$ 6,349,597
	=====	=====
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		
Current maturities of long-term debt	\$ 20,825	\$ 23,302
Accounts payable and current portion of film contracts payable	211,686	261,838
Compensation, interest and other accruals	226,294	231,358
Dividend payable	51,078	51,890
Income taxes	32,103	46,098
Deferred income	107,091	104,510
	-----	-----
Total current liabilities	649,077	718,996
	-----	-----
Deferred income taxes	387,182	396,170
Long-term debt, less current portion	1,654,394	1,880,293
Postretirement, medical and life insurance liabilities	304,006	301,729
Other long-term liabilities	148,786	121,591
	-----	-----
Total liabilities	3,143,445	3,418,779
	-----	-----
Shareholders' Equity		
Preferred stock of \$1 par value per share. Authorized 2,000,000 shares; issued - none.		
Common stock of \$1 par value per share. Authorized 400,000,000; issued, 162,210,366 shares.	162,210	162,210
Additional paid-in capital	88,201	86,126
Retained earnings	3,882,408	3,654,681
	-----	-----
Total	4,132,819	3,903,017
	-----	-----
Less treasury stock - 20,484,642 shares and 20,892,661 shares respectively, at cost	(925,116)	(942,609)
Deferred compensation related to ESOP	(28,735)	(29,590)
	-----	-----
Total shareholders' equity	3,178,968	2,930,818
	-----	-----
Total liabilities and shareholders' equity	\$ 6,322,413	\$ 6,349,597
	=====	=====

CONSOLIDATED STATEMENTS OF INCOME  
Gannett Co., Inc. and Subsidiaries  
Unaudited, in thousands of dollars (except per share amounts)

	Thirteen weeks ended		% Inc
	June 29, 1997	June 30, 1996	(Dec)
Net Operating Revenues:			
Newspaper advertising	\$ 656,306	\$ 604,980	8.5
Newspaper circulation	232,237	227,260	2.2
Broadcasting	189,245	176,306	7.3
Cable & Security	64,363	57,732	11.5
Other	45,676	43,016	6.2
	-----	-----	-----
Total	1,187,827	1,109,294	7.1
	-----	-----	-----
Operating Expenses:			
Cost of sales and operating expenses, exclusive of depreciation	575,646	587,515	(2.0)
Selling, general and administrative expenses, exclusive of depreciation	179,787	168,590	6.6
Depreciation	49,976	49,034	1.9
Amortization of intangible assets	24,898	23,481	6.0
	-----	-----	-----
Total	830,307	828,620	0.2
	-----	-----	-----
Operating income	357,520	280,674	27.4
	-----	-----	-----
Non-operating income (expense):			
Interest expense	(24,783)	(38,403)	(35.5)
Other	(1,004)	(657)	52.8
	-----	-----	-----
Total	(25,787)	(39,060)	(34.0)
	-----	-----	-----
Income before income taxes	331,733	241,614	37.3
Provision for income taxes	137,000	104,375	31.3
	-----	-----	-----
Income from continuing operations	194,733	137,239	41.9
Discontinued operations:			
Income from discontinued operations, net of income taxes		12,777	(100.0)
	-----	-----	-----
Net income	\$ 194,733	\$ 150,016	29.8
	=====	=====	=====
Earnings per share:			
Earnings from continuing operations	\$1.38	\$0.98	40.8
Earnings from discontinued operations, net of tax		0.09	(100.0)
	-----	-----	-----
Net income per share	\$1.38	\$1.07	29.0
	=====	=====	=====
Dividends per share	\$0.36	\$0.35	2.9
	=====	=====	=====

CONSOLIDATED STATEMENTS OF INCOME  
Gannett Co., Inc. and Subsidiaries  
Unaudited, in thousands of dollars (except per share amounts)

	Twenty-six weeks ended		% Inc
	June 29, 1997	June 30, 1996	(Dec)
Net Operating Revenues:			
Newspaper advertising	\$ 1,249,858	\$ 1,161,865	7.6
Newspaper circulation	465,607	456,677	2.0
Broadcasting	339,851	317,994	6.9
Cable & Security	125,909	114,344	10.1
Other	83,359	82,297	1.3
	-----	-----	-----
Total	2,264,584	2,133,177	6.2
	-----	-----	-----
Operating Expenses:			
Cost of sales and operating expenses, exclusive of depreciation	1,142,168	1,178,030	(3.0)
Selling, general and administrative expenses, exclusive of depreciation	354,578	337,297	5.1
Depreciation	99,758	97,871	1.9
Amortization of intangible assets	49,740	46,996	5.8
	-----	-----	-----
Total	1,646,244	1,660,194	(0.8)
	-----	-----	-----
Operating income	618,340	472,983	30.7
	-----	-----	-----
Non-operating income (expense):			
Interest expense	(50,401)	(77,931)	(35.3)
Other	(6,092)	(2,240)	(172.0)
	-----	-----	-----
Total	(56,493)	(80,171)	(29.5)
	-----	-----	-----
Income before income taxes	561,847	392,812	43.0
Provision for income taxes	232,050	169,125	37.2
	-----	-----	-----
Income from continuing operations	329,797	223,687	47.4
Discontinued operations:			
Income from discontinued operations, net of income taxes		15,679	(100.0)
	-----	-----	-----
Net income	\$ 329,797	\$ 239,366	37.8
	=====	=====	=====
Earnings per share:			
Earnings from continuing operations	\$2.33	\$1.59	46.5
Earnings from discontinued operations, net of tax		0.11	(100.0)
	-----	-----	-----
Net income per share	\$2.33	\$1.70	37.1
	====	====	====
Dividends per share	\$0.72	\$0.70	2.9
	====	====	====



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
Gannett Co., Inc. and Subsidiaries  
Unaudited, in thousands of dollars

	Twenty-six weeks ended	
	June 29, 1997	June 30, 1996
Cash flows from operating activities		
Net income	\$ 329,797	\$ 239,366
Adjustments to reconcile net income to operating cash flows:		
Discontinued operations	0	15,679
Depreciation	99,758	97,871
Amortization of intangibles	49,740	46,996
Deferred income taxes	(8,988)	(8,796)
Gain on sale of assets	(58)	(405)
Other, net	978	(61,325)
	-----	-----
Net cash flow from operating activities	471,227	329,386
	-----	-----
Cash flows from investing activities		
Purchase of property, plant & equipment	(92,128)	(106,642)
Payments for acquisitions, net of cash acquired	(50,041)	0
Change in other investments	(4,553)	(9,183)
Proceeds from sale of certain assets	8,199	4,720
Collection of long-term receivables	3,448	791
	-----	-----
Net cash used for investing activities	(135,075)	(110,314)
	-----	-----
Cash flow from financing activities		
Payments of long-term debt	(228,376)	(149,695)
Dividends paid	(102,069)	(96,990)
Proceeds from issuance of common stock	19,802	13,864
	-----	-----
Net cash used for financing activities	(310,643)	(232,821)
	-----	-----
Effect of currency exchange rate change	0	89
	-----	-----
Net increase (decrease) in cash and cash equivalents	25,509	(13,660)
Balance of cash & cash equivalents at beginning of year	31,202	46,985
	-----	-----
Balance of cash and cash equivalents at end of second quarter	\$ 56,711	\$ 33,325
	=====	=====

BUSINESS SEGMENT INFORMATION  
Gannett Co., Inc. and Subsidiaries  
Unaudited, in thousands of dollars

	Thirteen weeks ended		% Inc
	June 29, 1997	June 30, 1996	(Dec)
Operating Revenues:			
Newspaper publishing	\$ 934,219	\$ 875,256	6.7
Broadcasting	189,245	176,306	7.3
Cable and Security	64,363	57,732	11.5
	-----	-----	-----
Total	\$ 1,187,827	\$ 1,109,294	7.1
	=====	=====	=====
Operating Income (net of depreciation and amortization):			
Newspaper publishing	\$ 263,584	\$ 203,079	29.8
Broadcasting	96,991	82,109	18.1
Cable and Security	13,884	12,072	15.0
Corporate	(16,939)	(16,586)	(2.1)
	-----	-----	-----
Total	\$ 357,520	\$ 280,674	27.4
	=====	=====	=====
Depreciation and Amortization:			
Newspaper publishing	\$ 41,363	\$ 40,743	1.5
Broadcasting	14,682	12,899	13.8
Cable and Security	16,659	16,317	2.1
Corporate	2,170	2,556	(15.1)
	-----	-----	-----
Total	\$ 74,874	\$ 72,515	3.3
	=====	=====	=====
Operating Cash Flow:			
Newspaper publishing	\$ 304,947	\$ 243,822	25.1
Broadcasting	111,673	95,008	17.5
Cable and Security	30,543	28,389	7.6
Corporate	(14,769)	(14,030)	(5.3)
	-----	-----	-----
Total	\$ 432,394	\$ 353,189	22.4
	=====	=====	=====

NOTE:  
Operating Cash Flow represents operating income for each of the Company's business segments plus related depreciation and amortization expense.

BUSINESS SEGMENT INFORMATION  
Gannett Co., Inc. and Subsidiaries  
Unaudited, in thousands of dollars

	Twenty-six weeks ended		% Inc
	June 29, 1997	June 30, 1996	(Dec)
Operating Revenues:			
Newspaper publishing	\$ 1,798,824	\$ 1,700,839	5.8
Broadcasting	339,851	317,994	6.9
Cable and Security	125,909	114,344	10.1
	-----	-----	-----
Total	\$ 2,264,584	\$ 2,133,177	6.2
	=====	=====	=====
Operating Income (net of depreciation and amortization):			
Newspaper publishing	\$ 470,778	\$ 350,050	34.5
Broadcasting	154,391	132,148	16.8
Cable and Security	27,249	23,789	14.5
Corporate	(34,078)	(33,004)	(3.3)
	-----	-----	-----
Total	\$ 618,340	\$ 472,983	30.7
	=====	=====	=====
Depreciation and Amortization:			
Newspaper publishing	\$ 82,512	\$ 81,459	1.3
Broadcasting	29,494	26,018	13.4
Cable and Security	33,152	32,278	2.7
Corporate	4,340	5,112	(15.1)
	-----	-----	-----
Total	\$ 149,498	\$ 144,867	3.2
	=====	=====	=====
Operating Cash Flow:			
Newspaper publishing	\$ 553,290	\$ 431,509	28.2
Broadcasting	183,885	158,166	16.3
Cable and Security	60,401	56,067	7.7
Corporate	(29,738)	(27,892)	(6.6)
	-----	-----	-----
Total	\$ 767,838	\$ 617,850	24.3
	=====	=====	=====

NOTE:  
Operating Cash Flow represents operating income for each of the Company's business segments plus related depreciation and amortization expense.

NOTE TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

June 29, 1997

1. Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with the instructions for Form 10-Q and, therefore, do not include all information and footnotes which are normally included in Form 10-K and annual report to shareholders. The financial statements covering the 13 and 26 week periods ended June 29, 1997, and the comparative periods of 1996 reflect all adjustments which, in the opinion of the Company, are necessary for a fair statement of results for the interim periods.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Securityholders

(a) The Annual Meeting of Shareholders of Gannett Co., Inc. was held on May 6, 1997.

(b) The following directors were elected at the meeting:

Drew Lewis	Dolores D. Wharton
Thomas A. Reynolds, Jr.	

The following directors' term of office continued after the meeting:

Meredith A. Brokaw	Douglas H. McCorkindale
Peter B. Clark	John J. Curley
Josephine P. Louis	Stuart T.K. Ho

(c) (i) Three directors were re-elected to the Board of Directors. Tabulation of votes for each of the nominees is as follows:

	For	Withhold Authority
Drew Lewis	119,317,644	1,417,955
Thomas A. Reynolds, Jr.	119,214,432	1,521,167
Dolores D. Wharton	118,782,330	1,953,269

(ii) The proposal to elect Price Waterhouse as the Company's independent auditors was approved. Tabulation of votes for the proposal is as follows:

	For	Against	Abstain
Election of Independent Auditors	120,218,804	107,693	409,102

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.  
See Exhibit Index for list of exhibits filed with this report.

(b) Reports on Form 8-K.

(i) Current Report on Form 8-K dated January 14, 1997 in connection with the exchange of radio stations for a television station, the sale of Multimedia Entertainment, and restatement of financial statements.

SIGNATURES

Pursuant to the requirements 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.

GANNETT CO., INC.

Dated: August 12, 1997

/s/ Larry F. Miller

-----  
Larry F. Miller  
Senior Vice President/Financial  
Planning and Controller

Dated: August 12, 1997

/s/ Thomas L. Chapple

-----  
Thomas L. Chapple  
Senior Vice President, General  
Counsel and Secretary

## EXHIBIT INDEX

Exhibit Number	Title or Description	Location
3-1	By-laws of Gannett Co., Inc. [reflects all amendments through May 6, 1997]	Incorporated by reference to Exhibit 3-1 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended March 30, 1997.
4-1	\$1,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-1 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 26, 1993.
4-2	Amendment Number One to \$1,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-2 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended June 26, 1994.
4-3	Amendment Number Two to \$1,500,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 1995.
4-4	Amendment Number Three to \$3,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein, dated as of August 20, 1996.	Incorporated by reference to Exhibit 4-4 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 29, 1996.
4-5	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.
4-6	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.
4-7	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 June 15, 1995
4-8	Rights Plan.	Incorporated by reference to Exhibit 1 to Gannett Co., Inc.'s Form 8-K filed on May 23, 1990.
10-1	Amended and Restated Gannett Co., Inc. Deferred Compensation Plan.	Incorporated by reference to Exhibit 10-1 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 29, 1996.
11	Statement re computation of earnings per share.	Attached.
27	Financial Data Schedule	Attached.

Gannett Co., Inc. agrees to furnish to the Securities and Exchange 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 registrant.



CALCULATION OF EARNINGS PER SHARE  
Gannett Co., Inc. and Subsidiaries  
Unaudited, in thousands of dollars (except per share amounts)

	Thirteen weeks ended		Twenty-six weeks ended	
	June 29, 1997	June 30, 1996	June 29, 1997	June 30, 1996
	-----	-----	-----	-----
Income from continuing operations	\$ 194,733	\$ 137,239	\$ 329,797	\$ 223,687
Income from discontinued operations		12,777		15,679
	-----	-----	-----	-----
Net Income	\$ 194,733	\$ 150,016	\$ 329,797	\$ 239,366
	=====	=====	=====	=====
 Weighted average number of common shares outstanding	 141,621	 140,845	 141,521	 140,763
	=====	=====	=====	=====
 Income per share from continuing operations	 \$1.38	 \$0.98	 \$2.33	 \$1.59
Income per share from discontinued operations		0.09		.11
	-----	-----	-----	-----
Net income per share	\$1.38	\$1.07	\$2.33	\$1.70
	=====	=====	=====	=====

This schedule contains summary financial information extracted from the consolidated balance sheets and statements of income for Gannett Co., Inc. and is qualified in its entirety by reference to such financial statements.

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6-MOS		
	DEC-28-1997	
	DEC-30-1996	
	JUN-29-1997	
		44,163
		12,548
		558,578
		19,299
		80,694
		743,668
		3,523,600
		1,521,662
		6,322,413
	649,077	
		0
		162,210
	0	
		0
		3,016,758
6,322,413		
		2,264,584
	2,264,584	
		1,142,168
		1,646,244
		6,092
		0
	50,401	
		561,847
		232,050
	329,797	
		0
		0
		0
		329,797
		2.33
		0