

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 29, 2003

OR

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

Commission file number 1-6961

GANNETT CO., INC.

(Exact name of registrant as specified in charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization of Registrant)

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.

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

The total number of shares of the registrant's Common Stock, \$1.00 par value, outstanding as of August 1, 2003, was 269,705,112.

PART I. FINANCIAL INFORMATION

Items 1 and 2. Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS

Operating Summary

Earnings per diluted share, on a generally accepted accounting principles ("GAAP") basis, were \$1.20 for the second quarter of 2003 versus \$1.13 per share for the same period last year. For the year-to-date, earnings per diluted share were \$2.12 versus \$2.04 per share.

Net income rose 7% to \$324.3 million for the quarter and 5% to \$574.1 million for the year-to-date. Operating income increased 5% to \$528.1 million for the quarter and 4% to \$939.1 million for the year-to-date.

Operating revenues were \$1.7 billion for the second quarter, a 6% increase over the same period last year. For the first six months, operating revenue increased by \$131.2 million or 4% to \$3.3 billion.

Newspaper Results

Reported newspaper publishing revenues increased \$90.7 million or 6% for the second quarter of 2003 as compared to the second quarter of 2002 and rose \$138.8 million or 5% for the year-to-date. Newspaper operating revenues are derived principally from advertising and circulation sales, which accounted for 74% and 20%, respectively, of total newspaper revenues for the second quarter of 2003 and 73% and 21% for the year-to-date period. Ad revenues also include those derived from advertising placed with newspaper Internet sites. Other newspaper publishing revenues are mainly from commercial printing businesses and also include earnings from the company's 50% owned joint operating agencies in Detroit and Tucson. The tables below present these components of reported revenues for the second quarter and first six months of 2003 and 2002.

Newspaper operating revenues, in thousands of dollars

<u>Second Quarter</u>	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Newspaper advertising	\$1,115,381	\$1,045,938	7
Newspaper circulation	303,180	293,990	3
Commercial printing and other	93,995	81,963	15
Total	\$1,512,556	\$1,421,891	6
<u>Year-to-date</u>	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Newspaper advertising	\$2,121,428	\$2,015,741	5
Newspaper circulation	605,611	593,252	2
Commercial printing and other	179,586	158,870	13
Total	\$2,906,625	\$2,767,863	5

The table below presents the components of reported newspaper advertising revenues for the second quarter and the first six months of 2003 and 2002.

Advertising revenues, in thousands of dollars

Second Quarter	2003	2002	% Change
Local	\$ 462,598	\$ 434,381	6
National	183,371	173,785	6
Classified	469,412	437,772	7
Total ad revenue	\$1,115,381	\$1,045,938	7

Year-to-date	2003	2002	% Change
Local	\$ 877,683	\$ 838,442	5
National	346,123	332,940	4
Classified	897,622	844,359	6
Total ad revenue	\$2,121,428	\$2,015,741	5

Newspaper advertising revenues improved by \$69.4 million or 7% for the quarter and \$105.7 million or 5% for the year-to-date, primarily from gains in local and classified advertising, the acquisition of the publishing businesses of Scottish Media Group (“Newsquest Scotland”) and the establishment of the Texas-New Mexico Newspapers Partnership (“Texas-New Mexico”). Circulation revenues rose \$9.2 million or 3% for the quarter and \$12.4 million or 2% for the year-to-date. Other newspaper revenues increased \$12.0 million or 15% and \$20.7 million or 13% for the year-to-date, primarily because of higher commercial printing volume. A higher foreign exchange rate for UK Sterling in 2003 for Newsquest operations favorably impacted revenue comparisons.

In the tables that follow, newspaper advertising lineage and related revenues are presented on a pro forma basis. Pro forma basis means that these results are presented as if all properties owned at the end of the second quarter of 2003 were owned throughout the periods presented. For Newsquest, advertising revenue is reflected in the amounts below, however, advertising lineage and preprint distribution statistics are not included.

Advertising revenues, in thousands of dollars (pro forma)

Second Quarter	2003	2002	% Change
Local	\$ 462,667	\$ 442,205	5
National	183,522	177,000	4
Classified	469,225	452,641	4
Total ad revenue	\$1,115,414	\$1,071,846	4

Advertising lineage, in thousands of inches, and preprint distribution, in millions (pro forma)

Second Quarter	2003	2002	% Change
Local	9,604	9,686	(1)
National	1,072	982	9
Classified	15,194	14,797	3
Total Run-of-Press lineage	25,870	25,465	2
Preprint distribution	2,805	2,536	11

Advertising revenues, in thousands of dollars (pro forma)

Year-to-date	2003	2002	% Change
Local	\$ 884,245	\$ 853,029	4
National	349,345	339,598	3
Classified	912,665	872,978	5
Total ad revenue	<u>\$2,146,255</u>	<u>\$2,065,605</u>	<u>4</u>

Advertising linage, in thousands of inches, and preprint distribution, in millions (pro forma)

Year-to-date	2003	2002	% Change
Local	18,301	18,588	(2)
National	2,006	1,854	8
Classified	28,955	27,990	3
Total Run-of-Press linage	<u>49,262</u>	<u>48,432</u>	<u>2</u>
Preprint distribution	<u>5,374</u>	<u>4,842</u>	<u>11</u>

The table below reconciles advertising revenues on a pro forma basis to advertising revenues on a GAAP basis.

Second Quarter	2003	2002	% Change
Pro forma ad revenues	\$1,115,414	\$1,071,846	4
Add: Effect of dispositions		692	
Less: Effect of acquisitions	(33)	(26,600)	
As reported ad revenues	<u>\$1,115,381</u>	<u>\$1,045,938</u>	<u>7</u>

Year-to-date	2003	2002	% Change
Pro forma ad revenues	\$2,146,255	\$2,065,605	4
Add: Effect of dispositions		1,295	
Less: Effect of acquisitions	(24,827)	(51,159)	
As reported ad revenues	<u>\$2,121,428</u>	<u>\$2,015,741</u>	<u>5</u>

For the second quarter of 2003, reported and pro forma local advertising revenues rose 6% and 5%, respectively, with pro forma linage down 1%. For the year-to-date, reported and pro forma local advertising revenues increased 5% and 4%, respectively, with pro forma linage 2% below last year. Local ad revenues benefited from strong preprint ad demand and advertising growth in non-daily publications.

Reported and pro forma national advertising revenues rose 6% and 4%, respectively, for the second quarter on a 9% pro forma volume increase. Year-to-date, reported and pro forma national advertising revenues gained 4% and 3%, respectively, with pro forma linage up 8%, reflecting improvement at certain of the company's domestic local newspapers. At USA TODAY, advertising revenues were flat as gains in the automotive, technology and telecom ad categories helped offset weakness in the travel and retail ad categories.

Reported and pro forma classified ad revenues increased 7% and 4%, respectively, with pro forma linage up 3%, for the second quarter. For the year-to-date, reported and pro forma classified ad revenues were up 6% and 5% on a 3% gain in pro forma linage. Pro forma classified ad revenue gains were driven by strength in the automotive and real estate categories, which rose 5% and 12%, respectively. Employment ad revenues continued to be impacted by the jobless recovery and, on a pro forma basis, declined 6% for the quarter and 4% for the year-to-date. Overall, the company's classified results from Newsquest were stronger than its domestic results.

Circulation revenues, as reported, rose 3% for the second quarter, but were flat on a pro forma basis. Year-to-date, reported circulation revenues increased 2% and pro forma revenues rose 1%. Pro forma net paid daily circulation for the company's newspapers, excluding USA TODAY, declined 2% for the second quarter and 1% for the year-to-date. Sunday net paid circulation declined 1% from the comparable quarter of last year and for the year-to-date. USA TODAY reported an average daily paid circulation of 2,249,717 in the ABC Publisher's Statement for the 26 weeks ended March 30, 2003, a 2% increase over the comparable period a year ago.

Reported newspaper operating expenses rose \$67.4 million or 7% for the quarter and \$97.7 million or 5% for the first six months, primarily as a result of the Newsquest Scotland and Texas-New Mexico transactions, increased commercial printing volume and higher pension and other employee benefit costs. The higher foreign exchange rate in 2003 for Newsquest operations adversely impacted expense comparisons. Newsprint expense for the second quarter and first six months increased 10% and 5%, respectively. Newsprint expenses were impacted by higher year-over-year prices and increased consumption due primarily to the aforementioned transactions and increased commercial printing activity.

Operating income for the quarter rose \$23.3 million or 5% and \$41.0 million or 5% year-to-date. Operating income benefited from the Newsquest Scotland and Texas-New Mexico transactions as well as favorable foreign exchange rates tempered by increased newsprint expenses and employee benefit costs.

Television Results

Television revenues increased \$1.4 million or 1% for the quarter, but were down \$7.6 million or 2% for the year-to-date due to diminished political spending and decreased advertising demand resulting from the war in Iraq. In addition, the first six months of 2002 benefited from Winter Olympic-related advertising. National revenues declined 4% and 5% for the quarter and year-to-date, respectively. Local revenues rose 4% compared to the second quarter of 2002, and were even for the year-to-date. Operating expenses were flat for the second quarter and year-to-date as lower programming and sales costs were partially offset by increased news, pension and other benefit costs. Operating income increased \$1.1 million or 1% for the quarter and declined \$7.7 million or 5% for the year-to-date.

Operating Cash Flow

The company's consolidated operating cash flow, defined as operating income plus depreciation and amortization of intangible assets, increased \$26.0 million or 5% to \$585.4 million for the second quarter and increased \$35.3 million or 3% to \$1.05 billion for the year-to-date. Operating cash flow gains were driven by the newspaper segment, which benefited from improved local and classified advertising revenues, recent acquisitions and favorable foreign exchange rates. All references to "operating cash flow" are to a non-GAAP financial measure. Management believes that use of this measure allows investors and management to measure, analyze, and compare the cash resources generated from its business segments in a meaningful and consistent manner. The focus on operating cash flow is appropriate given the consistent and generally predictable strength of cash flow generation by newspaper and television operations, and the short period of time it takes to convert new orders to cash. A reconciliation of these non-GAAP amounts to the company's operating income, which the company believes is the most directly comparable financial measure calculated and presented in accordance with GAAP in the company's consolidated statements of income, is presented in Note 8 "Business Segment Information" of the Notes to Condensed Consolidated Financial Statements.

Non-Operating Income and Expense/Provision for Income Taxes

The company's interest expense declined \$4.8 million or 12% for the quarter, primarily due to lower average commercial paper levels and lower interest rates on commercial paper debt. For the year-to-date, interest expense was up \$2.6 million or 4% due to increased interest expense from the fixed rate notes issued in March 2002, partially offset by decreased interest expense from the commercial paper debt. In March 2002, the company refinanced \$1.8 billion in commercial paper obligations with the issuance of fixed rate unsecured notes. The daily average commercial paper balance outstanding was \$2.6 billion and \$2.8 billion during the second quarter of 2003 and 2002, respectively. The daily average outstanding balance of commercial paper was \$2.6 billion during the first half of 2003 and \$3.7 billion for the comparable period of 2002. The weighted average interest rate on commercial paper was 1.26% and 1.82% for the second quarter of 2003 and 2002, respectively. For the first six months of 2003 and 2002, the weighted average interest rate was 1.28% and 1.82%, respectively.

Because the company has \$2.5 billion in commercial paper obligations at June 29, 2003 that have relatively short-term maturity dates, the company is subject to significant changes in the amount of interest expense it might

incur. Assuming the current level of borrowings, a 1/2% increase or decrease in the average interest rate for commercial paper would result in an increase or decrease in annual interest expense of \$12.5 million.

Other non-operating income reflects investment and currency gains offset by minority interest expense from the Texas-New Mexico Newspapers Partnership and other non-operating charges including losses from minority interest investments in Internet businesses.

During the first quarter of 2003, the company completed a non-monetary transaction under which it contributed its newspaper in El Paso to a newly formed partnership, Texas-New Mexico Newspapers Partnership. The partnership includes the El Paso newspaper and five other daily newspapers in nearby New Mexico that were contributed by Media News Group. In exchange for its contribution, the company received a 66% interest in the partnership.

In accordance with generally accepted accounting principles, the company recorded this non-monetary transaction as two simultaneous but separate events in the first quarter; that is, a sale of 34% of its interest in the El Paso newspaper for which a non-operating gain was recognized, and the acquisition of a 66% interest in the New Mexico newspapers through its investment in the partnership. The non-monetary gain from the partnership transaction is reflected in non-operating income and was partially offset by other non-operating charges, including losses from minority interest investments in Internet businesses.

The company's effective income tax rate was 34.2% for the second quarter and first half of 2003 compared to 34.4% for the same periods last year.

Net Income

Net income for the second quarter rose \$20.4 million or 7% and earnings per diluted share increased to \$1.20 from \$1.13, a 6% increase. For the first six months, net income was up \$26.7 million or 5% and earnings per diluted share increased to \$2.12 from \$2.04, a 4% increase. The weighted average number of diluted shares outstanding for the second quarter of 2003 totaled 271,281,000 compared to 269,473,000 for the second quarter of 2002. For the first six months of 2003 and 2002, the weighted average number of diluted shares outstanding totaled 270,582,000 and 269,013,000, respectively. Exhibit 11 of this Form 10-Q presents the weighted average number of basic and diluted shares outstanding and the earnings per share for each quarter and year-to-date.

Liquidity and Capital Resources

The company's cash flow from operating activities was \$696.8 million for the first six months of 2003, reflecting solid newspaper and television results. Cash flow from operating activities was \$695.3 million for the first six months of 2002.

Cash used by the company for investing activities totaled \$455.2 million for the six months ended June 29, 2003. Capital expenditures totaled \$101.0 million in the first six months of 2003, compared to \$124.6 million in the first six months of last year. In the first six months of 2003, the company paid \$353.3 million for the acquisition of Newsquest Scotland and several smaller businesses.

Cash used by the company for financing activities totaled \$202.1 million for the first six months of 2003. Of this amount, \$145.5 million was used to pay down long-term debt, \$128.6 million was used to pay dividends and \$72.1 million was received from the exercise of stock options. The company's regular quarterly dividend of \$0.24 per share, which was declared in the second quarter of 2003, totaled \$64.6 million and was paid on July 1, 2003.

The company's foreign currency translation adjustment, included in accumulated other comprehensive income and reported as part of shareholders' equity, totaled \$135.0 million at the end of the second quarter versus \$56.0 million at the end of 2002, reflecting a strengthening of British Sterling against the U.S. dollar at the end of the second quarter of 2003 versus the end of year 2002. Newsquest's assets and liabilities at June 29, 2003 were translated from Sterling to U.S. dollars at an exchange rate of \$1.65 versus \$1.60 at the end of 2002. Newsquest's financial results were translated at an average rate of \$1.62 for the second quarter of 2003 versus \$1.46 for the second quarter of 2002, and at an average rate of \$1.61 for the first half of 2003 compared to \$1.44 for the first six months of 2002.

The company is exposed to foreign exchange rate risk primarily due to its operations in the United Kingdom, for which Sterling is the functional currency, which is then translated into U.S. dollars. Translation gains or losses affecting the Condensed Consolidated Statements of Income have not been significant in the past. If the price of Sterling against the U.S. dollar had been 10% less than the actual price, reported net income would have decreased approximately 1% for the second quarter and for the year-to-date.

The company has a 13.5% general partnership interest in Ponderay Newsprint Company. The company, on a several basis, is a guarantor of 13.5% of the principal and interest on a term loan held by Ponderay that totals \$113 million at June 29, 2003.

Recently Issued Accounting Pronouncements

Refer to Note 9 of the Condensed Consolidated Financial Statements for further discussion of new accounting standards and their impact on earnings beginning in 2003.

Other Matters

In early April 2003, the company completed its acquisition of the publishing business of SMG plc (“Newsquest Scotland”) for £216 million (U.S. \$340 million). Newsquest Scotland consists of three Scottish newspapers, eleven specialty consumer and business-to-business magazine titles, and an online advertising and content business.

In late March 2003, the company entered into an agreement with Independent News and Media Limited for the acquisition of its Greater London regional publishing business for £60 million (approximately U.S. \$97 million). This regional publishing business consists of 45 Greater London regional newspapers, including the Post Newspaper Series and the Kentish Times Newspaper Series. The acquisition is subject to the approval of the Secretary of State for Trade and Industry in the United Kingdom. Closing of this transaction is expected in the second half of 2003.

On August 5, 2003, the company’s board of directors declared a regular quarterly dividend of \$0.25 per share. The quarterly dividend is payable on October 1, 2003 to shareholders of record on September 13, 2003.

Certain Factors Affecting Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q 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.

Potential risks and uncertainties which could adversely affect the company’s ability to obtain these 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 continued economic downturn in some or all of the company’s principal newspaper or television markets leading to decreased circulation or local, national or classified advertising; (c) a decline in general newspaper readership 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 Sterling to U.S. dollar exchange rate; and (k) general economic, political and business conditions.

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

	June 29, 2003	Dec. 29, 2002
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	\$ 132,394	\$ 90,374
Trade Receivables, less allowance (2003 - \$41,581; 2002 - \$36,610)	823,059	827,398
Inventories	115,898	101,189
Prepaid expenses and other receivables	107,913	114,118
	1,179,264	1,133,079
<i>Property, plant and equipment</i>		
Cost	4,533,306	4,422,767
Less accumulated depreciation	(1,946,805)	(1,887,762)
	2,586,501	2,535,005
<i>Intangible and other assets</i>		
Goodwill	9,310,383	8,822,299
Other intangible assets, less accumulated amortization	110,814	98,807
Investments and other assets	1,105,534	1,143,824
	10,526,731	10,064,930
	14,292,496	13,733,014
Total assets	\$14,292,496	\$13,733,014

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

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

	June 29, 2003	Dec. 29, 2002
LIABILITIES AND SHAREHOLDERS' EQUITY		
<i>Current liabilities</i>		
Accounts payable and current portion of film contracts payable	\$ 249,099	\$ 327,742
Compensation, interest and other accruals	278,119	287,873
Dividends payable	64,839	64,443
Income taxes	158,956	121,276
Deferred income	165,381	157,291
	916,394	958,625
<i>Total current liabilities</i>		
Deferred income taxes	722,465	678,541
Long-term debt	4,401,738	4,547,265
Postretirement medical and life insurance liabilities	376,749	378,855
Minority interest	92,935	—
Other long-term liabilities	270,919	257,933
	6,781,200	6,821,219
<i>Total liabilities</i>		
<i>Shareholders' equity</i>		
Preferred stock of \$1 par value per share		
Authorized: 2,000,000 shares; Issued: none	—	—
Common stock of \$1 par value per share		
Authorized: 800,000,000 shares;		
Issued: 324,420,732 shares	324,421	324,421
Additional paid-in-capital	320,740	279,778
Retained earnings	8,943,134	8,498,015
Accumulated other comprehensive income	124,136	44,190
	9,712,431	9,146,404
Less treasury stock, 55,055,415 shares and 56,511,046 shares, respectively, at cost	(2,201,060)	(2,231,557)
Deferred compensation related to ESOP	(75)	(3,052)
	7,511,296	6,911,795
<i>Total shareholders' equity</i>		
Total liabilities and shareholders' equity	\$14,292,496	\$13,733,014

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

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

	Thirteen weeks ended		
	June 29, 2003	June 30, 2002	% Inc (Dec)
Net Operating Revenues:			
Newspaper advertising	\$1,115,381	\$1,045,938	6.6
Newspaper circulation	303,180	293,990	3.1
Television	192,727	191,299	0.7
Other	93,995	81,963	14.7
Total	1,705,283	1,613,190	5.7
Operating Expenses:			
Cost of sales and operating expenses, exclusive of depreciation	856,972	799,255	7.2
Selling, general and administrative expenses, exclusive of depreciation	262,917	254,534	3.3
Depreciation	55,078	53,362	3.2
Amortization of intangible assets	2,174	1,834	18.5
Total	1,177,141	1,108,985	6.1
Operating income	528,142	504,205	4.7
Non-operating income (expense):			
Interest expense	(36,334)	(41,101)	(11.6)
Other	899	(81)	***
Total	(35,435)	(41,182)	(14.0)
Income before income taxes	492,707	463,023	6.4
Provision for income taxes	168,400	159,100	5.8
Net income	\$ 324,307	\$ 303,923	6.7
Net income per share-basic	\$ 1.21	\$ 1.14	6.1
Net income per share-diluted	\$ 1.20	\$ 1.13	6.2
Dividends per share	\$ 0.24	\$ 0.23	4.3

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

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

	Twenty-six weeks ended		
	June 29, 2003	June 30, 2002	% Inc (Dec)
Net Operating Revenues:			
Newspaper advertising	\$2,121,428	\$2,015,741	5.2
Newspaper circulation	605,611	593,252	2.1
Television	350,903	358,485	(2.1)
Other	179,586	158,870	13.0
Total	3,257,528	3,126,348	4.2
Operating Expenses:			
Cost of sales and operating expenses, exclusive of depreciation	1,693,594	1,606,371	5.4
Selling, general and administrative expenses, exclusive of depreciation	511,488	502,865	1.7
Depreciation	109,307	106,731	2.4
Amortization of intangible assets	4,004	3,667	9.2
Total	2,318,393	2,219,634	4.4
Operating income	939,135	906,714	3.6
Non-operating income (expense):			
Interest expense	(72,443)	(69,855)	3.7
Other	5,751	(2,373)	***
Total	(66,692)	(72,228)	(7.7)
Income before income taxes	872,443	834,486	4.5
Provision for income taxes	298,300	287,000	3.9
Net income	\$ 574,143	\$ 547,486	4.9
Net income per share-basic	\$ 2.14	\$ 2.05	4.4
Net income per share-diluted	\$ 2.12	\$ 2.04	3.9
Dividends per share	\$ 0.48	\$ 0.46	4.3

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

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

	Twenty-six weeks ended	
	June 29, 2003	June 30, 2002
<i>Cash flows from operating activities:</i>		
Net Income	\$ 574,143	\$ 547,486
Adjustments to reconcile net income to operating cash flows:		
Depreciation	109,307	106,731
Amortization of intangibles	4,004	3,667
Deferred income taxes	32,739	26,416
Other, net	(23,413)	10,987
	696,780	695,287
<i>Net cash flow from operating activities</i>		
<i>Cash flows from investing activities:</i>		
Purchase of property, plant and equipment	(100,980)	(124,565)
Payments for acquisitions, net of cash acquired	(353,346)	(3,200)
Payments for investments	(15,733)	(14,413)
Proceeds from investments	6,421	42,409
Proceeds from sale of certain assets	8,401	3,616
	(455,237)	(96,153)
<i>Net cash used for investing activities</i>		
<i>Cash flows from financing activities</i>		
Payment of long-term debt and debt issuance costs	(145,527)	(587,187)
Dividends paid	(128,629)	(122,198)
Proceeds from issuance of common stock	72,102	46,720
	(202,054)	(662,665)
<i>Net cash used for financing activities</i>		
<i>Effect of currency rate change</i>	2,531	1,611
	42,020	(61,920)
<i>Net increase (decrease) in cash and cash equivalents</i>		
<i>Balance of cash and cash equivalents at beginning of year</i>	90,374	140,629
	\$ 132,394	\$ 78,709
<i>Balance of cash and cash equivalents at end of second quarter</i>		

Certain amounts have been reclassified to conform with the current year presentation.

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 29, 2003

1. Basis of Presentation

The accompanying unaudited condensed consolidated 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 the Form 10-K and annual report to shareholders. The financial statements covering the 13-week and 26-week periods ended June 29, 2003, and the comparative periods of 2002, reflect all adjustments which, in the opinion of the company, are necessary for a fair statement of results for the interim periods and reflect all normal and recurring adjustments which are necessary for a fair presentation of the company's financial position, results of operations and cash flows as of the dates and for the periods presented.

2. Stock-based Compensation

Stock-based compensation is accounted for by using the intrinsic value based method in accordance with Accounting Principles Board Opinion APB No. 25, "Accounting for Stock Issued to Employees" ("APB No. 25"). Under APB No. 25, because the exercise price of the company's employee stock options equals the market price of the underlying stock on the date of the grant, no compensation expense is recognized. As permitted, the company has elected to adopt the disclosure only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123").

SFAS No. 123 establishes a fair value based method of accounting for employee stock-based compensation plans. The company has chosen to continue to report stock-based compensation in accordance with APB No. 25, and provides the following pro forma disclosure of the effects of applying the fair value method to all applicable awards granted. Had compensation cost for the company's stock options been determined based on the fair value at the grant date for those awards as permitted (but not required) under the alternative method of SFAS No. 123, the company's results of operations and related per share amounts would have been reduced to the pro forma amounts indicated below:

Second Quarter	2003	2002
<i>Net income as reported</i>	\$324,307	\$303,923
Less: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	16,308	13,288
<i>Pro forma net income</i>	\$307,999	\$290,635
<i>Earnings per share:</i>		
Basic — as reported	\$ 1.21	\$ 1.14
Basic — pro forma	\$ 1.15	\$ 1.09
Diluted — as reported	\$ 1.20	\$ 1.13
Diluted — pro forma	\$ 1.14	\$ 1.08

Year-to-date	2003	2002
<i>Net income as reported</i>	\$574,143	\$547,486
Less: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	32,990	26,870
<i>Pro forma net income</i>	\$541,153	\$520,616
<i>Earnings per share:</i>		
Basic — as reported	\$ 2.14	\$ 2.05
Basic — pro forma	\$ 2.02	\$ 1.95
Diluted — as reported	\$ 2.12	\$ 2.04
Diluted — pro forma	\$ 2.00	\$ 1.94

3. Acquisitions and Dispositions

During the first quarter of 2003, the company completed a non-monetary transaction under which it contributed its newspaper in El Paso to a newly formed partnership, Texas-New Mexico Newspapers Partnership. The partnership includes the El Paso newspaper and five other daily newspapers in nearby New Mexico that were contributed by Media News Group. In exchange for its contribution, the company received a 66% interest in the partnership. The company recorded this non-monetary transaction as two simultaneous but separate events; that is, a sale of 34% of its interest in the El Paso newspaper for which a non-operating gain was recognized, and the acquisition of a 66% interest in the New Mexico newspapers through its investment in the partnership. The non-monetary gain from the partnership transaction is reflected in non-operating income and was partially offset by other non-operating charges, including losses from minority interest investments in Internet businesses. This acquisition did not significantly affect newspaper operating results for the first six months.

In early April 2003, the company completed its acquisition of the publishing business of SMG plc (“Newsquest Scotland”) for £216 million (U.S. \$340 million). In April 2003, the company began including the operations of Newsquest Scotland in the company’s consolidated operating results. Newsquest Scotland consists of three Scottish newspapers, eleven specialty consumer and business-to-business magazine titles, and an online advertising and content business. The company purchased 100% of the stock of the Newsquest Scotland businesses.

4. Goodwill and other intangible assets

In accordance with SFAS No. 142, “Goodwill and Other Intangible Assets,” which eliminated the amortization of goodwill and other intangibles with indefinite useful lives, the company performed an impairment test of its goodwill and determined that no impairment of goodwill existed at Dec. 29, 2002. Intangible assets that have finite useful lives are amortized over their useful lives and are subject to tests for impairment.

The following table displays the intangible assets that are subject to amortization and the intangible assets that are not subject to amortization as of June 29, 2003, and Dec. 29, 2002:

Goodwill and other intangible assets are as follows:

(in thousands of dollars)	June 29, 2003		Dec. 29, 2002	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Amortized intangible assets:				
Subscriber lists	\$ 125,811	\$14,997	\$ 109,800	\$10,993
Unamortized intangible assets:				
Goodwill	\$9,310,383	\$ —	\$8,822,299	\$ —

As of June 29, 2003, Newspaper goodwill was \$7.8 billion and Television goodwill was \$1.5 billion. Goodwill increased primarily due to the acquisition of Newsquest Scotland and the Texas-New Mexico Newspapers Partnership transaction as described in Note 3, in addition to currency fluctuations.

Amortization expense for subscriber lists was \$2.2 million in the quarter ended June 29, 2003 and \$4.0 million year-to-date. Subscriber lists are amortized on a straight-line basis over 15 years. For 2003, amortization expense relating to the identified intangibles is expected to be approximately \$8.3 million. For each of the next four years after 2003, amortization expense relating to identified intangibles is expected to be approximately \$8.7 million.

5. Long-term debt

In March 2003, the company renewed and downsized a 364-day facility that was part of a revolving credit agreement entered into in March 2002. The \$1.2 billion 364-day facility extends to March 2004. At the end of the 364-day period, any borrowings outstanding under the 364-day credit facility are convertible into a one-year term loan at the company's option.

The company has revolving credit agreements for commercial paper backup and for general corporate purposes. At June 29, 2003, the company had a total of \$4.1 billion of credit available under two revolving credit agreements. At December 29, 2002, the company had a total of \$4.3 billion of credit available under two revolving credit agreements. As a result of these two credit agreements, commercial paper is carried on the balance sheet as long-term debt.

Approximate annual maturities of long-term debt, assuming that the company used the \$4.1 billion revolving credit agreements to refinance existing unsecured promissory notes on a long-term basis and assuming the company's other indebtedness was paid on its scheduled pay dates, are as follows:

(in thousands)	June 29, 2003
2004	\$ —
2005	1,736,672
2006	14,265
2007	2,061,255
2008	81,782
Later years	507,764
Total	\$4,401,738

The fair value of the company's total long-term debt, determined based on quoted market prices for similar issues of debt with the same remaining maturities and similar terms, totaled \$4.61 billion at June 29, 2003.

The company has a 13.5% general partnership interest in Ponderay Newsprint Company. The company, on a several basis, is a guarantor of 13.5% of the principal and interest on a term loan held by Ponderay that totals \$113 million at June 29, 2003.

6. Comprehensive Income

Comprehensive income for the company includes net income; foreign currency translation adjustments; and unrealized gains or losses on available-for-sale securities, as defined under SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities."

Comprehensive income totaled \$454.0 million for the second quarter of 2003 and \$379.5 million for the second quarter of 2002. Net income totaled \$324.3 million and other comprehensive income totaled \$129.7 million for the second quarter of 2003. Net income totaled \$303.9 million and other comprehensive income totaled \$75.6 million for the second quarter of 2002. Foreign currency translation adjustments were the most significant component of other comprehensive income in the second quarter of 2003 and 2002.

Comprehensive income totaled \$654.1 million for the first half of 2003 and \$601.2 million for the first half of 2002. Net income totaled \$574.1 million and other comprehensive income totaled \$80.0 million for the first half of 2003. Net income totaled \$547.5 million and other comprehensive income totaled \$53.7 million for the first half of 2002. Foreign currency translation adjustments were the most significant component of other comprehensive income in the first six months of 2003 and 2002.

7. Outstanding Shares

The weighted average number of common shares outstanding (basic) in the second quarter of 2003 totaled 268,847,000 compared to 266,785,000 for the second quarter of 2002. The weighted average number of diluted shares outstanding in the second quarter of 2003 totaled 271,281,000 compared to 269,473,000 for the second quarter of 2002.

The weighted average number of common shares outstanding (basic) in the first half of 2003 totaled 268,513,000 compared to 266,483,000 for the first half of 2002. The weighted average number of diluted shares outstanding in the first half of 2003 totaled 270,582,000 compared to 269,013,000 for the first half of 2002.

8. Business Segment Information

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

	Thirteen weeks ended		% Inc (Dec)
	June 29, 2003	June 30, 2002	
Net Operating Revenues:			
Newspaper publishing	\$1,512,556	\$1,421,891	6.4
Television	192,727	191,299	0.7
Total	\$1,705,283	\$1,613,190	5.7
Operating Income (net of depreciation and amortization):			
Newspaper publishing	\$ 448,476	\$ 425,225	5.5
Television	95,587	94,463	1.2
Corporate	(15,921)	(15,483)	(2.8)
Total	\$ 528,142	\$ 504,205	4.7
Depreciation and Amortization:			
Newspaper publishing	\$ 46,782	\$ 45,315	3.2
Television	6,642	6,331	4.9
Corporate	3,828	3,550	7.8
Total	\$ 57,252	\$ 55,196	3.7
Operating Cash Flow (1):			
Newspaper publishing	\$ 495,258	\$ 470,540	5.3
Television	102,229	100,794	1.4
Corporate	(12,093)	(11,933)	(1.3)
Total	\$ 585,394	\$ 559,401	4.6

(1) Operating Cash Flow represents operating income for each of the company's business segments plus related depreciation and amortization expense. See the discussion below for reconciliation of amounts to the Condensed Consolidated Statements of Income.

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

	Twenty-six weeks ended		
	June 29, 2003	June 30, 2002	% Inc (Dec)
Net Operating Revenues:			
Newspaper publishing	\$2,906,625	\$2,767,863	5.0
Television	350,903	358,485	(2.1)
	Total	\$3,126,348	4.2
Operating Income (net of depreciation and amortization):			
Newspaper publishing	\$ 810,961	\$ 769,928	5.3
Television	159,542	167,232	(4.6)
Corporate	(31,368)	(30,446)	(3.0)
	Total	\$ 906,714	3.6
Depreciation and Amortization:			
Newspaper publishing	\$ 92,364	\$ 90,550	2.0
Television	13,213	12,748	3.6
Corporate	7,734	7,100	8.9
	Total	\$ 110,398	2.6
Operating Cash Flow (1):			
Newspaper publishing	\$ 903,325	\$ 860,478	5.0
Television	172,755	179,980	(4.0)
Corporate	(23,634)	(23,346)	(1.2)
	Total	\$1,017,112	3.5

(1) Operating Cash Flow represents operating income for each of the company's business segments plus related depreciation and amortization expense. See the discussion below for reconciliation of amounts to the Condensed Consolidated Statements of Income.

A reconciliation of "Operating Cash Flow" to "Operating Income", as presented in the Condensed Consolidated Statements of Income and Business Segment Information, follows:

Thirteen Weeks Ended June 29, 2003	Newspaper Publishing	Television	Corporate	Consolidated Total
Operating cash flow	\$495,258	\$102,229	\$(12,093)	\$ 585,394
Less:				
Depreciation	(44,608)	(6,642)	(3,828)	(55,078)
Amortization	(2,174)	—	—	(2,174)
Operating income	<u>\$448,476</u>	<u>\$ 95,587</u>	<u>\$(15,921)</u>	<u>\$ 528,142</u>

Thirteen Weeks Ended June 30, 2002	Newspaper Publishing	Television	Corporate	Consolidated Total
Operating cash flow	\$470,540	\$100,794	\$(11,933)	\$ 559,401
Less:				
Depreciation	(43,481)	(6,331)	(3,550)	(53,362)
Amortization	(1,834)	—	—	(1,834)
Operating income	<u>\$425,225</u>	<u>\$ 94,463</u>	<u>\$(15,483)</u>	<u>\$ 504,205</u>

Twenty-six Weeks Ended June 29, 2003	Newspaper Publishing	Television	Corporate	Consolidated Total
Operating cash flow	\$903,325	\$172,755	\$(23,634)	\$1,052,446
Less:				
Depreciation	(88,360)	(13,213)	(7,734)	(109,307)
Amortization	(4,004)	—	—	(4,004)
Operating income	<u>\$810,961</u>	<u>\$159,542</u>	<u>\$(31,368)</u>	<u>\$ 939,135</u>

Twenty-six Weeks Ended June 30, 2002	Newspaper Publishing	Television	Corporate	Consolidated Total
Operating cash flow	\$860,478	\$179,980	\$(23,346)	\$1,017,112
Less:				
Depreciation	(86,883)	(12,748)	(7,100)	(106,731)
Amortization	(3,667)	—	—	(3,667)
Operating income	<u>\$769,928</u>	<u>\$167,232</u>	<u>\$(30,446)</u>	<u>\$ 906,714</u>

9. Accounting Pronouncements

SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" was effective for exit or disposal activities that are initiated after December 31, 2002. The company had no significant exit or disposal activities in 2003.

SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" was issued on April 30, 2003 and is effective for all derivative contracts entered into or modified after June 30, 2003. The company had no derivative contracts in 2003. This standard is not expected to have a material effect on the consolidated operating results.

SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity" was issued in May 2003 and is effective for all financial instruments entered into or modified after May 31, 2003. The company has no financial instruments that fall within the scope of SFAS No. 150 as of June 29, 2003.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The company is not subject to market risk associated with derivative commodity instruments, as the company is not a party to any such instruments. 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 Sterling is the functional currency, which is then translated into U.S. dollars. Translation gains or losses affecting the Condensed Consolidated Statements of Income have not been significant in the past. If the price of Sterling against the U.S. dollar had been 10% less than the actual price, reported net income for the first six months of 2003 would have decreased approximately 1%.

Because the company has \$2.5 billion in commercial paper obligations at June 29, 2003 that have relatively short-term maturity dates, the company is subject to significant changes in the amount of interest expense it might incur. Assuming the current level of borrowings, a 1/2% increase or decrease in the average interest rate for commercial paper would result in an increase or decrease in annual interest expense of \$12.5 million.

The fair value of the company's total long-term debt, determined based on quoted market prices for similar issues of debt with the same remaining maturities and similar terms, totaled \$4.61 billion at June 29, 2003.

Item 4. Controls and Procedures

Based on their evaluation, the company's Chairman, President and Chief Executive Officer and Senior Vice President and Chief Financial Officer have concluded the company's disclosure controls and procedures are effective as of June 29, 2003 to ensure that information required to be disclosed in the reports that the company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. There have been no significant changes in the company's internal controls or in other factors that could significantly affect those controls subsequent to the date of their evaluation.

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, 2003.

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

H. Jesse Arnelle
Solomon D. Trujillo
Karen Hastie Williams

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

Douglas H. McCorkindale Meredith A. Brokaw
James A. Johnson Stephen P. Munn
Donna E. Shalala

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

	<u>For</u>	<u>Withhold Authority</u>
H. Jesse Arnelle	177,138,073	59,733,097
Solomon D. Trujillo	231,229,629	5,641,541
Karen Hastie Williams	221,980,651	14,890,519

(ii) The proposal to elect PricewaterhouseCoopers LLP as the company's independent auditor was approved. Tabulation of the votes for the proposal is as follows:

	<u>For</u>	<u>Withhold Authority</u>	<u>Abstain</u>
Election of independent auditors	227,724,429	7,731,138	1,415,603

(iii) The proposal to amend the 2001 Omnibus Incentive Compensation Plan was approved. Tabulation of the votes for the proposal is as follows:

	<u>For</u>	<u>Withhold Authority</u>	<u>Abstain</u>
Amendment of Omnibus Incentive Plan	195,769,829	38,942,633	2,158,708

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

See Exhibit Index for list of exhibits filed with this report.

(b) Form 8-K

(i) Current Report on Form 8-K furnished April 3, 2003, in connection with Regulation FD disclosures.

(ii) Current Report on Form 8-K furnished April 15, 2003, in connection with Regulation FD disclosures.

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.

Date: August 5, 2003

/s/ George R. Gavagan

George R. Gavagan
Vice President and Controller

EXHIBIT INDEX

Exhibit Number	Description	Location
3-1	Second Restated Certificate of Incorporation of Gannett Co., Inc.	Incorporated by reference to Exhibit 3-1 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 26, 1993 ("1993 Form 10-K"). Amendment incorporated by reference to Exhibit 3-1 to the 1993 Form 10-K. Amendment dated May 2, 2000, incorporated by reference to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended March 26, 2000. Attached.
3-2	By-laws of Gannett Co., Inc. (reflects all amendments through July 21, 2003)	
3-3	Form of Certificate of Designation, Preferences and Rights setting forth the terms of the Series A Junior Participating Preferred Stock, par value \$1.00 per share, of Gannett Co., Inc.	Incorporated by reference to Exhibit 1 to Gannett Co., Inc.'s Form 8-A filed on May 23, 1990.
4-1	Rights Agreement, dated as of May 21, 1990, between Gannett Co., Inc. and First Chicago Trust Company of New York, as Rights Agent.	Incorporated by reference to Exhibit 1 to Gannett Co., Inc.'s Form 8-A filed on May 23, 1990.
4-2	Amendment No. 1 to Rights Agreement, dated as of May 2, 2000, between Gannett Co., Inc. and Norwest Bank Minnesota, N.A., as successor rights agent to First Chicago Trust Company of New York.	Incorporated by reference to Exhibit 2 to Gannett Co., Inc.'s Form 8-A/A filed on May 2, 2000.
4-3	Form of Rights Certificate	Incorporated by reference to Exhibit 1 to Gannett Co., Inc.'s Form 8-A filed on May 23, 1990.
4-4	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. Supplemental Retirement Plan Restatement dated February 1, 2003.*	Attached.
10-2	Gannett Co., Inc. Deferred Compensation Plan Restatement dated February 1, 2003 (reflects all amendments through May 6, 2003).*	Incorporated by reference to Exhibit 10-1 to Gannett Co., Inc.'s Registration Statement on Form S-8 (Reg. No. 333-107240), filed July 22, 2003.

Exhibit Number	Description	Location
10-3	Omnibus Incentive Compensation Plan*	Incorporated by reference to Exhibit 10.1 to Gannett Co., Inc.'s Registration Statement on Form S-8 (Reg. No. 333-105029), filed May 6, 2003.
10-4	Consulting Contract dated May 21, 2003 between Gannett Co., Inc. and Larry F. Miller*	Attached.
11	Statement re: computation of earnings per share.	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	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Attached.
32-2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Attached.

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.

BY LAWS
OF
GANNETT CO., INC.

as amended
through
^ July 21, 2003

BY-LAWS
OF
GANNETT CO., INC.
ARTICLE I.

Meetings of Stockholders

Section 1. Annual Meetings: The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may come before the meeting shall be held on such date and at such hour as shall each year be fixed by the Board of Directors.

Section 2. Special Meetings: Except as otherwise required by law and subject to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, special meetings of the stockholders may be called only by the Chairman of the Board or by the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors.

Section 3. Place of Meeting: Meetings of stockholders of the Corporation shall be held at such place, either within or without the State of Delaware, as shall be fixed by the Board of Directors in the case of meetings called by the Board, or by the Chairman of the Board in the case of meetings called by the Chairman, and specified in the notice of said meeting.

Section 4. Notice of Meetings: Except as otherwise permitted or provided by law or these By-laws, written notice of each meeting of the stockholders shall be given to each stockholder of record entitled to vote at such meeting, whether annual or special, not less than ten (10) nor more than sixty (60) days before the day on which the meeting is to be held. A written waiver of notice of any meeting of stockholders, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Notice of any adjourned meeting of stockholders shall not be required to be given, except where expressly required by law.

Section 5. Organization: At each meeting of the stockholders, the Chairman of the Board, or in his absence, the Vice Chairman, or in the absence of both officers, an officer selected by the Chairman of the Board, or if the Chairman of the Board has made no selection, an officer selected by the Board, shall act as chairman of the meeting and the Secretary or, in his absence, an Assistant Secretary, if one be appointed, shall act as secretary of the meeting. In case at any meeting none of the officers who have been designated to act as chairman or secretary of the meeting, respectively, shall be present, a chairman or secretary of the meeting, as the case may

be, shall be chosen by the vote of a majority in interest of the stockholders of the Corporation present in person or by proxy and entitled to vote at such meeting.

Section 6. Quorum and Conduct of Meetings.

(a) At each meeting of the stockholders, except where otherwise provided by law, the holders of a majority of the issued and outstanding shares of each class of stock of the Corporation entitled to vote at such meeting shall constitute a quorum for the transaction of business and a majority in amount of such quorum shall decide any questions that may come before the meeting. In the absence of a quorum, a majority in interest of the stockholders of the Corporation present in person or by proxy and entitled to vote, or, if no stockholder entitled to vote is present, any officer entitled to preside at, or act as secretary of, such meeting, shall have the power to adjourn the meeting from time to time until stockholders holding the requisite amount of stock shall be present or represented. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called.

(b) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be conducted in accordance with the rules of parliamentary procedure.

Section 7. Voting.

(a) At each meeting of stockholders every stockholder of record of the Corporation entitled to vote at such meeting shall be entitled to one

vote for each share of stock of the Corporation registered in his name on the books of the Corporation on the record date for such meeting. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy. Such proxy shall be appointed by an instrument in writing, subscribed by such stockholder or by his attorney thereunto authorized and delivered to the secretary of the meeting, or shall otherwise be executed and transmitted as may be permissible under applicable law; provided, however, that no proxy shall be voted on after three years from its date unless said proxy provides for a longer period. At all meetings of the stockholders, all matters (except where other provision is made by statute, by the Certificate of Incorporation or by these By-laws) shall be decided by the vote of a majority of the stock present in person or by proxy and entitled to vote at the meeting. At each meeting of stockholders for the election of Directors, the voting for Directors need not be by ballot unless the chairman of the meeting or the holders, present in person or by proxy, of a majority of the stock of the Corporation entitled to vote at such meeting shall so determine.

(b) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless a proper court upon application by a stockholder shall determine otherwise.

(c) The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability.

(d) The inspectors shall (i) ascertain the number of shares outstanding and the voting power of each, (ii) determine the shares represented at a meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, (v) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots, and (vi) perform such other duties as may be required by law or designated by the Secretary of the Corporation. In performing their duties, the

inspectors of election shall follow applicable law and the instructions of the Secretary.

Section 8. List of Stockholders: It shall be the duty of the Secretary or other officer of the Corporation who shall have charge of its stock ledger, either directly or through another officer of the Corporation designated by him or through a transfer agent or transfer clerk appointed by the Board of Directors, to prepare and make available, at least ten (10) days before every meeting of the stockholders, a complete list of the stockholders entitled to vote thereat, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for said ten (10) days, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of meeting, or, if not so specified, at the place where said meeting is to be held. The list shall be produced and kept at the time and place of said meeting during the whole time thereof and subject to the inspection of any stockholder who shall be present thereat. The original or duplicate stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, such list or the books of the Corporation, or to vote in person or by proxy at such meeting.

Section 9. Stockholder Action: Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

ARTICLE II.

Board of Directors

Section 1. General Power: The property, business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

Section 2. Number and Terms: Except as otherwise fixed pursuant to the provisions of Article FOURTH of the Certificate of Incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of the directors of the Corporation shall be fixed from time to time by majority vote of the entire Board of Directors. The directors, other than those who may be elected by the holders of any class or series of stock having preference over the Common Stock as to dividends or upon liquidation, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as determined by the Board of Directors, one class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1986, another class to be originally elected for a term expiring at the annual meeting of

stockholders to be held in 1987, and another class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1988, with the members of each class to hold office until their successors are elected and qualified. At each annual meeting of the stockholders of the Corporation, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

Section 3. Qualifications of Directors: ^ A director who has not served as an executive of the Corporation shall be eligible to serve as a member of the Board of Directors ^ until the first annual meeting of shareholders following his or her seventieth birthday ^.

A director who has ^ served as an executive of ^ the Corporation ^ shall be eligible to serve as a member of the Board of Directors until the first annual meeting of shareholders following his or her sixty-fifth birthday, ^ and if such officer has served or is serving as the chief executive officer of the Corporation, the age of eligibility for his or her Board service may be extended past age 65 if the Board of Directors, in its sole discretion, deems it advisable under the circumstances.

Notwithstanding the foregoing, no one who has at any time served as an executive of this Corporation, whether or not as the chief executive officer, shall be eligible to serve as a member of the Board of Directors after the first annual meeting of shareholders following the date on which he or she retires under the Corporation's retirement plan ^.

Every person who is elected a director of this Corporation ^ shall own, directly or beneficially (beneficial ownership to be determined in accordance with the Securities Exchange Act of 1934), at least one thousand shares of the common stock of this Corporation as of the annual meeting of shareholders held in May 2003 and thereafter, at least two thousand shares of the common stock of this Corporation as of the annual meeting of shareholders held in May 2004 and thereafter, and at least three thousand shares of the common stock of this Corporation as of the annual meeting of shareholders held in May 2005 and thereafter.

Section 4. Nominations: Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, nominations for the election of directors may be made by the Board of Directors or a committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of directors generally. However, any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as director at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than (i) with respect to an election to be held at an annual meeting

of stockholders, 90 days in advance of such meeting, and (ii) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the tenth day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission, had the nominee been nominated, or intended to be nominated, by the Board of Directors; and (e) the consent of each nominee to serve as a director of the Corporation if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

Section 5. Notice of Stockholder Business: At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than 90 days prior to the meeting. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (d) any material interest of the stockholder in such business. Notwithstanding anything in the By-laws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 5. The chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 5 and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

Section 6. Election: At each annual meeting of stockholders, Directors shall, except as otherwise required or provided by law or by the Certificate of Incorporation,

be elected by a plurality of the votes cast at such meeting by the holders of stock entitled to vote in the election. Each Director shall hold office until his successor shall be elected and qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided, or until he shall cease to qualify.

Section 7. Resignation: Any Director of the Corporation may resign at any time by giving notice in writing or by electronic transmission to the Corporation. The resignation of any Director shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8. Removal of Directors: Any Director may be removed from office, with cause, by the affirmative vote of the holders of record of a majority of the combined voting power of the outstanding shares of Stock entitled to vote generally in the election of directors, voting together as a single class and without cause, only by the affirmative vote of the holders of 80% of the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

Section 9. Newly Created Directorships and Vacancies: Except as otherwise fixed pursuant to the provisions of Article FOURTH of the Certificate of Incorporation relating to the rights of the holders of any class or series of stock having preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 10. First Meeting: After each annual election of Directors and on the same day, the Board of Directors may meet for the purpose of organization, the election of officers and the transaction of other business at the place where regular meetings of the Board of Directors are held. Notice of such meeting need not be given. Such meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors or which is approved by all the Directors by consent in writing or by electronic transmission.

Section 11. Regular Meetings: Regular meetings of the Board of Directors shall be held at such places and at such times as may from time to time be fixed by the Board. Notice of regular meetings need not be given.

Section 12. Special Meetings: Special meetings of the Board of Directors shall be held at any time upon the call of the Chairman of the Board or any two of the Directors. Notice of each such meeting shall be mailed to each Director, addressed to him at his residence or usual place of business, at least three days before the day on which the meeting is to be held, or shall be sent to him by telegraph, cable, wireless or electronic transmission so addressed or shall be delivered personally or by telephone at least 24 hours before the time the meeting is to be held. Each notice shall state the time and place of the meeting but need not state the purposes thereof, except as otherwise herein expressly provided. Notice of any meeting of the Board of Directors need not, however, be given to any Director, if waived by him in writing or by telegraph, cable, wireless or other form of recorded communication or electronic transmission or if he shall be present at such meeting; and any meeting of the Board shall be a legal meeting without any notice thereof having been given if all of the Directors of the Corporation then in office shall be present thereat.

Members of the Board of Directors, or any committee designated by such Board, may participate in a meeting of such Board or committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Section 13. Quorum and Manner of Acting: Except as otherwise provided by statute or by these By-laws, a majority of the authorized number of Directors shall be required to constitute a quorum for the transaction of business at any meeting, and the affirmative vote of a majority of the Directors present at the meeting shall be necessary for the adoption of any resolution or the taking of any other action. In the absence of a quorum, the Director or Directors present may adjourn any meeting from time to time until a quorum be had. Notice of any adjourned meeting need not be given.

Section 14. Written or Electronic Consent: Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board consent thereto in writing or by electronic transmission and such writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 15. Compensation: The Board of Directors shall have the authority to fix the compensation of Directors for services in any capacity and to provide that the Corporation shall reimburse each Director for any expenses paid to him on account of his attendance at any regular or special meeting of the Board. Nothing herein contained shall be construed so as to preclude any Director from serving the Corporation in any other capacity, or from serving any of its stockholders, subsidiaries or affiliated corporations in any capacity and receiving proper compensation therefor.

Section 16. Executive and Other Committees: The Board of Directors may in its discretion by resolution passed by a majority of the Directors present at a meeting at

which a quorum is present designate an Executive Committee and one or more other committees, each consisting of one or more of the Directors of the Corporation, and each of which, to the extent provided in the resolution and the laws of the State of Delaware, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it; provided, however, that no such committee shall have power or authority as to the following matters:

- (1) The amendment of the Certificate of Incorporation of the Corporation (except as provided under the Delaware General Corporation Law);
- (2) The amendment of the By-laws of the Corporation;
- (3) Approval or recommending to stockholders any action which must be submitted to stockholders for approval under the Delaware General Corporation Law.

Unless a greater proportion is required by the resolution designating a committee of the Board of Directors, a majority of the entire authorized number of members of such committee shall constitute a quorum for the transaction of business, and the act of a majority of the members voting on any item of business, if a quorum votes, shall be the act of such committee. Any action required, or permitted to be taken at any meeting of a committee of the Board of Directors, may be taken without a meeting if all members of such committee consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 17. Indemnification.

(a) Each person (including, here and hereinafter, the heirs, executors, administrators, or estate of such person) (1) who is or was a Director or officer of the Corporation, (2) who is or was an agent or employee of the Corporation other than an officer and as to whom the Corporation has agreed to grant such indemnity, or (3) who is or was serving at the request of the Corporation as its representative in the position of a director or officer of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation as of right to the full extent permitted or authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended against any fine, liability, cost or expense asserted against him or incurred by him in his capacity as such director, officer, agent, employee, or representative, or arising out of his status as such director, officer, agent, employee, or representative. The Corporation may

maintain insurance, at its expense, to protect itself and any such person against any such fine, liability, cost or expense, whether or not the Corporation would have the power to indemnify him against such liability under the General Corporation Law of the State of Delaware.

(b) The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in connection with any matter covered by paragraph (a) of this Section 17 in advance of its final disposition (hereinafter an “advance payment of expenses”). If the Delaware General Corporation Law requires, however, an advance payment of expenses incurred by an indemnitee in his or her capacity as a director or officer shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision that such indemnitee is not entitled to be indemnified for such expenses. Such expenses incurred by other employees, agents, or representatives, or by directors or officers who become the subject of a lawsuit by reason of actions other than in their capacity as a director or officer, may be so paid upon such terms and conditions as the Board of Directors deems appropriate.

(c) If a request for indemnification is not paid in full within sixty days, or if a request for advance payment of expenses is not paid in full within twenty days, after receipt by the Corporation of the written request, the indemnitee may at any time thereafter, prior to such payment, bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in such suit, the indemnitee shall be entitled also to recover from the Corporation the expenses reasonably incurred in prosecuting the claim. Neither the failure of the Board of Directors, legal counsel, or the stockholders of the Corporation to make a determination that the indemnitee is entitled to indemnification, nor a determination by any of them that the indemnitee is not entitled to indemnification, for whatever reason, shall create a presumption in such a suit that the indemnitee has not met the applicable standard of conduct, nor shall it be a defense to such suit. In any such suit the burden of establishing that the indemnitee is not entitled to indemnification or an advance payment of expenses shall be on the Corporation.

(d) The rights to indemnification and advance payment of expenses hereunder shall be in addition to any other right which any director, officer, employee, agent, or representative may have under any statute, provision of the Certificate of Incorporation, By-law, agreement, vote of stockholders or directors, or otherwise.

Section 18. Emergency Provisions. Notwithstanding any other provision in the Corporation’s restated certificate of incorporation or Bylaws, this emergency Bylaw provision shall be operative (i) during any emergency resulting from an attack on

the United States or on a locality in which the Corporation conducts its business or customarily holds meetings of its Board of Directors or its stockholders, or (ii) during any nuclear or atomic disaster, or (iii) during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Directors or a standing committee thereof cannot readily be convened for action, or (iv) during any other condition that may be provided under relevant provisions of Delaware Law (each condition described in clauses (i) through (iv) being referred to below as an "Emergency"). Pursuant to this Section 18, during any Emergency:

(a) A meeting of the Board of Directors or a committee thereof may be called by any director or officer by any means feasible under the circumstances.

(b) Unless otherwise provided by the Board during an Emergency, notice of any meeting of the Board of Directors during such an Emergency may be given only to such of the directors as it may be feasible to reach at the time and by such means as may be feasible at the time, including publication, television, radio or any other means.

(c) The officers or other persons designated on a list approved by the board of directors before the Emergency, all in such order of priority and subject to such conditions and for such period of time (not longer than reasonably necessary after the termination of the Emergency) as may be provided in the resolution approving the list, shall, to the extent required to provide a quorum at any meeting of the board of directors, be deemed directors for such meeting.

(d) The Board of Directors, either before or during any such Emergency, may provide, and from time to time modify, lines of succession in the event that during such Emergency any or all officers or agents of the corporation shall for any reason be rendered incapable of discharging their duties.

(e) The Board of Directors, either before or during any such Emergency, may, effective in the Emergency, change the head office or designate several alternative head offices or regional offices, or authorize the officers so to do.

(f) No officer, director or employee acting in accordance with this Section, with any other emergency bylaw provision, or pursuant to DGCL Section 110 or any successor section, shall be liable except for willful misconduct.

(g) To the extent not inconsistent with this Section 18, the Bylaws of the Corporation shall remain in effect during any Emergency and upon its termination these emergency provisions shall cease to be operative.

(h) Nothing contained in this Section 18 shall be deemed exclusive of any other provisions for emergency powers consistent with this section that have been or may be adopted by the Board of Directors.

ARTICLE III.

Officers

Section 1. Officers Enumerated: The Board of Directors, as soon as may be practicable after the annual election of Directors, shall elect a Chairman, President and Chief Executive Officer, one or more Vice Presidents (one or more of whom may be designated Executive Vice President or Senior Vice President), a Secretary, a Treasurer, and a Controller and from time to time may elect or appoint such other officers as it may determine. Any two or more offices may be held by the same person.

Section 2. Term of Office: Each officer shall hold office for the term for which he is elected or appointed and until his successor has been elected or appointed and qualified or until his death or until he shall resign or until he shall have been removed in the manner hereinafter provided.

Section 3. Powers and Duties: The officers of the Corporation shall each have such powers and authority and perform such duties in the management of the property and affairs of the Corporation as from time to time may be prescribed by the Board of Directors and, to the extent not so prescribed, they shall each have such powers and authority and perform such duties in the management of the property and affairs of the Corporation, subject to the control of the Board, as generally pertain to their respective offices.

Without limitation of the foregoing:

- (a) **Chairman, President and Chief Executive Officer**: The Chairman, President and Chief Executive Officer shall be the chief executive officer of the Corporation and shall preside at all meetings of the Board and of the Executive Committee of the Board and at all meetings of stockholders. He shall be a director of the Corporation, and he shall be an ex officio member of all committees of the Board, except the Executive Compensation and the Audit Committees.
- (b) **Vice Presidents**: The Board of Directors shall determine the powers and duties of the respective Vice Presidents and may, in its discretion, fix such order of seniority among the respective Vice Presidents as it may deem advisable.
- (c) **Secretary**: The Secretary shall issue notices of all meetings of the stockholders and Directors where notices of such meetings are required by law or these By-laws and shall keep the minutes of such meetings. He

shall sign such instruments and attest such documents as require his signature of attestation and affix the corporate seal thereto where appropriate.

- (d) **Treasurer:** The Treasurer shall have custody of all funds and securities of the Corporation and shall sign all instruments and documents as require his signature. He shall perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors.
- (e) **Controller:** The Controller shall be in charge of the accounts of the Corporation and he shall have such powers and perform such duties as may be assigned to him by the Board of Directors.
- (f) **General Counsel:** The General Counsel shall have general control of all matters of legal import concerning the Corporation.

Section 4. **Temporary Absence:** In case of the temporary absence or disability of any officer of the Corporation, except as otherwise provided in these By-laws, the Chairman of the Board, the President, the Vice Chairman, any Vice President, the Secretary or the Treasurer may perform any of the duties of any such other officer as the Board of Directors or Executive Committee may prescribe.

Section 5. **Resignations:** Any officer may resign at any time by giving written notice of his resignation to the Corporation. Any such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. **Removal:** Any officer may be removed, either with or without cause, at any time by action of the Board of Directors.

Section 7. **Vacancies:** A vacancy in any office because of death, resignation, removal or any other cause may be filled by the Board of Directors.

Section 8. **Compensation:** The salaries of the officers shall be fixed from time to time by the Board of Directors. Nothing contained herein shall preclude any officer from serving the Corporation in any other capacity, including that of director, or from serving any of its stockholders, subsidiaries or affiliated corporations in any capacity and receiving a proper compensation therefor.

Section 9. **Contracts, Checks, etc.:** All contracts and agreements authorized by the Board of Directors, and all checks, drafts, bills of exchange or other orders for the payment of money, notes or other evidences of indebtedness, issued in the name of the Corporation, shall be signed by such person or persons and in such manner as may from time to time be designated by the Board of Directors, which designation may be general or confined to specific instances.

Section 10. Proxies in Respect of Securities of Other Corporations: Unless otherwise provided by resolution adopted by the Board of Directors, the Chairman of the Board, the President and Chief Executive Officer, the Vice Chairman, a Vice President, or the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, or any one of them, may exercise or appoint an attorney or attorneys, or an agent or agents, to exercise in the name and on behalf of the Corporation the powers and rights which the Corporation may have as the holder of stock or other securities in any other corporation to vote or to consent in respect of such stock or other securities; and the Chairman of the Board, the President and Chief Executive Officer, the Vice Chairman, a Vice President, or the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer may instruct the person or persons so appointed as to the manner of exercising such powers and rights and the Chairman of the Board, the President and Chief Executive Officer, the Vice Chairman, a Vice President, or the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, all such ballots, consents, proxies, powers of attorney or other written instruments as they or either of them may deem necessary in order that the Corporation may exercise such powers and rights. Any stock or other securities in any other corporation which may from time to time be owned by or stand in the name of the Corporation may, without further action, be endorsed for sale or transfer or sold or transferred by the Chairman of the Board, the President and Chief Executive Officer, the Vice Chairman, or a Vice President, or the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer of the Corporation or any proxy appointed in writing by any of them.

ARTICLE IV.

Shares and Their Transfer

Section 1. Certificates of Stock: Every stockholder shall be entitled to have a certificate certifying the number of shares of stock of the Corporation owned by him signed by, or in the name of, the Corporation by the Chairman of the Board, or the President and Chief Executive Officer, the Vice Chairman, or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation. Any of or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar.

Section 2. Transfers: Certificates shall be registered for transfer on the stock books of the Corporation in person or by attorney, but, except as hereinafter provided in the case of loss, destruction or mutilation of certificates, no transfer of stock shall be entered until the previous certificate, if any, given for the same shall have been surrendered and canceled.

Section 3. Lost, Destroyed or Mutilated Certificates: The Corporation may issue a new certificate of stock of the same tenor and same number of shares in place of a certificate theretofore issued by it which is alleged to have been lost, stolen or destroyed; provided, however, the Board of Directors or the Executive Committee or the Secretary of the Corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond of indemnity, in form and with one or more sureties satisfactory to the Board or the Executive Committee, sufficient to indemnify it against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 4. Record Date: The Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action, as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights with respect to any change, conversion or exchange of stock or for the purpose of any other lawful action. If no record date is fixed, (a) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day upon which the meeting is held, and (b) the date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 5. Books and Records: The books and records of the Corporation may be kept at such places within or without the State of Delaware as the Board of Directors may from time to time determine.

ARTICLE V.

Seal

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall bear the name of the Corporation, the year in which the Corporation was incorporated (1971) and the words "Corporate Seal - Delaware" and such other words or figures as the Board of Directors may approve and adopt.

ARTICLE VI.

Amendments

Except as otherwise provided by these By-laws, the Certificate of Incorporation, or by operation of law, the By-laws of the Corporation may be made, altered or repealed by vote of the stockholders at any annual or special meeting of stockholders called for that purpose or by the affirmative vote of a majority of the directors then in office given at any regular or special meeting of the Board of Directors.

GANNETT SUPPLEMENTAL RETIREMENT PLAN

**Restatement dated February 1, 2003
(Reflecting all amendments through December 3, 2002)**

ARTICLE ONE

Definitions

- 1.1 “Plan” means this Gannett Supplemental Retirement Plan.
- 1.2 “Funded Plan” means the Gannett Retirement Plan as it may pertain to a particular Employee.
- 1.3 “Company” means Gannett Co., Inc. or any successor to its business and/or assets which assumes the Plan by operation of law or otherwise.
- 1.4 “Board” means the Board of Directors of the Company.
- 1.5 “Committee” means the Gannett Benefit Plans Committee.
- 1.6 “Effective Date” means January 1, 1978. The effective date of this restatement is February 1, 2003.
- 1.7 “Employee” means any employee of the Company who (1) is paid through the Company’s headquarters payroll system, operating as of the date of this restatement in Arlington, Virginia (“Corporate Payroll”), (2) is within “a select group of management or highly compensated employees” as this term is used in Title I of ERISA and (3) is designated by the Company’s Benefit Plans Committee as being an eligible participant in the Plan and listed on Appendix A, B or C.
- 1.8 “Monthly Benefit” means:
- for an Employee who began participating in the Plan on or before January 1, 1998 and who is listed in Appendix A, the Employee’s monthly benefit, expressed as a single life annuity payable for the Employee’s life, calculated using the formula set forth in Article VI of the Funded Plan but ignoring the benefit limitations in the Funded Plan required by Code Section 415 or the limitations on an Employee’s compensation under Code Section 401(a)(17) and taking into account all amounts deferred under the Gannett Co., Inc. Deferred Compensation Plan.
 - for an Employee who began participating in the Plan after January 1, 1998 and who is listed in Appendix A, the Employee’s monthly benefit, expressed as a
-

single life annuity payable for the Employee's life, calculated using the formula under Article VI or Article VIA, whichever is used to calculate the Employee's benefit under the Funded Plan, but ignoring the benefit limitations in the Funded Plan required by Code Section 415 or the limitations on an Employee's compensation under Code Section 401(a)(17) and taking into account all amounts deferred under the Gannett Co., Inc. Deferred Compensation Plan.

- for an Employee who began participating in the Plan after January 1, 1998 and who is listed in Appendix B, the Employee's monthly benefit, expressed as a single life annuity payable for the Employee's life, calculated using the formula set forth in Article VI of the Funded Plan but ignoring the benefit limitations in the Funded Plan required by Code Section 415 or the limitations on an Employee's compensation under Code Section 401(a)(17) and taking into account all amounts deferred under the Gannett Co., Inc. Deferred Compensation Plan.
- for an Employee who formerly participated in the Central Newspapers, Inc. Retirement Plan (the "CNI Plan") and who is listed in Appendix C, the Employee's monthly benefit, expressed as a single life annuity payable for the Employee's life, calculated using the pension equity formula applicable to such Employee under the Funded Plan, but ignoring the benefit limitations in the Funded Plan required by Code Section 415 or the limitations on an Employee's compensation under Code Section 401(a)(17) and taking into account salary and bonuses deferred under the Gannett Co., Inc. Deferred Compensation Plan. Notwithstanding the foregoing, if the Employee's benefit under the Funded Plan is calculated using a grandfathered CNI Plan pension formula set forth in the Appendix to the Funded Plan, the Employee's "Monthly Benefit" under this Plan will be calculated in accordance with Exhibit A.

Notwithstanding the foregoing, prior to a Change in Control, for purposes of calculating a particular Employee's Monthly Benefit, the Board, or a committee of the Board acting on its behalf, may adjust an Employee's earnings, years of service or other factor used in calculating the Employee's Monthly Benefit in any manner the Board or such committee deems appropriate, provided such adjustment is memorialized in writing and provided that in no event will any such adjustment result in a reduction of the benefit accrued by the Employee as of the date the adjustment is made. The Board, or a committee of the Board acting on its behalf, may make such adjustment solely for a specified Employee or group of Employees and without regard to how other Employees are treated. No adjustments may be made pursuant to this provision following a Change in Control.

1.9 "Normal Retirement Date" and "Early Retirement Date" mean the relevant dates in the Funded Plan as they apply to a particular Employee.

- 1.10 “Code” means the Internal Revenue Code of 1986, as amended, and regulations thereunder.
- 1.11 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and regulations thereunder.
- 1.12 A “Change in Control” means the first to occur of the following:
- (i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934 (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (x) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (y) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that, for purposes of this Section, the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or one of its affiliates or (D) any acquisition pursuant to a transaction that complies with clauses (x), (y) and (z) of subparagraph (iii) below;
 - (ii) individuals who, as of January 1, 2003, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to such date whose election or nomination for election by the Company’s stockholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;
 - (iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case, unless, following such Business Combination, (x) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than

50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation or entity resulting from such Business Combination (including, without limitation, a corporation or entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (y) no Person (excluding any employee benefit plan (or related trust) of the Company or any corporation or entity resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the corporation or entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation or entity, except to the extent that such ownership existed prior to the Business Combination, and (z) at least a majority of the members of the board of directors of the corporation or entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

- (iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

No Employee who participates in any group conducting a management buyout of the Company under the terms of which the Company ceases to be a public company may claim that such buyout is a Change in Control under this Plan for purposes of accelerating such Employee's vesting under this Plan.

1.13 "Cause" means:

- (i) any material misappropriation of funds or property of the Company or its affiliate by the Employee;
- (ii) unreasonable and persistent neglect or refusal by the Employee to perform his or her duties which is demonstrably willful and deliberate on the Employee's part, which is committed in bad faith or without reasonable belief that such breach is in the best interests of the Company and which is not remedied in a reasonable period of time after receipt of written notice from the Company specifying such breach; or
- (iii) conviction of the Employee of a felony involving moral turpitude.

Notwithstanding the foregoing, an Employee shall not be deemed to have been terminated for Cause after a Change in Control unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three quarters of the entire membership of the Board at a meeting of the Board (after reasonable notice to the Employee and an opportunity for the Employee, together with his or her counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee was guilty of conduct set forth above in this definition and specifying the particulars thereof in detail.

- 1.14 “Good Reason” means the occurrence after a Change in Control of any of the following circumstances without the Employee’s express written consent, unless such circumstances are fully corrected prior to the date of termination specified in the Notice of Termination given in respect thereof:
- (i) the assignment to the Employee of any duties inconsistent in any respect with his or her position (including status, offices, titles and reporting requirements), authority or responsibilities immediately prior to the Change in Control, or any other diminution in such position, authority or responsibilities, (whether or not occurring solely as a result of the Company becoming a subsidiary or a division of another entity or ceasing to be a publicly traded entity), excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Company or its affiliate promptly after receipt of notice thereof given by the Employee;
 - (ii) a reduction by the Company or its affiliate in the Employee’s compensation and/or other benefits or perquisites as in effect on the date immediately prior to the Change in Control;
 - (iii) the relocation of the Employee’s office from the location at which the Employee is principally employed immediately prior to the date of the Change in Control to a location 20 or more miles farther from the Employee’s residence immediately prior to the Change in Control, or the Company’s requiring the Employee to be based anywhere other than the Company’s offices at such location, except for required travel on the Company’s business to an extent substantially consistent with the Employee’s business travel obligations prior to the Change in Control;
 - (iv) the failure by the Company or its affiliate to pay to the Employee any portion of the Employee’s compensation or to pay to the Employee any deferred compensation due under any deferred compensation or similar program of the Company or its affiliate within seven days of the date such payment is due;
 - (v) the failure by the Company or its affiliate to continue in effect this Plan or any other compensation, benefit or perquisite plan or policy in which the

Employee participated immediately prior to the Change in Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan or policy) has been made with respect to such plan or policy, or the failure by the Company or its affiliate to continue the Employee's participation therein (or in such substitute or alternative plan or policy), in each case, on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of the Employee's participation relative to other participants, as existed at the time of the Change in Control;

- (vi) (A) the failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform the Plan, as required by Section 8.3, or (B) if the business of the Company for which the Employee's services are principally performed is sold at any time within 24 months after a Change in Control, the purchaser shall fail to provide the Employee with the same or a comparable position, duties, salary, bonus, benefits and perquisites as provided to the Employee by the Company immediately prior to the Change in Control;
- (vii) any refusal by the Company (or its affiliate) to continue to allow the Employee to attend to matters or engage in activities not directly related to the business of the Company that, prior to the Change in Control, the Employee was permitted to attend to or engage in; or
- (viii) any purported termination of the Employee's employment by the Company that is not effected pursuant to a Notice of Termination satisfying the requirements of the Plan.

For purposes of this definition, and notwithstanding any provision of the Plan to the contrary, any good faith determination of "Good Reason" made by the Employee shall be conclusive.

An Employee's continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason hereunder.

1.15 "Notice of Termination" means a written notice that (i) indicates the specific termination provision in the Plan relied upon, and (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated. The failure by the Employee or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or the Company hereunder or preclude the Employee or the Company from asserting such fact or circumstance in enforcing the Employee's or the Company's rights hereunder.

1.16 "Independent Fiduciary" means the person or persons designated as such in Section 6.8 of the Plan.

1.17 “Rabbi Trust” means a trust or sub-trust established pursuant to Section 4.4 of the Plan.

ARTICLE TWO

Purpose of Plan

2.1 The purpose of this Plan is to provide supplemental retirement benefits on an unfunded basis to certain highly compensated employees.

ARTICLE THREE

Eligibility and Vesting

3.1 All Employees shall be eligible to participate in this Plan. The Benefit Plans Committee has full discretionary authority to add or delete individuals from participation in this Plan by amending Appendix A, B or C. If an individual’s name is removed from Appendix A, B or C, such individual shall have no rights to benefits under this Plan except for those benefits that have vested as of the date of removal or that will vest in the future, including benefits that will vest pursuant to the last paragraph of Section 4.2.

- (a) Plan benefits that a participant has accrued through December 31, 2002 shall vest pursuant to the same vesting schedule and vesting terms and conditions as are in effect from time to time under the Funded Plan.
- (b) An individual who is a Plan participant as of December 31, 2002 shall not vest in any Plan benefit that is earned after December 31, 2002 until the earliest of the following dates: (i) the date that the participant attains age 55, assuming continued employment by Gannett to such age, and is fully vested under the Funded Plan (i.e., the participant completes 5 years of service under the Funded Plan); or (ii) the date that the participant has completed 25 years of service with Gannett (such service to be calculated pursuant to the terms of the Funded Plan). At the time of such vesting, all benefits that have accrued after December 31, 2002 shall be deemed vested.
- (c) Additionally, any individual who becomes a Plan participant on or after January 1, 2003 shall not vest in any Plan benefit until the earliest of the following dates: (i) the date that the participant attains age 55, assuming continued employment by Gannett to such age, and is fully vested under the Funded Plan; or (ii) the date that the participant has completed 25 years of service with Gannett (such service to be calculated pursuant to the

terms of the Funded Plan). At the time of such vesting, all benefits that have accrued to the participant shall be deemed vested.

- (d) In applying these rules and for purposes of calculating the Plan benefit that a participant has accrued through December 31, 2002, in the event that a participant vests in the benefit he has accrued as of December 31, 2002 but does not vest in any further Plan benefit, the maximum Plan benefit payable to the participant shall not exceed his benefit calculated under Article Four as of December 31, 2002, taking into account service and compensation through that date and not thereafter.

ARTICLE FOUR

Benefits

- 4.1 The Company shall pay the benefits due under this Plan commencing within 30 days of retirement, disability, death or any other event that entitles an Employee or the Employee's beneficiary to receive benefits under the Funded Plan. Notwithstanding the foregoing, no benefits shall commence prior to the date an Employee attains or would have attained Early Retirement Age under the Funded Plan.
- 4.2 The benefit payable under this Plan is determined by (i) calculating the Employee's Monthly Benefit and (ii) subtracting from such monthly amount the actual benefit to which the Employee is entitled under the Funded Plan. For purposes of calculating the offset under subsection (ii), if the Employee's benefit is determined under Article VIA of the Funded Plan, it shall be converted to an actuarially equivalent single life annuity, determined as follows:
- For those Employees who retire directly from active employment on or after their earliest Early Retirement Date, the Employee's benefit under the Funded Plan shall be converted to a single life annuity payable immediately at the Employee's retirement date.
 - For deferred vested Employees, the Employee's benefit under the Funded Plan shall be converted to a single life annuity payable at age 65.

To the extent that the amount of an Employee's monthly benefit under the Funded Plan is increased or decreased (due, e.g., to a change in the Code Section 401(a)(17) or 415 limits or otherwise), the amount payable from this Plan shall increase or decrease accordingly.

Notwithstanding the foregoing, an Employee's monthly benefit calculations under subsections (i) and (ii) above shall not take into account any of his or her service with Army Times, Asbury Park, Multimedia or their related businesses prior to the date that the Employee transfers to the Company's Corporate Payroll.

Except for those Employees who participated in the Central Newspapers, Inc. Unfunded Supplemental Retirement Plan (the "CNI SERP"), an Employee's monthly benefit calculations under subsections (i) and (ii) above shall not take into account any of the Employee's service or compensation earned before August 1, 2000 with Central Newspapers, Inc., or any entity that was a member of such company's controlled group before such date. For those Employees who participated in the CNI SERP, the monthly benefit calculations under subsections (i) or (ii) above shall not take into account any of the Employee's service or compensation prior to January 1, 1994.

If an Employee leaves the Company's Corporate Payroll, no further benefits shall accrue under this Plan, provided that service within the Company's controlled group will count for purposes of determining the vested portion of the benefit accrued to the date an Employee leaves the Company's Corporate Payroll.

- 4.3 The benefit payable under this Plan shall be payable in the same form as the form in which benefits are payable to the Employee under the Funded Plan, except that benefits under this Plan shall not be payable in the form of a "lump sum" distribution. If no timely election is made, or a timely election is not possible at the time benefits become payable (e.g., due to the death of a contingent annuitant or a change in marital status), the benefit payable to a single Employee will be paid in the form of a single life annuity and the benefit payable to a married Employee will be paid in the form of a joint and 100 percent spousal survivor annuity. In the case of a contingent annuitant annuity or any option other than a life-only annuity, the amount of the benefit shall be actuarially reduced to reflect that form of payment.

If an Employee's benefit commences prior to his or her Normal Retirement Date, the benefit from this Plan shall be reduced in the same manner as provided for in the Funded Plan. If an Employee dies after becoming vested but before the Employee's benefit commences, a spouse, if surviving, shall be entitled to receive a monthly lifetime benefit equal to the benefit that would have been received had the Employee terminated employment on his or her date of death and retired on the first day of the month on or following the later of the Employee's date of death or the date that would have been the Employee's earliest Early Retirement Date, and elected a 100 percent spousal survivor annuity, and then died.

Any actuarial adjustments required with respect to benefits payable under this Plan shall be accomplished by reference to the actuarial assumptions used in the Funded Plan.

Effective as of January 1, 2002, the CNI SERP shall be merged into this Plan and the CNI SERP shall have no independent existence apart from this Plan. Any benefit paid under this Plan to an Employee who accrued a benefit under the CNI SERP shall be in lieu of and in complete satisfaction of any benefit under the CNI SERP. Notwithstanding any provision in this Plan to the contrary, the following provisions apply to an Employee who had accrued a benefit under the CNI SERP, but only with respect to such benefit the

Participant had accrued as of January 1, 2002 and disregarding all service and compensation earned after that date:

- The benefit that the Employee had accrued under the CNI SERP as of January 1, 2002 shall be paid in the form of a lump sum distribution or such other form that the Employee had elected under the CNI SERP within the first 30 days of becoming eligible to participate in such plan. Such distribution shall commence at the time specified under the terms of the CNI SERP, provided that it shall not commence before the Employee attains Early Retirement Age under the Funded Plan. Such benefit shall offset any benefit payable under this Plan.
- In lieu of the death benefit described in Section 4.3 of this Plan, an Employee shall be entitled to the death benefit provided in Section 3.01 of the CNI SERP with respect to the benefit that the Employee had accrued under the CNI SERP as of January 1, 2002. Such benefit shall be calculated and paid consistent with the terms set forth in the CNI SERP and the grandfathered CNI Plan provisions set forth in the Funded Plan's Appendix. Such benefit shall offset any benefit payable under this Plan.

4.4 The benefits payable under this Plan shall be paid by the Company each year out of assets which at all times shall be subject to the claims of the Company's creditors. The Company may in its discretion establish a Rabbi Trust in which to place assets from which such benefits are to be paid on behalf of all or some Employees, as determined by the Committee in its sole discretion, but neither the creation of such trust nor the transfer of funds to such trust shall render such assets unavailable to settle the claims of the Company's creditors. Such Rabbi Trust may be a sub-trust maintained as a separate account within a larger trust meeting the requirements of this provision that is also used to pay benefits under other Company-sponsored unfunded nonqualified plans.

Notwithstanding the establishment of a Rabbi Trust, the Company intends this Plan to be unfunded for tax purposes and for purposes of Title I of ERISA. In addition, despite the existence of this Plan or an associated Rabbi Trust to pay promised benefits, Employees have the status of general unsecured creditors of the Company and the Plan constitutes a mere promise to make benefit payments in the future.

ARTICLE FIVE

Change in Control Benefits

5.1 If a Change in Control occurs, each Employee who is participating in the Plan on the date of the Change in Control shall be entitled to continue participating in the Plan following the Change in Control until he or she ceases to be an Employee (without regard to the requirement in clause (3) of Section 1.7 that an Employee be designated by the Committee) or the Plan is terminated pursuant to Article

Seven. Such an Employee may not be deleted from participation in the Plan pursuant to Section 3.1 or any other provision of the Plan. No new persons may be designated as eligible to participate in the Plan on or after a Change in Control.

- 5.2 If a Change in Control occurs, each Employee who is participating in the Plan on the date of the Change in Control shall vest in full in his or her accrued benefit under the Plan, to the extent not already vested, immediately upon the subsequent termination of the Employee's employment prior to the second anniversary of the Change in Control, unless such termination is (i) because of the Employee's death or disability (as determined under the Company's Long Term Disability Plan as in effect immediately prior to the Change in Control), (ii) by the Company or its affiliate for Cause, or (iii) by the Employee other than for Good Reason. Benefits that vest on an accelerated basis under this provision shall be paid at the time and in the form provided under Sections 4.1 and 4.3 (subject to the provisions of the Company's Transitional Compensation Plan, to the extent applicable).
- 5.3 Anything in the Plan to the contrary notwithstanding, if a Change in Control occurs and if the Employee's employment with the Company terminated prior to the date on which the Change in Control occurs, and if it is reasonably demonstrated by the Employee that such termination of employment (i) was at the request of any third party participating in or causing the Change in Control or (ii) otherwise arose in connection with, in relation to, or in anticipation of a Change in Control, then the Employee shall be entitled to such benefits under the Plan as though the Employee had terminated his or her employment for Good Reason on the day after the Change in Control.
- 5.4 Any termination by the Company, or by the Employee for Good Reason, shall be communicated by Notice of Termination that meets the requirements of Section 1.15.
- 5.5 If there is any dispute between the Company and an Employee (i) in the event of any termination of the Employee's employment by the Company, as to whether such termination was for Cause, or (b) in the event of any termination of employment by the Employee, as to whether Good Reason existed, then, unless and until there is a final, nonappealable judgment by a court of competent jurisdiction declaring that such termination by the Company was for Cause or that the determination by the Employee of the existence of Good Reason was not made in good faith, the Company shall provide all benefits to the Employee that the Company would be required to provide pursuant to the Plan as though such termination were by the Company without Cause or by the Employee with Good Reason; provided, however, that the Company shall not be required to pay to an Employee or beneficiary any disputed amount except upon receipt of a written undertaking by or on behalf of the Employee or beneficiary to repay all such amounts to which the Employee or beneficiary is ultimately adjudged by such court not to be entitled.

- 5.6 If, with respect to any alleged failure by the Company to comply with any of the terms of this Plan following a Change in Control, other than any alleged failure relating to a matter within the control of the Independent Fiduciary and with respect to which the Company is acting pursuant to a determination or direction of the Independent Fiduciary, an Employee or beneficiary in good faith hires legal counsel or institutes any negotiations or institutes or responds to legal action to assert or defend the validity of, enforce his or her rights under, obtain benefits promised under or recover damages for breach of the terms of this Plan, then, regardless of the outcome, the Company shall pay, as they are incurred, the Employee's or beneficiary's actual expenses for attorneys' fees and disbursements, together with such additional payments, if any, as may be necessary so that the net after-tax payments to the Employee or beneficiary equal such fees and disbursements.
- 5.7 If a Change in Control occurs, the Company shall make mandatory contributions to a Rabbi Trust established pursuant to Section 4.4, to the extent required by the provisions of such Rabbi Trust.

ARTICLE SIX

Administration

- 6.1 This Plan shall be administered by the Committee which shall possess all powers necessary to administer the Plan, including but not limited to the sole discretion to interpret the Plan and to determine eligibility for benefits, and the power to delegate its authority to one or more persons.
- 6.2 The Committee shall cause the benefits due each Employee from this Plan to be paid by the Company and/or trustee accordingly.
- 6.3 The Committee shall inform each Employee of any elections which the Employee may possess and shall record such choices along with such other information as may be necessary to administer the Plan.
- 6.4 The decisions made by, and the actions taken by, the Committee in the administration of this Plan shall be final and conclusive on all persons.
- 6.5 Notwithstanding the foregoing, following a Change in Control, the Plan shall be administered by the Independent Fiduciary. The Independent Fiduciary shall assume the following powers and responsibilities from the Committee, the Board and the Company:
- (i) The Independent Fiduciary shall assume all powers and responsibilities assigned to the Committee in the foregoing provisions of this Article Six and any other provisions of the Plan, including, without limitation, the sole power and discretion to:

- (A) determine all questions arising in the administration and interpretation of the Plan, including factual questions and questions of eligibility to participate and eligibility for benefits;
 - (B) adjudicate disputes and claims for benefits;
 - (C) adopt rules relating to the administration of the Plan;
 - (D) determine the amount, timing and form of benefit payments;
 - (E) direct the Company and the trustee of the Rabbi Trust on matters relating to benefit payments;
 - (F) engage actuaries, attorneys, accountants and other professional advisors (whose fees shall be paid by the Company), to assist it in performing its responsibilities under the Plan; and
 - (G) delegate to one or more persons selected by it, including outside vendors, responsibility for fulfilling some or all of its responsibilities under the Plan.
- (ii) The Independent Fiduciary shall have the sole power and discretion to (A) direct the investment of assets held in the Rabbi Trust, including the authority to appoint one or more investment managers to manage any such assets, and (B) remove the trustee of the Rabbi Trust and appoint a successor trustee in accordance with the terms of the trust agreement.

6.6 Notwithstanding any provision of the Plan to the contrary, following a Change of Control:

- (i) Any act, determination or decision of the Company (including its Board or any committee of its Board) with regard to the administration, interpretation and application of the Plan must be reasonable, as viewed from the perspective of an unrelated party and with no deference paid to the actual act, determination or decision of the Company. Furthermore, following a Change in Control, any decision by the Company shall not be final and binding on an Employee. Instead, following a Change in Control, if an Employee disputes a decision of the Company relating to the Plan and pursues legal action, the court shall review the decision under a “de novo” standard of review.
- (ii) Any act, determination or decision of the Independent Fiduciary with regard to the administration, interpretation and application of the Plan shall be final, binding, and conclusive on all parties.

6.7 Following a Change in Control, the Company shall cooperate with the Independent Fiduciary as may be necessary to enable the Independent Fiduciary to carry out its powers and responsibilities under the Plan and Rabbi Trust,

including, without limitation, by promptly furnishing all information relating to Employees' benefits as the Independent Fiduciary may reasonably request.

- 6.8 The Independent Fiduciary responsible for the administration of the Plan following a Change in Control shall be a committee composed of the individuals who constituted the Company's Benefit Plans Committee immediately prior to the Change in Control and the Company's chief executive officer immediately prior to the Change in Control.

If, following a Change in Control, any individual serving on such committee resigns, dies or becomes disabled, the remaining members of the committee shall continue to serve as the committee without interruption. A successor member shall be required only if there are less than three remaining members on the committee. If a successor member is required, the successor shall be an individual appointed by the remaining member or members of the committee who (i) is eligible to be paid benefits from the assets of the Rabbi Trust or the larger trust of which it is a part and (ii) agrees to serve on such committee.

If at any time there are no remaining members on the committee (including any successor members appointed to the committee following the Change in Control), the Trustee shall promptly submit the appointment of the successor member or members to an arbiter, the costs of which shall be borne fully by the Company, to be decided in accordance with the American Arbitration Association Commercial Arbitration Rules then in effect. The arbiter shall appoint three successor members to the committee who each meet the criteria for membership set forth above. Following such appointments by the arbiter, such successor members shall appoint any future successor members to the committee to the extent required above (i.e., if, at any time, there are less than three remaining members on the committee) and subject to the criteria set forth above.

If one or more successor members are required and there are no individuals remaining who satisfy the criteria for membership on the committee, the remaining committee members or, if none, the Trustee, shall promptly submit the appointment of the successor member or members to an arbiter, and the Company shall bear the costs of arbitration, as provided for in the preceding paragraph.

- 6.9 Except in the case of willful misconduct, no member of the Committee, person acting as the Independent Fiduciary, or employee or director of the Company shall be personally liable for any act done or omitted to be done by such person in connection with the operation and administration of this Plan. The Company shall indemnify, to the fullest extent permitted by law, each member of the Committee, each person acting as the Independent Fiduciary, and each employee and director of the Company, both past and present, to whom are or were delegated duties, responsibilities and authority with respect to the Plan, against any and all claims, losses, liabilities, fines, penalties and expenses (including, but not limited to, all legal fees relating thereto), reasonably incurred by or imposed

upon such persons, arising out of any act or omission in connection with the operation and administration of the Plan, other than willful misconduct.

6.10 The Committee shall maintain procedures with respect to the filing of claims for benefits under the Plan, which shall provide for the following:

- (i) Any Employee or beneficiary (hereinafter called "claimant") whose claim for benefits under the Plan is denied shall receive written notice of such denial. The notice shall set forth:
 - (A) the specific reasons for the denial of the claim;
 - (B) a reference to the specific provisions of the Plan on which the denial is based;
 - (C) any additional material or information necessary to perfect the claim and an explanation why such material or information is necessary; and
 - (D) a description of the procedures for review of the denial of the claim and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under ERISA following a denial on review.

Such notice shall be furnished to the claimant within a reasonable period of time, but no later than 90 days after receipt of the claim by the Plan, unless the Committee determines that special circumstances require an extension of time for processing the claim. In no event shall such an extension exceed a period of 90 days from the end of the initial 90-day period. If such an extension is required, written notice thereof shall be furnished to the claimant before the end of the initial 90-day period, which shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render a decision.

- (ii) Every claimant whose claim for benefits under the Plan is denied in whole or in part by the Committee shall have the right to request a review of the denial. Review shall be granted if it is requested in writing by the claimant no later than 60 days after the claimant receives written notice of the denial. The review shall be conducted by the Committee.
- (iii) At any hearing of the Committee to review the denial of a claim, the claimant, in person or by duly authorized representative, shall have reasonable notice, shall have an opportunity to be present and be heard, may submit written comments, documents, records and other information relating to the claim, and may review documents, records and other information relevant to the claim under the applicable standards under

ERISA. The Committee shall render its decision as soon as practicable. Ordinarily decisions shall be rendered within 60 days following receipt of the request for review. If the need to hold a hearing or other special circumstances require additional processing time, the decision shall be rendered as soon as possible, but not later than 120 days following receipt of the request for review. If additional processing time is required, the Committee shall provide the claimant with written notice thereof, which shall indicate the special circumstances requiring the additional time and the date by which the Committee expects to render a decision. If the Committee denies the claim on review, it shall provide the claimant with written notice of its decision, which shall set forth (i) the specific reasons for the decision, (ii) reference to the specific provisions of the Plan on which the decision is based, (iii) a statement of the claimant's right to reasonable access to, and copies of, all documents, records and other information relevant to the claim under the applicable standards under ERISA, and (iv) and a statement of the claimant's right to bring a civil action under ERISA. The Committee's decision shall be final and binding on the claimant, and the claimant's heirs, assigns, administrator, executor, and any other person claiming through the claimant.

Notwithstanding the foregoing, following a Change in Control, the Independent Fiduciary shall be responsible for deciding claims and appeals pursuant to the procedures described above. Any decision on a claim by the Independent Fiduciary shall be final and binding on the claimant, and the claimant's heirs, assigns, administrator, executor, and any other person claiming through the claimant.

ARTICLE SEVEN

Amendment and Termination

- 7.1 While the Company intends to maintain this Plan for as long as necessary, the Board, or a committee of the Board acting on its behalf, reserves the right to amend and/or terminate it at any time for whatever reasons it may deem appropriate.
- 7.2 Notwithstanding the preceding Section, however, the Company hereby makes a contractual commitment to pay the benefits accrued under this Plan.

ARTICLE EIGHT

Miscellaneous

- 8.1 Nothing contained in this Plan shall be construed as a contract of employment between the Company and an Employee, or as a right of any Employee to be

continued in the employment of the Company, or as a limitation of the right of the Company to discharge any of its Employees, with or without cause.

- 8.2 An Employee's rights to benefit payments under the Plan are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Employee or the Employee's beneficiary or contingent annuitant.
- 8.3 The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform the Plan in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.
- 8.4 To the extent not preempted by federal law, all questions pertaining to the construction, regulation, validity and effect of the provisions of the Plan shall be determined in accordance with the laws of the State of Illinois without regard to the conflict of laws principles thereof.

APPENDIX A
List of Participants

Name	Date Participant Commenced Participating in the Plan
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APPENDIX B
List of Participants

Name	Date Participant Commenced Participating in the Plan
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APPENDIX C
List of Participants

Name	Date Participant Commenced Participating in the Plan
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Exhibit A

Benefit Formula for Certain CNI Employees

For an Employee who formerly participated in the CNI Plan and whose benefit under the Funded Plan is calculated using a grandfathered CNI Plan pension formula set forth in the Appendix to the Funded Plan, "Monthly Benefit" shall equal:

the Company-provided monthly benefit that such Participant is entitled to receive under the provisions of the Funded Plan in effect with respect to that Participant on the date of his termination of employment (assuming his benefit payments under the Funded Plan are determined without regard to the limitations contained in Section 401(a)(17) and Section 415 of the Code and, after January 1, 2002, taking into account salary and bonuses the Employee defers under the Gannett Co., Inc. Deferred Compensation Plan) and based solely on his creditable service on and after the January 1, 1994.

When calculating the Funded Plan offset to the Employee's Monthly Benefit as set forth in subsection (ii) of Section 4.2, such offset shall equal:

the Company-provided monthly benefit that such Participant is entitled to receive under the provisions of the Funded Plan in effect with respect to that Participant on the date of his termination of employment (assuming his benefit payments under the Funded Plan commence on the date benefits commence hereunder) and based solely on his creditable service on and after the January 1, 1994.

To the extent applicable, for purposes of calculating an Employee's Company-provided Monthly Benefit and the offset set forth above, the Employee shall be deemed to have made the maximum voluntary non-deductible contributions for periods after January 1, 1994 under the Funded Plan (determined without regard to the limitations contained in Section 401(a)(17) and Section 415 of the Code) for purposes of calculating the Employee's Monthly Benefit) and to have elected to receive as of the date his benefit payments commence a refund of his deemed and actual voluntary non-deductible contributions for periods after January 1, 1994 plus interest, thereby resulting in the cancellation of his deemed and actual supplemental credits earned under the Funded Plan for periods after January 1, 1994.

May 21, 2003

Mr. Larry F. Miller

Dear Larry:

This agreement will set forth the terms of your consulting arrangement with Gannett. Gannett desires to retain your consulting and advisory services as set forth in this Agreement and to provide the necessary compensation to assure such services.

1. *Your Services.* You will render to Gannett the services described in Exhibit A hereto (the "Services").
 2. *Term.* The term of this Agreement will begin on July 1, 2003, and end on June 30, 2004, provided, however, that this Agreement will renew automatically for successive one year terms thereafter unless either party provides to the other written notice of non-renewal no less than 30 days prior to the end of the initial term or any renewal term. Either party may terminate this agreement on 30 days' prior written notice at any time, in said party's sole and subjective discretion, but in the event the Agreement is canceled by Gannett prior to the end of the initial term or any renewal term, you will be compensated as provided hereunder through the end of that term. The period during which you provide consulting services to Gannett under this Agreement, including any renewal periods, is referred to in this Agreement as the "Term."
 3. *Consideration.* (a) You will be paid for your consulting services at the rate of \$600,000 per year, payable \$50,000 per month on the 15th day of the month for which the services are being paid, unless you and Gannett agree on a different payment schedule. You will be paid a bonus for the 2003 fiscal year equal to one-half the bonus you were paid for the 2002 fiscal year. Upon the termination of this Agreement by you, you will be entitled to the consideration earned through the date of termination and any payments made or to be made to you will be adjusted accordingly. We will also reimburse you for all of your documented, reasonable out-of-pocket expenses incurred in performing the services hereunder. (b) Gannett also will provide you with the following during the Term of this Agreement: (i) a company automobile, (ii) a club membership, (iii) participation in the Nixon Peabody financial counseling program, and (iv) "travel/accident insurance" of \$3,600,000, each of the foregoing on terms that apply generally to then current members of the Gannett Management Committee. In addition, the payout amount of your company-provided life insurance will be kept at its current level, and shall not be reduced, during the Term of this Agreement, and thereafter shall be reduced according to the schedule of reduction applicable to retired GMC members. (c) We will recommend to the Gannett Foundation that it include you in its GMC annual gift designation program, again, on the same terms applicable to other retired GMC members (e.g. John Curley
-

and Cecil Walker). It also is our understanding that the Gannett Foundation matching gift program will be extended to include retired GMC members, including you.

4. *Normal Retirement Benefits.* Beginning on July 1, 2003, your retirement as a Gannett employee commences and your normal retirement benefits begin. For purposes of calculating your final average earnings with respect to Gannett Retirement Plan and SERP Monthly Benefit amounts, your bonus paid in 2002 for the 2001 fiscal year shall be deemed to have been \$500,000.

5. *Withholding; Insurance.* All of the payments described in Section 3 above are "gross." You agree to account for and pay all federal, state and local taxes applicable to your performance under this Agreement. You also indemnify and agree to hold harmless Gannett, its affiliated companies and their respective employees, directors, officers, agents, successors and assigns from any and all claims related to your actual or alleged failure to properly withhold and/or pay such taxes.

6. *Independent Contractor.* You acknowledge and agree that you are an independent contractor under this Agreement for all purposes and that you are not an employee of Gannett. Though you will receive certain benefits set forth in Section 3(b) above, under no circumstances will your consulting services qualify you for treatment as an active employee under any other employee benefit plan or program of Gannett and you waive any right to be so treated. Gannett shall not be liable for any of your acts or omissions, or any of those by your representatives or agents in connection with the performance of your Services under this Agreement, except as provided in this Agreement, including, without limitation, Section 10.

7. *Confidential Information.* You agree to hold in strict confidence and not to disclose to any other person or entity, either during or after the term of this Agreement, any confidential or proprietary business or technical information acquired or developed by you at any time in connection with your employment by Gannett or your performance of Services under this Agreement, including trade secrets and know-how not generally known to the public, and including information received by you from Gannett or others on our behalf ("Confidential Information"). You agree to use the Confidential Information only for Gannett's benefit. After any termination of this Agreement, you shall not keep any document or material embodying or containing any Confidential Information.

8. *Exclusive Services.* You agree that, (i) with respect to the areas of financial or operations expertise you render to Gannett, you will not act as an employee, consultant, advisor, or in any comparable capacity, for a competitor of Gannett during the Term of your consultancy with us except as approved in advance by Gannett's chief executive officer, which approval will not be unreasonably withheld.

9. *Work Product.* All work product produced by you in the performance of the Services ("Work Product"), alone or in conjunction with Gannett or any of its officers, agents or other employees, during the Term will be owned by Gannett, and you agree you will not make any claims with respect thereto. The Work Product will remain the property of Gannett after the Term.

10. *Indemnification.* (a) You and Gannett agree that under and during the term of this Agreement, your liability to Gannett for your conduct, and Gannett's obligation to defend and indemnify you with respect to your conduct, each shall be the same as they were during your employment by Gannett (and to that end, Gannett agrees to indemnify you to the same extent as it indemnifies its executive officers and in order to provide that indemnification, section 17 of Article II of Gannett's By-laws is incorporated by reference into this agreement and shall apply to you as though you are a named officer within the meaning of that section); and (b) during the Term, you will be covered by Gannett's director and officer insurance policy as a "former insured retained as a consultant to the Company" unless coverage under that definition becomes prohibitively expensive, in Gannett's view. In that case, you will be given at least 30 days' prior notice.

11. *Waiver; Severability.* The waiver or breach of any provision of this Agreement shall not operate or be construed as a waiver of any other breach of the same or any other term or condition.

12. *Binding Effect.* This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective officers, directors, employees, agents, heirs, executors, administrators, successors and permitted assigns, as the case may be.

13. *Miscellaneous.* The laws of the Commonwealth of Virginia will govern this Agreement. This Agreement reflects the entire agreement of the parties regarding the provision of the Services and may not be modified except in a writing signed by both parties. You are not permitted to assign any of your rights or obligations under this Agreement without Gannett's prior written consent.

If you agree with these provisions, please sign the enclosed copy where indicated.

Gannett Co., Inc.

/s/ Douglas H. McCorkindale

By: Douglas H. McCorkindale

Agreed to and accepted as of
May 21, 2003

/s/ Larry F. Miller

Larry F. Miller

EXHIBIT A

Description of Services

You agree to work approximately one-half time in providing consulting efforts under this Agreement. In the event you are called upon to devote more time than that to the Services, then you and the Company will reach an equitable adjustment of the consideration to be paid under this Agreement.

You will consult with Gannett generally concerning financial, operations or other matters, as requested either by Gannett's CEO or its chief financial officer.

Your services will include consultations with Gannett's chief executive officer, its chief financial officer, its operating division heads, other Gannett executives, and other persons as requested by Gannett, concerning methods, techniques, planning, and strategies with respect to the matters set forth above. Your services also may include meetings and any other related activities as may reasonably be requested by Gannett. You also will consult with Gannett on such other matters as you and Gannett's chief executive officer or its chief financial officer may mutually agree. The services described in this Description of Services are referred to in this Agreement as the "Services".

Exhibit 11**CALCULATION OF EARNINGS PER SHARE****Gannett Co., Inc. and Subsidiaries****Unaudited, in thousands of dollars (except per share amounts)**

	Thirteen weeks ended	
	June 29, 2003	June 30, 2002
<i>Basic earnings:</i>		
Net income	\$324,307	\$303,923
Weighted average number of common shares outstanding	268,847	266,785
Earnings per share — basic	\$ 1.21	\$ 1.14
<i>Diluted earnings:</i>		
Net income	\$324,307	\$303,923
Weighted average number of common shares outstanding	268,847	266,785
Dilutive effect of outstanding stock options and stock incentive rights	2,434	2,688
Weighted average number of shares outstanding, as adjusted	271,281	269,473
Earnings per share — diluted	\$ 1.20	\$ 1.13

	Twenty-six weeks ended	
	June 29, 2003	June 30, 2002
<i>Basic earnings:</i>		
Net income	\$574,143	\$547,486
Weighted average number of common shares outstanding	268,513	266,483
Earnings per share — basic	\$ 2.14	\$ 2.05
<i>Diluted earnings:</i>		
Net income	\$574,143	\$547,486
Weighted average number of common shares outstanding	268,513	266,483
Dilutive effect of outstanding stock options and stock incentive rights	2,069	2,530
Weighted average number of shares outstanding, as adjusted	270,582	269,013
Earnings per share — diluted	\$ 2.12	\$ 2.04

CERTIFICATIONS

I, Douglas H. McCorkindale, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gannett Co., Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the 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) 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
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent 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: August 5, 2003

/s/ Douglas H. McCorkindale

Douglas H. McCorkindale
Chairman, President and
Chief Executive Officer

CERTIFICATIONS

I, Gracia C. Martore, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gannett Co., Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the 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) 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
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent 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: August 5, 2003

/s/ Gracia C. Martore

Gracia C. Martore
Senior Vice President and
Chief Financial Officer

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

In connection with the Quarterly Report of Gannett Co., Inc. ("Gannett") on Form 10-Q for the period ended June 29, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas H. McCorkindale, chairman, president 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/ Douglas H. McCorkindale

Douglas H. McCorkindale
Chairman, President and
Chief Executive Officer

August 5, 2003

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

The foregoing certification is being furnished to the Securities and Exchange Commission and shall not be considered filed as part of the Form 10-Q.

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

In connection with the Quarterly Report of Gannett Co., Inc. ("Gannett") on Form 10-Q for the period ended June 29, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gracia C. Martore, 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/ Gracia C. Martore

Gracia C. Martore
Senior Vice President and
Chief Financial Officer

August 5, 2003

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

The foregoing certification is being furnished to the Securities and Exchange Commission and shall not be considered filed as part of the Form 10-Q.