

**UNITED STATES
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 September 26, 2004

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)

7950 Jones Branch Drive, McLean, Virginia
(Address of principal executive offices)

16-0442930
(I.R.S. Employer
Identification No.)

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 par value, as of October 28, 2004, was 255,250,585.

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 \$1.18 for the third quarter of 2004 and \$3.47 for the year-to-date compared with \$1.03 for the third quarter of 2003 and \$3.15 for the year-to-date 2003.

Net income rose 11% to \$310.2 million for the quarter and 10% to \$939.0 million for the year-to-date. Operating income increased 11% to \$512.2 million for the quarter and 9% to \$1.53 billion for the year-to-date.

Operating revenues were \$1.82 billion for the quarter, an 11% increase over the same period last year. For the first nine months, operating revenues rose \$530.1 million to \$5.42 billion, an 11% increase over the same period last year.

Newspaper Results

Reported newspaper publishing revenues increased \$150.7 million or 10% for the third quarter of 2004, as compared to the third quarter of 2003, and rose \$465.1 million or 11% for the year-to-date. The increases reflect the impact of recently acquired businesses, revenue improvement at most of the company's newspaper properties and a higher Sterling exchange rate for UK operations.

Recent significant acquisitions affecting year-to-date newspaper comparisons include NurseWeek, acquired in February 2004, Clipper Magazine ("Clipper"), acquired in October 2003, and the Scottish Media Group plc ("SMG") publishing business, purchased in April 2003.

Newspaper publishing revenues are derived principally from advertising and circulation sales, which accounted for 75% and 19%, respectively, of total newspaper revenues for the third quarter and for the year-to-date of 2004. Ad revenues include amounts derived from advertising placed with newspaper Internet products. Other publishing revenues are mainly from commercial printing businesses, earnings from the company's 50% owned joint operating agencies in Detroit and Tucson and earnings from its 19.49% equity interest in the California Newspapers Partnership. The table below presents these components of reported revenues for the third quarter and first nine months of 2004 and 2003.

Newspaper publishing revenues, in thousands of dollars

	2004	2003	% Change
Third Quarter			
Newspaper advertising	\$1,204,058	\$1,067,039	13
Newspaper circulation	304,610	300,277	1
Commercial printing and other	101,046	91,665	10
Total	\$1,609,714	\$1,458,981	10
	2004	2003	% Change
Year-to-date			
Newspaper advertising	\$3,613,020	\$3,188,467	13
Newspaper circulation	923,597	905,888	2
Commercial printing and other	294,106	271,251	8
Total	\$4,830,723	\$4,365,606	11

The table below presents the components of reported newspaper advertising revenues for the third quarter and first nine months of 2004 and 2003. Certain online advertising revenues in 2003 have been reclassified to conform with the 2004 presentation. The reclassification had no effect on total advertising revenues.

Advertising revenues, in thousands of dollars

	2004	2003	% Change
Third Quarter			
Local	\$ 493,071	\$ 428,924	15
National	181,348	165,833	9
Classified	529,639	472,282	12
Total ad revenue	\$1,204,058	\$1,067,039	13
Year-to-date			
Local	\$1,485,256	\$1,305,116	14
National	569,755	512,309	11
Classified	1,558,009	1,371,042	14
Total ad revenue	\$3,613,020	\$3,188,467	13

The company's growth over the years has been partly through the acquisition of new businesses. To facilitate an analysis of operating results, certain information discussed below is on a pro forma basis, which means that results are presented as if all properties owned at the end of the third quarter of 2004 were owned throughout the periods covered by the discussion. The company consistently uses, for individual businesses and for aggregated business data, pro forma reporting of operating results in its internal financial reports, because it enhances measurement of performance by permitting comparisons with prior period historical data. Likewise, the company uses this same pro forma data in its external reporting of key financial results and benchmarks.

In the tables that follow, newspaper advertising linage and related revenues are presented on a pro forma basis. Advertising revenues for Newsquest and all non-daily publications are reflected in the amounts below, however, advertising linage and preprint distribution statistics for these businesses are not included.

Advertising revenues, in thousands of dollars (pro forma)

	2004	2003	% Change
Third Quarter			
Local	\$ 493,684	\$ 459,092	8
National	181,348	166,773	9
Classified	529,715	473,301	12
Total ad revenue	\$1,204,747	\$1,099,166	10

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

	2004	2003	% Change
Third Quarter			
Local	9,127	9,106	0
National	924	942	(2)
Classified	15,747	15,534	1
Total Run-of-Press linage	25,798	25,582	1
Preprint distribution	2,733	2,590	6

Advertising revenues, in thousands of dollars (pro forma)

	2004	2003	% Change
Year-to-date			
Local	\$1,492,734	\$1,404,536	6
National	569,629	518,311	10
Classified	1,558,812	1,388,190	12
Total ad revenue	\$3,621,175	\$3,311,037	9

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

	2004	2003	% Change
Year-to-date			
Local	27,325	27,260	0
National	3,064	2,933	4
Classified	45,357	44,273	2
Total Run-of-Press lineage	75,746	74,466	2
Preprint distribution	8,199	7,928	3

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

	2004	2003
Third Quarter		
Pro forma ad revenues	\$1,204,747	\$1,099,166
Add: Effect of dispositions	—	2,412
Less: Effect of acquisitions	(689)	(34,539)
As reported ad revenues	\$1,204,058	\$1,067,039
	2004	2003
Year-to-date		
Pro forma ad revenues	\$3,621,175	\$3,311,037
Add: Effect of dispositions	1,122	7,193
Less: Effect of acquisitions	(9,277)	(129,763)
As reported ad revenues	\$3,613,020	\$3,188,467

For the third quarter of 2004, reported and pro forma local advertising revenues rose 15% and 8%, respectively, with pro forma lineage up less than 1%. For the year-to-date, reported and pro forma local advertising revenue rose 14% and 6%, respectively, with pro forma lineage flat with last year. In the U.S., advances in the furniture, health, financial and home improvement categories were partially offset by declines in the department stores, entertainment, grocery and telecommunications categories. The performance of the company's small and medium-sized advertisers in its domestic newspapers outpaced the revenue performance of its largest advertisers.

Reported and pro forma national advertising revenues advanced 9% for the third quarter on a 2% pro forma volume decrease. For the quarter, USA TODAY advertising revenues and lineage increased 10% and 3%, respectively. Year-to-date, reported and pro forma national advertising revenues advanced 11% and 10%, respectively, on a 4% pro forma volume increase. USA TODAY advertising revenues increased 12% for the year-to-date. USA TODAY's results for the quarter and year-to-date reflect solid increases in the entertainment, automotive and technology categories and also strong demand for color advertising throughout the year.

For the third quarter, reported and pro forma classified ad revenues rose 12% on a pro forma lineage increase of 1% primarily due to strong employment and real estate advertising. On a pro forma basis, help wanted and real estate ad revenues increased 20% and 14%, respectively, for the third quarter. Pro forma automotive ad revenues were down 2% during the quarter. For the year-to-date, reported and pro forma classified ad revenues rose 14% and

12%, respectively, with pro forma lineage up 2% and improvement in all classified categories. Pro forma classified revenue improvements were driven by strength in the employment and real estate categories, which were up 20% and 12%, respectively, for the year-to-date. Online revenue growth continued to be very strong during the third quarter and the first nine months of 2004, advancing 57% and 55%, respectively.

Circulation revenues, as reported, rose 1% for the third quarter and 2% for the year-to-date. Pro forma net paid daily circulation for the company's newspapers, excluding USA TODAY, declined 2% in the third quarter and the year-to-date. Sunday net paid circulation was down 2% from the comparable quarter of last year and for the year-to-date. USA TODAY reported an average daily paid circulation of 2,311,954 in the ABC Publisher's Statement for the 26 weeks ended September 26, 2004, a 3% increase over the comparable period a year earlier.

Reported newspaper operating expenses rose \$126.5 million or 12% for the quarter and \$372.6 million or 12% for the first nine months, reflecting increased newsprint and sales expenses, higher insurance and benefit costs, a higher Sterling exchange rate for Newsquest operations and the impact of recent acquisitions. Expenses associated with non-daily publications also increased as a result of the overall growth in these products. In the third quarter of 2003, newspaper operating expenses were tempered due to changes in certain retiree benefits at U.S. locations. In the third quarter of 2004, the company incurred significant expenses related to USA TODAY's single-copy price increase described below and also hurricane-related costs that impacted several of the company's newspapers in the Southeast.

Newsprint expense for the third quarter of 2004 rose 15%, reflecting a 12.4% increase in prices and a 2.4% increase in consumption. For the first nine months of 2004, newsprint expense rose 14%, reflecting an 11.4% increase in prices and a 2.2% increase in consumption. The increase in newsprint consumption during the quarter and first nine months of 2004 was primarily due to increased circulation at USA TODAY and increased advertising demand in the UK.

Effective September 7, 2004, USA TODAY increased its single-copy price from \$0.50 to \$0.75. The price increase impacts a little less than 900,000 copies. Expenses associated with the price increase are expected to exceed revenue gains for 2004. The price increase is expected to positively contribute to earnings in 2005. The company will not realize the full \$0.25 increase as some portion of this is shared with the distributors.

Newspaper operating income for the quarter rose \$24.2 million or 6% and \$92.5 million or 8% for the first nine months, reflecting strong revenue growth partially offset by increased newsprint, sales, insurance and benefit costs. Newsquest's financial results were translated from Sterling to U.S. dollars using an average rate of 1.82 in the third quarter and first nine months of 2004 versus an average rate of 1.61 for the same periods last year.

Broadcasting Results

Broadcasting includes results from the company's television stations and Captivate Network, Inc., which was acquired in April 2004. Broadcasting revenues advanced \$33.9 million or 20% for the third quarter and \$64.9 million or 12% for the year-to-date. The Summer Olympic Games and political ad spending contributed significantly to broadcasting results for the quarter. For the third quarter of 2004, national revenues increased 29% and local revenues rose 11%, while national and local revenues advanced 17% and 8%, respectively, for the year-to-date. Excluding Captivate, television revenues increased 17% for the quarter and 11% for the year-to-date.

Broadcasting operating expenses increased 7% for the quarter and the first nine months of 2004. Excluding Captivate, television operating expenses increased 2% for the third quarter and 4% for the first nine months of 2004 due to higher advertising sales costs and higher medical costs.

Operating income from broadcasting operations was up \$26.4 million or 36% in the third quarter and \$43.3 million or 19% for the year-to-date.

For the fourth quarter of 2004, broadcasting revenues and earnings are expected to continue to improve over 2003 results primarily because of political-related ad spending ahead of the November elections.

Operating Cash Flow

The company's consolidated operating cash flow, defined as operating income plus depreciation and amortization of intangible assets, increased \$49.8 million or 10% to \$572.8 million for the third quarter of 2004 and \$143.0 million or 9% to \$1.72 billion for the first nine months, reflecting improved newspaper and broadcasting segment results. 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 segment operations 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 broadcasting 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 on the company's consolidated statements of income, is presented in Note 10 "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 rose \$1.9 million or 6% for the quarter, reflecting higher debt levels from share repurchases and higher short-term interest rates. For the year-to-date, interest expense declined \$6.7 million or 6%, reflecting overall lower debt levels than in the first nine months of 2003. The daily average outstanding balance of commercial paper was \$2.41 billion during the third quarter of 2004 and \$2.36 billion during the third quarter of 2003. The daily average outstanding balance of commercial paper was \$2.08 billion and \$2.51 billion during the first nine months of 2004 and 2003, respectively. The weighted average interest rate on commercial paper was 1.41% and 1.06% for the third quarter of 2004 and 2003, respectively. For the first nine months of 2004 and 2003, the weighted average interest rate on commercial paper was 1.18% and 1.21%, respectively.

Because the company has \$2.7 billion in commercial paper obligations at September 26, 2004 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 commercial paper 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 \$13.5 million, respectively.

In both periods presented, non-operating income and expense include charges associated with certain minority interest investments in online/new technology businesses and minority interest expense related to the Texas-New Mexico Newspapers Partnership. Non-operating income in the first nine months of 2004 also includes a non-monetary gain from the exchange of the company's daily newspaper in Gainesville, Ga. In the first nine months of 2003, non-operating income also includes a non-monetary gain on the company's sale of 33.8% of its interest in the El Paso Times.

The company's effective income tax rate was 34.0% for the third quarter and 34.1% for the nine months of 2004 compared to 34.2% for the same periods last year.

Net Income

Net income for the third quarter advanced \$31.2 million or 11% and earnings per diluted share increased to \$1.18 from \$1.03, a 15% increase. For the first nine months, net income rose \$85.9 million or 10% and earnings per diluted share increased to \$3.47 from \$3.15, a 10% increase. Primarily as a result of the company's share repurchase activities, the weighted average number of diluted shares outstanding for the third quarter of 2004 totaled 263,804,000, compared to 272,174,000 for the third quarter of 2003. For the first nine months of 2004 and 2003, the weighted average number of diluted shares outstanding totaled 270,862,000 and 271,114,000, respectively. Approximately 10.1 million shares were repurchased during the third quarter of 2004 and a total of 16.5 million shares were repurchased during the first nine months of 2004. See Part II, Item 2 for information on share repurchases.

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 period.

Liquidity, Capital Resources, and Statements of Cash Flows

The company's cash flow from operating activities was \$1.17 billion for the first nine months of 2004, reflecting solid newspaper and broadcasting results partially offset by a \$50 million contribution to the Gannett Retirement Plan in the first quarter and a contribution of approximately \$26 million to the UK retirement plan in the second quarter. Cash flow from operating activities was \$1.09 billion for the first nine months of 2003.

Cash used by the company for investing activities totaled \$372.1 million for the first nine months of 2004 primarily reflecting \$195.1 million of capital spending and \$164.5 million for the acquisitions of Captivate, NurseWeek, a one-third equity interest in CrossMedia Services, Inc. and several smaller businesses.

Cash used by the company for financing activities totaled \$743.4 million for the nine months of 2004, reflecting the repurchase of approximately 16.5 million shares of the company's stock for \$1.4 billion (see further discussion

below) and the payment of dividends totaling \$203.3 million partially offset by the net proceeds from commercial paper borrowings, net of debt issuance costs, totaling \$747.4 million and the exercise of stock options totaling \$88.3 million. The company's regular quarterly dividend of \$0.27 per share, which was declared in the third quarter of 2004, totaled \$69.8 million and was paid on October 1, 2004.

In February 2004, the company announced the reactivation of its existing share repurchase program that was last utilized in February 2000. Under the program, the company had remaining authority to repurchase up to \$291 million of the company's common stock. On May 12, 2004 and July 13, 2004, the company announced that its authority to repurchase shares was increased by \$500 million and \$1.0 billion, respectively. The shares will be repurchased at management's discretion, either in the open market or in privately negotiated block transactions. Management's decision to repurchase shares will depend on price, availability and other corporate developments. Purchases will occur from time to time and no maximum purchase price has been set. During the first nine months of 2004, the company purchased approximately 16.5 million shares of its common stock for \$1.4 billion. For more information on the share repurchase program, refer to Item 2 of Part II of this Form 10-Q.

Working capital decreased \$14.6 million from the end of 2003 reflecting higher taxes payable primarily due to the timing of estimated U.S. Federal and State tax payments partially offset by higher cash and cash equivalents.

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

The company regularly issues commercial paper for cash requirements and maintains revolving credit agreements equal to or in excess of any commercial paper outstanding. The company's commercial paper has been rated A-1 and P-1 by Standard & Poor's and Moody's Investors Service, respectively. The company's senior unsecured long-term debt is rated A by Standard & Poor's and A2 by Moody's Investors Service. The company has a shelf registration statement with the Securities and Exchange Commission under which up to \$2.5 billion of additional debt securities may be issued. The company's Board of Directors has established a maximum aggregate level of \$7 billion for amounts that may be raised through borrowings or the issuance of equity securities.

The company's foreign currency translation adjustment, included in accumulated other comprehensive income and reported as part of shareholders' equity, totaled \$402.7 million at the end of the third quarter versus \$352.3 million at the end of 2003. The increase reflects a strengthening of Sterling against the U.S. dollar. Newsquest's assets and liabilities at September 26, 2004 were translated from Sterling to U.S. dollars at an exchange rate of 1.80 versus 1.78 at the end of 2003. For the third quarter and the first nine months of 2004, Newsquest's financial results were translated at an average rate of 1.82 versus 1.61 for the same periods last year.

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% more or less than the actual price, reported net income would have increased or decreased approximately 1.5% for both the third quarter and first nine months of 2004.

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 approximately \$81.0 million at September 26, 2004.

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) an economic downturn in some or all of the company’s principal newspaper or broadcasting 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

	<u>Sept. 26, 2004</u>	<u>Dec. 28, 2003</u>
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	\$ 120,366	\$ 67,188
Trade receivables, less allowance (2004 - \$44,780; 2003 - \$41,530)	918,421	907,619
Inventories	134,053	115,924
Prepaid expenses and other receivables	162,865	132,530
<i>Total current assets</i>	<u>1,335,705</u>	<u>1,223,261</u>
<i>Property, plant and equipment</i>		
Cost	4,852,570	4,687,898
Less accumulated depreciation	(2,149,493)	(2,005,630)
<i>Net property, plant and equipment</i>	<u>2,703,077</u>	<u>2,682,268</u>
<i>Intangible and other assets</i>		
Goodwill and indefinite-lived intangible assets	9,786,995	9,601,767
Other intangible assets, less accumulated amortization	142,897	108,736
Investments and other assets	1,152,248	1,090,207
<i>Total intangible and other assets</i>	<u>11,082,140</u>	<u>10,800,710</u>
Total assets	<u>\$15,120,922</u>	<u>\$14,706,239</u>

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

	Sept. 26, 2004	Dec. 28, 2003
LIABILITIES AND SHAREHOLDERS' EQUITY		
<i>Current liabilities</i>		
Accounts payable and current portion of film contracts payable	\$ 331,781	\$ 352,822
Compensation, interest and other accruals	345,699	277,594
Dividends payable	70,252	68,143
Income taxes	169,164	101,663
Deferred income	171,996	161,615
<i>Total current liabilities</i>	1,088,892	961,837
Deferred income taxes	784,151	743,975
Long-term debt	4,581,902	3,834,511
Postretirement medical and life insurance liabilities	326,639	337,989
Other long-term liabilities	365,098	312,507
<i>Total liabilities</i>	7,146,682	6,190,819
<i>Minority interests in consolidated subsidiaries</i>	90,954	92,439
<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	529,926	471,581
Retained earnings	10,178,407	9,444,791
Accumulated other comprehensive income	369,617	319,305
	11,402,371	10,560,098
Less treasury stock, 66,988,083 shares and 52,003,686 shares, respectively, at cost	(3,519,085)	(2,137,117)
<i>Total shareholders' equity</i>	7,883,286	8,422,981
Total liabilities and shareholders' equity	\$15,120,922	\$14,706,239

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		% Inc
	Sept. 26, 2004	Sept. 28, 2003	(Dec)
Net Operating Revenues:			
Newspaper advertising	\$1,204,058	\$1,067,039	12.8
Newspaper circulation	304,610	300,277	1.4
Broadcasting	206,170	172,302	19.7
Other	101,046	91,665	10.2
Total	1,815,884	1,631,283	11.3
Operating Expenses:			
Cost of sales and operating expenses, exclusive of depreciation	952,349	849,088	12.2
Selling, general and administrative expenses, exclusive of depreciation	290,707	259,147	12.2
Depreciation	57,680	58,452	(1.3)
Amortization of intangible assets	2,972	2,134	39.3
Total	1,303,708	1,168,821	11.5
Operating income	512,176	462,462	10.7
Non-operating income (expense):			
Interest expense	(35,771)	(33,857)	5.7
Other	(6,496)	(4,573)	42.1
Total	(42,267)	(38,430)	10.0
Income before income taxes	469,909	424,032	10.8
Provision for income taxes	159,700	145,000	10.1
Net income	\$ 310,209	\$ 279,032	11.2
Net income per share-basic	\$ 1.19	\$ 1.03	15.5
Net income per share-diluted	\$ 1.18	\$ 1.03	14.6
Dividends per share	\$ 0.27	\$ 0.25	8.0

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)

	Thirty-nine weeks ended		% Inc (Dec)
	Sept. 26, 2004	Sept. 28, 2003	
Net Operating Revenues:			
Newspaper advertising	\$3,613,020	\$3,188,467	13.3
Newspaper circulation	923,597	905,888	2.0
Broadcasting	588,148	523,205	12.4
Other	294,106	271,251	8.4
Total	5,418,871	4,888,811	10.8
Operating Expenses:			
Cost of sales and operating expenses, exclusive of depreciation	2,838,349	2,542,682	11.6
Selling, general and administrative expenses, exclusive of depreciation	862,023	770,635	11.9
Depreciation	175,783	167,759	4.8
Amortization of intangible assets	8,310	6,138	35.4
Total	3,884,465	3,487,214	11.4
Operating income	1,534,406	1,401,597	9.5
Non-operating income (expense):			
Interest expense	(99,604)	(106,300)	(6.3)
Other	(10,653)	1,178	***
Total	(110,257)	(105,122)	4.9
Income before income taxes	1,424,149	1,296,475	9.8
Provision for income taxes	485,100	443,300	9.4
Net income	\$ 939,049	\$ 853,175	10.1
Net income per share-basic	\$ 3.51	\$ 3.17	10.7
Net income per share-diluted	\$ 3.47	\$ 3.15	10.2
Dividends per share	\$ 0.77	\$ 0.73	5.5

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

	Thirty-nine weeks ended	
	Sept. 26, 2004	Sept. 28, 2003
Cash flows from operating activities:		
Net Income	\$ 939,049	\$ 853,175
Adjustments to reconcile net income to operating cash flows:		
Depreciation	175,783	167,759
Amortization of intangibles	8,310	6,138
Deferred income taxes	31,900	40,430
Pension contributions, net of pension expense	(8,906)	87,531
Change in other assets and liabilities, net	21,100	(66,165)
Net cash flow from operating activities	1,167,236	1,088,868
Cash flows from investing activities:		
Purchase of property, plant and equipment	(195,081)	(171,176)
Payments for acquisitions, net of cash acquired	(164,515)	(364,346)
Payments for investments	(42,314)	(23,708)
Proceeds from investments	9,040	9,500
Proceeds from sale of certain assets	20,774	10,251
Net cash used for investing activities	(372,096)	(539,479)
Cash flows from financing activities:		
Payment of (proceeds from) long-term debt and debt issuance costs	747,391	(395,173)
Dividends paid	(203,325)	(193,254)
Cost of common shares repurchased	(1,375,731)	—
Proceeds from issuance of common stock	88,314	106,639
Net cash used for financing activities	(743,351)	(481,788)
Effect of currency rate change	1,389	3,988
Net increase in cash and cash equivalents	53,178	71,589
<i>Balance of cash and cash equivalents at beginning of year</i>	67,188	90,374
Balance of cash and cash equivalents at end of third quarter	\$ 120,366	\$ 161,963

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

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 26, 2004

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 period ended September 26, 2004, and the comparative period of 2003, 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 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. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure-an amendment of FASB Statement No. 123" ("SFAS No. 148").

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:

Third Quarter

	2004	2003
<i>(in thousands of dollars, except per share amounts)</i>		
<i>Net income as reported</i>	\$ 310,209	\$ 279,032
Less: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	17,308	15,104
<i>Pro forma net income</i>	<u>\$ 292,901</u>	<u>\$ 263,928</u>
<i>Earnings per share:</i>		
Basic - as reported	\$ 1.19	\$ 1.03
Basic - pro forma	<u>\$ 1.12</u>	<u>\$ 0.98</u>
Diluted - as reported	\$ 1.18	\$ 1.03
Diluted - pro forma	<u>\$ 1.11</u>	<u>\$ 0.97</u>

Year-to-date*(in thousands of dollars, except per share amounts)*

	2004	2003
<i>Net income as reported</i>	\$ 939,049	\$ 853,175
Less: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	53,973	48,094
<i>Pro forma net income</i>	<u>\$ 885,076</u>	<u>\$ 805,081</u>
<i>Earnings per share:</i>		
Basic - as reported	<u>\$ 3.51</u>	<u>\$ 3.17</u>
Basic - pro forma	<u>\$ 3.30</u>	<u>\$ 2.99</u>
Diluted - as reported	<u>\$ 3.47</u>	<u>\$ 3.15</u>
Diluted - pro forma	<u>\$ 3.27</u>	<u>\$ 2.97</u>

3. Acquisitions and dispositions

On May 6, 2004, the company acquired a one-third interest in CrossMedia Services, Inc., a leading provider of Web-based marketing solutions for national and local retailers, with Knight Ridder, Inc. and Tribune Company.

On April 2, 2004, the company acquired the assets of Captivate Network, Inc., a national news and entertainment network that delivers programming and full motion video advertising through wireless digital video screens in the elevators of premier office towers across North America.

On February 16, 2004, the company exchanged its daily newspaper, The Times in Gainesville, Georgia, and non-daily publications in the Gainesville area for two daily newspapers and non-daily publications in Tennessee, plus cash consideration. The company recorded this transaction as two simultaneous but separate events; that is, the sale of its publications in Gainesville for which a non-operating gain was recognized and the acquisition of the publications in Tennessee accounted for under the purchase method of accounting.

On February 2, 2004, the company acquired NurseWeek, a multimedia company with print publications and an award-winning Web site focused on the recruitment, recognition and education of nurses. NurseWeek is published as a separate title of Nursing Spectrum, a wholly-owned subsidiary of the company. Altogether, Nursing Spectrum operations now include 10 regional magazines with a combined distribution to more than 1 million registered nurses.

During the first nine months of 2004, the company also purchased several small non-daily publications in the U.S. and the UK.

The acquisitions of Captivate, NurseWeek, the two daily newspapers in Tennessee and several non-daily publications had an aggregate purchase price of approximately \$164.5 million and were recorded under the purchase method of accounting. The company is in the process of obtaining valuations of recently acquired businesses, thus the allocation of the purchase price is preliminary.

On August 31, 2004, the company completed the sale of its NBC affiliate in Kingman, Arizona, KMOH-TV.

4. Goodwill and other intangible assets

The company performed an impairment test of its goodwill and determined that no impairment of goodwill existed at Dec. 28, 2003. Intangible assets that have finite useful lives are amortized over their useful lives and are also subject to tests for impairment.

The following table displays the intangible assets that are subject to amortization and the goodwill and intangible assets that are not subject to amortization as of Sept. 26, 2004, and Dec. 28, 2003:

Goodwill and other intangible assets are as follows:

	Sept. 26, 2004		Dec. 28, 2003	
	Gross	Accumulated Amortization	Gross	Accumulated Amortization
<i>(in thousands of dollars)</i>				
Goodwill and indefinite-lived intangible assets	\$9,786,995	\$ —	\$9,601,767	\$ —
Amortizable intangible assets	\$ 170,471	\$ 27,574	\$ 128,000	\$ 19,264

Goodwill and indefinite-lived intangible assets increased primarily due to the Captivate, NurseWeek and Tennessee transactions as described in Note 3 and to a higher foreign exchange rate.

Amortization expense was \$3.0 million in the quarter ended Sept. 26, 2004 and \$8.3 million year-to-date. Amortizable intangible assets are primarily subscriber and advertiser relationships, which are amortized on a straight-line basis over periods up to 25 years. For each of the next five years, amortization expense relating to the identified intangibles is expected to be approximately \$11.3 million.

<i>(in thousands of dollars)</i>	Newspaper Publishing	Broadcasting	Total
	Goodwill and indefinite-lived intangible assets		
Balance at Dec. 28, 2003	\$8,075,489	\$1,526,278	\$9,601,767
Acquisitions and adjustments	117,444	26,561	144,005
Dispositions	(6,537)	—	(6,537)
Foreign currency exchange rate changes	47,132	628	47,760
Balance at Sept. 26, 2004	\$8,233,528	\$1,553,467	\$9,786,995

<i>(in thousands of dollars)</i>	Newspaper Publishing	Broadcasting	Total
	Amortizable intangible assets, net		
Balance at Dec. 28, 2003	\$ 108,736	\$ —	\$ 108,736
Acquisitions and adjustments	35,971	6,500	42,471
Dispositions	—	—	—
Amortization	(7,997)	(313)	(8,310)
Balance at Sept. 26, 2004	\$ 136,710	\$ 6,187	\$ 142,897

5. Long-term debt

In March 2004, the company entered into a \$2.46 billion revolving credit agreement, which consists of a \$622.5 million 364-day facility that extends to March 2005 and a \$1.8375 billion 5-year facility that extends to March 2009. 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. Also in March 2004, the company entered into a \$200 million two-year revolving credit facility that extends to March 2006. At the end of the two-year period, any borrowings outstanding under the two-year credit facility are convertible into a one-year term loan at the company's option.

During the first quarter of 2004, the company terminated its \$1.53 billion revolving credit agreement that was due to expire in July 2005. The company also terminated its \$1.3375 billion 364-day revolving credit facility that was due to expire in March 2004.

At September 26, 2004, the company had a total of \$4.025 billion of credit available under three revolving credit agreements. As a result of these 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 \$4.025 billion credit available under the revolving credit agreements to refinance existing unsecured promissory notes and the tranche of unsecured global notes due in 2005 on a long-term basis and assuming the company's other indebtedness was paid on its scheduled pay dates, are as follows:

<i>(in thousands)</i>	<u>Sept. 26, 2004</u>
2005	\$ —
2006	97,836
2007	2,062,317
2008	76,205
2009	1,847,225
Later years	498,319
Total	<u>\$4,581,902</u>

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 \$4.7 billion at September 26, 2004.

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 approximately \$81 million at September 26, 2004.

6. Retirement plans

The company and its subsidiaries have various retirement plans, including plans established under collective bargaining agreements, under which substantially all full-time employees are covered. The Gannett Retirement Plan is the company's principal retirement plan and covers most U.S. employees of the company and its subsidiaries. The company's pension costs, which include costs for qualified, nonqualified and union plans, for the third quarter and first nine months of 2004 and 2003 are presented in the following table:

<i>(in thousands of dollars)</i>	<i>Third Quarter</i>		<i>Year-to-date</i>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Service cost-benefits earned during the period	\$ 21,647	\$ 19,532	\$ 68,227	\$ 57,852
Interest cost on benefit obligation	40,288	38,983	124,948	116,949
Expected return on plan assets	(52,676)	(42,525)	(159,146)	(127,575)
Amortization of transition asset	(5)	(17)	(5)	(51)
Amortization of prior service credit	(5,354)	(5,085)	(16,024)	(15,255)
Amortization of actuarial loss	13,272	18,007	42,372	54,021
Pension expense for company-sponsored retirement plans	\$ 17,172	\$ 28,895	\$ 60,372	\$ 85,941
Union and other pension cost	2,100	1,847	6,300	5,541
Pension cost	\$ 19,272	\$ 30,742	\$ 66,672	\$ 91,482

The company made a voluntary tax-deductible contribution of \$50 million to the Gannett Retirement Plan in February 2004. Early in the second quarter of 2004, the company also made a voluntary tax-deductible contribution of \$26 million to its UK retirement plan.

7. Postretirement benefits other than pension

The company provides health care and life insurance benefits to certain retired employees who meet age and service requirements. Most of the company's retirees contribute to the cost of these benefits and retiree contributions are increased as actual benefit costs increase. The company's policy is to fund benefits as claims and premiums are paid. Postretirement benefit costs for health care and life insurance for the third quarter and first nine months of 2004 and 2003 are presented in the following table:

<i>(in thousands of dollars)</i>	<i>Third Quarter</i>		<i>Year-to-date</i>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Service cost-benefits earned during the period	\$ 452	\$ 917	\$ 1,428	\$ 2,483
Interest cost on benefit obligation	3,382	5,559	11,658	15,437
Amortization of prior service credit	(3,130)	(3,065)	(9,330)	(8,985)
Amortization of actuarial loss	88	334	1,662	1,128
Net periodic postretirement cost	\$ 792	\$ 3,745	\$ 5,418	\$ 10,063
Curtailment gain	\$ —	\$(16,900)	\$ —	\$(16,900)

In December 2003, the United States enacted into law the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the "Act"). The Act establishes a prescription drug benefit under Medicare, known as "Medicare Part D," and a Federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is

at least actuarially equivalent to Medicare Part D. In May 2004, the FASB issued FASB Staff Position No. 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003" ("FSP 106-2"), which is effective for public companies the first interim or annual period beginning after June 15, 2004 (the quarter ended September 26, 2004 for our Company).

The company and its actuarial advisors determined that, based on regulatory guidance currently available, benefits provided by the company were at least actuarially equivalent to Medicare Part D, and, accordingly, the company expects to be entitled to the Federal subsidy in all years after 2005.

During the third quarter of 2004, the company adopted the provisions of the Act retroactively to the beginning of fiscal 2004. As a result, the accumulated post retirement benefit obligation (APBO) decreased by \$23.5 million. This reduction in the APBO due to the Act is treated as an actuarial gain. The effect of applying FAS 106-2 will reduce the company's annual postretirement benefit cost by approximately \$2.9 million.

During the third quarter of 2003, the company recognized a curtailment gain due to the elimination of postretirement medical and life insurance benefits for employees under 40 years of age on Jan. 1, 2004, and subsequent new hires.

8. 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 \$273.0 million for the third quarter of 2004 and \$295.5 million for the third quarter of 2003. Net income totaled \$310.2 million and other comprehensive losses, which were entirely related to foreign currency translation, totaled \$37.2 million in the third quarter of 2004. Net income totaled \$279.0 million and other comprehensive income, consisting primarily of foreign currency translation, totaled \$16.5 million in the third quarter of 2003.

Comprehensive income totaled \$989.3 million for the first nine months of 2004 and \$949.6 million for the first nine months of 2003. Net income totaled \$939.0 million and other comprehensive income, which was entirely related to foreign currency translation, totaled \$50.3 million in the first nine months of 2004. Net income totaled \$853.2 million and other comprehensive income, consisting primarily of foreign currency translation, totaled \$96.4 million in the first nine months of 2003.

9. Outstanding shares

The weighted average number of common shares outstanding (basic) in the third quarter totaled 261,146,000 compared to 269,815,000 for the third quarter of 2003. The weighted average number of diluted shares outstanding in the third quarter totaled 263,804,000 compared to 272,174,000 for the third quarter of 2003.

The weighted average number of common shares outstanding (basic) in the first nine months of 2004 totaled 267,898,000 compared to 268,947,000 for the first nine months of 2003. The weighted average number of diluted shares outstanding in the first nine months of 2004 totaled 270,862,000 compared to 271,114,000 for the first nine months of 2003.

10. Business segment information

Broadcasting includes results from the company's 21 television stations and Captivate Network, Inc. Captivate is a national news and entertainment network that delivers programming and full motion video advertising through wireless digital video screens in elevators of premier office towers.

(unaudited, in thousands of dollars)

	Thirteen weeks ended		% Inc (Dec)
	Sept. 26, 2004	Sept. 28, 2003	
Net Operating Revenues:			
Newspaper publishing	\$1,609,714	\$1,458,981	10.3
Broadcasting	206,170	172,302	19.7
Total	\$1,815,884	\$1,631,283	11.3
Operating Income (net of depreciation and amortization):			
Newspaper publishing	\$ 429,539	\$ 405,339	6.0
Broadcasting	99,030	72,622	36.4
Corporate	(16,393)	(15,499)	(5.8)
Total	\$ 512,176	\$ 462,462	10.7
Depreciation and Amortization:			
Newspaper publishing	\$ 49,174	\$ 50,055	(1.8)
Broadcasting	7,540	6,644	13.5
Corporate	3,938	3,887	1.3
Total	\$ 60,652	\$ 60,586	0.1
Operating Cash Flow (1):			
Newspaper publishing	\$ 478,713	\$ 455,394	5.1
Broadcasting	106,570	79,266	34.4
Corporate	(12,455)	(11,612)	(7.3)
Total	\$ 572,828	\$ 523,048	9.5

(unaudited, in thousands of dollars)

	Thirty-nine weeks ended		% Inc
	Sept. 26, 2004	Sept. 28, 2003	(Dec)
Net Operating Revenues:			
Newspaper publishing	\$4,830,723	\$4,365,606	10.7
Broadcasting	588,148	523,205	12.4
Total	\$5,418,871	\$4,888,811	10.8
Operating Income (net of depreciation and amortization):			
Newspaper publishing	\$1,308,822	\$1,216,300	7.6
Broadcasting	275,479	232,164	18.7
Corporate	(49,895)	(46,867)	(6.5)
Total	\$1,534,406	\$1,401,597	9.5
Depreciation and Amortization:			
Newspaper publishing	\$ 150,307	\$ 142,419	5.5
Broadcasting	21,971	19,857	10.6
Corporate	11,815	11,621	1.7
Total	\$ 184,093	\$ 173,897	5.9
Operating Cash Flow (1):			
Newspaper publishing	\$1,459,129	\$1,358,719	7.4
Broadcasting	297,450	252,021	18.0
Corporate	(38,080)	(35,246)	(8.0)
Total	\$1,718,499	\$1,575,494	9.1

(1) Operating Cash Flow represents operating income for each of the company's business segments plus related depreciation and amortization expense.

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

Thirteen weeks ended Sept. 26, 2004

<i>(in thousands of dollars)</i>	<u>Newspaper Publishing</u>	<u>Broadcasting</u>	<u>Corporate</u>	<u>Consolidated Total</u>
Operating cash flow	\$ 478,713	\$ 106,570	\$(12,455)	\$ 572,828
Less:				
Depreciation	(46,515)	(7,227)	(3,938)	(57,680)
Amortization	(2,659)	(313)	—	(2,972)
Operating income	<u>\$ 429,539</u>	<u>\$ 99,030</u>	<u>\$(16,393)</u>	<u>\$ 512,176</u>

Thirteen weeks ended Sept. 28, 2003

<i>(in thousands of dollars)</i>	<u>Newspaper Publishing</u>	<u>Broadcasting</u>	<u>Corporate</u>	<u>Consolidated Total</u>
Operating cash flow	\$ 455,394	\$ 79,266	\$(11,612)	\$ 523,048
Less:				
Depreciation	(47,921)	(6,644)	(3,887)	(58,452)
Amortization	(2,134)	—	—	(2,134)
Operating income	<u>\$ 405,339</u>	<u>\$ 72,622</u>	<u>\$(15,499)</u>	<u>\$ 462,462</u>

Thirty-nine weeks ended Sept. 26, 2004

<i>(in thousands of dollars)</i>	<u>Newspaper Publishing</u>	<u>Broadcasting</u>	<u>Corporate</u>	<u>Consolidated Total</u>
Operating cash flow	\$1,459,129	\$ 297,450	\$(38,080)	\$1,718,499
Less:				
Depreciation	(142,310)	(21,658)	(11,815)	(175,783)
Amortization	(7,997)	(313)	—	(8,310)
Operating income	<u>\$1,308,822</u>	<u>\$ 275,479</u>	<u>\$(49,895)</u>	<u>\$1,534,406</u>

Thirty-nine weeks ended Sept. 28, 2003

<i>(in thousands of dollars)</i>	<u>Newspaper Publishing</u>	<u>Broadcasting</u>	<u>Corporate</u>	<u>Consolidated Total</u>
Operating cash flow	\$1,358,719	\$ 252,021	\$(35,246)	\$1,575,494
Less:				
Depreciation	(136,281)	(19,857)	(11,621)	(167,759)
Amortization	(6,138)	—	—	(6,138)
Operating income	<u>\$1,216,300</u>	<u>\$ 232,164</u>	<u>\$(46,867)</u>	<u>\$1,401,597</u>

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The company believes that its market risk from financial instruments, such as accounts receivable, accounts payable and debt, is not material. The company is exposed to foreign exchange rate risk primarily due to its operations in the United Kingdom, for which 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 nine months of 2004 would have decreased approximately 1.5%. In July 2004, the Company entered into derivative transactions (combination options) to mitigate risk associated with significant currency fluctuations as they pertain to earnings from operations in the UK. The period covered by these transactions runs through the remainder of 2004. These instruments are not designated as accounting hedges. Gains and losses experienced throughout the remainder of the year will be included as a component of other non-operating income (expense) in the consolidated statement of income.

Because the company has \$2.7 billion in commercial paper obligations at September 26, 2004 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 commercial paper 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 \$13.5 million, respectively.

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 \$4.7 billion at September 26, 2004.

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 September 26, 2004, 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 have materially affected, or are reasonably likely to materially affect, the company's internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 2. Changes in Securities and Use of Proceeds

On February 9, 2004, the company announced the reactivation of its existing share repurchase program that was last implemented in February 2000.

<u>Period</u>	<u>(a) Total Number of Shares Purchased</u>	<u>(b) Average Price Paid per Share</u>	<u>(c) Total Number of Shares Purchased as Part of Publicly Announced Program</u>	<u>(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Program</u>
6/28/04 - 8/1/04	4,467,700	\$ 83.27	4,467,700	\$ 923,343,794
8/2/04 - 8/29/04	4,310,800	\$ 82.76	4,310,800	\$ 566,596,176
8/30/04 - 9/26/04	1,777,700*	\$ 85.37	1,777,700*	\$ 414,834,894
Total 3rd Quarter 2004	10,556,200	\$ 83.42	10,556,200	\$ 414,834,894

All of the shares included in column (c) of the table above were repurchased from remaining authorization from the \$500 million program announced on May 12, 2004 and from the \$1 billion program announced on July 13, 2004. There is no expiration date for the repurchase program. No repurchase programs expired during the periods presented above, and management does not intend to terminate the repurchase program. All share repurchases were part of the publicly announced repurchase program.

* In addition to the above, at the end of September 2004, 180,000 shares were repurchased as part of the publicly announced repurchase program, at an average price of \$84.63, but were settled subsequent to the end of the quarter. The effect of these repurchases would decrease the maximum dollar value available under the program to \$399,601,427.

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

Current Report on Form 8-K submitted July 13, 2004, in connection with disclosure of results of operations and financial condition.

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: November 3, 2004

/s/ George R. Gavagan

George R. Gavagan
Vice President and Controller
(on behalf of Registrant and as Chief Accounting Officer)

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit</u>	<u>Location</u>
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.
3-2	By-laws of Gannett Co., Inc.	Incorporated by reference to Exhibit 3-2 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended March 28, 2004.
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. 2001 Inland Revenue Approved Sub-Plan for the United Kingdom *	Attached.
10-2	Form of Restricted Stock Unit Award Agreement for Chief Executive Officer *	Attached.
10-3	Form of Director Stock Option Award Agreement. *	Attached.
10-4	Form of Director Restricted Stock Award Agreement. *	Attached.
10-5	Form of Executive Officer Stock Option Award Agreement. *	Attached.
10-6	Form of Executive Officer Restricted Stock Unit Award Agreement. *	Attached.
10-7	Form of Executive Officer Stock Option Award Agreement Under Gannett Co., Inc. 2001 Inland Revenue Approved Sub-Plan for the United Kingdom. *	Attached.

11	Statement Regarding 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.

RULES
OF
THE GANNETT CO., INC. 2001
INLAND REVENUE APPROVED SUB-PLAN FOR THE EMPLOYEES OF THE
SUBSIDIARIES OF GANNETT U.K. LIMITED

Adopted by the Company on: 4 December 2001

Approved by the Inland Revenue on: 10 December 2001

Inland Revenue reference no: X22093/SY

PricewaterhouseCoopers
Plumtree Court
London EC4A 4HT

Tel: 020 7212 3103

Fax: 020 7212 2067

SCHEDULE

**RULES OF THE GANNETT CO., INC. 2001
INLAND REVENUE APPROVED SUB-PLAN FOR THE
UNITED KINGDOM**

1. General

This schedule to the Gannett Co., Inc. 2001 Omnibus Incentive Compensation Plan (“the 2001 Plan”) sets out the rules of The Gannett Co., Inc. 2001 Inland Revenue Approved Sub-Plan for the Employees of the Subsidiaries of Gannett U.K. Limited (“the Sub-Plan”). The Sub-Plan will be administered by the Committee (as defined in the 2001 Plan).

2. Establishment of Sub-Plan

Gannett Co., Inc. (“the Company”) has established the Sub-Plan under Article 19.8 of the 2001 Plan, which authorises the Company to establish sub-plans to the 2001 Plan¹.

3. Purpose of Sub-Plan

The purpose of the Sub-Plan is to enable the grant to, and subsequent exercise by, employees and directors of the Subsidiaries of Gannett U.K. Limited in the United Kingdom, on a tax favoured basis, of options to acquire Shares in the Company under the 2001 Plan.

4. Inland Revenue approval of Sub-Plan

The Sub-Plan is intended to be approved by the Inland Revenue under Schedule 4.

5. Rules of Sub-Plan

The rules of the 2001 Plan, in their present form and as amended from time to time, shall, with the modifications set out in this schedule, form the rules of the Sub-Plan. In the event of any conflict between the rules of the 2001 Plan and this schedule, this schedule shall prevail but only with respect to employees of the Subsidiaries of Gannett U.K. Limited.

6. Relationship of Sub-Plan to Plan

The Sub-Plan shall form part of the 2001 Plan and not a separate and independent plan. The Sub-Plan shall have effect only with regard to employees of the Subsidiaries of Gannett U.K. Limited and shall not affect the 2001 Plan for other participants.

7. **Interpretation**

In the Sub-Plan, unless the context otherwise requires, the following words and expressions have the following meanings:

Acquiring Company	a company which obtains Control of the Company in the circumstances referred to in rule 26;
Approval Date	the date on which the Sub-Plan is approved by the Inland Revenue under Schedule 4.
Associated Company	the meaning given to that expression by section 35 (1) of Schedule 4.
Award Agreement	an agreement in respect of the grant of an Option which shall be issued to an Option Holder setting out the terms and conditions of that Option;
Close Company	the meaning given to that expression by section 832 (1) of, ICTA 1988 and paragraph 9 of Schedule 4.; ²
Committee	any committee appointed by the board of directors of the Company to administer awards to employees or directors as specified in Article 3 of the 2001 Plan.
Company	Gannett Co., Inc, a Delaware corporation.
Consortium	the meaning given to that word by section 187(7) of ICTA 1988; ³
Control	the meaning given to that word by section 840 of ICTA 1988 and paragraph 35 (2) of Schedule 4 “Controlled” shall be construed accordingly; ⁴
Date of Grant	the date on which an Option is granted to an Eligible Employee determined in accordance with Article 6.1 of the 2001 Plan;
Eligible Employee	an individual who falls within Article 5.1 of the 2001 Plan and who is: (a) an employee (other than a director) of a Participating Company; or

(b) a director (other than a non-executive director) of a Participating Company who is contracted to work at least 25 hours per week for one or more of the Participating Companies (exclusive of meal breaks) and who, in either case, does not have at the Date of Grant of an Option, and has not had during the preceding twelve months, a Material Interest in a Close Company which is the Company or a company which has Control of the Company or a member of a Consortium which owns the Company;

Group

the Company and its Subsidiaries from time to time;

ICTA 1988

the Income and Corporation Taxes Act 1988;

Inland Revenue

the UK Board of Inland Revenue;

Market Value

(a) in the case of an Option granted under the Sub Plan:

- (i) if at the relevant time the Shares are listed on the New York Stock Exchange⁵ the closing price of a Share on the New York Stock Exchange for the Date of Grant of the Option as reported in the Wall Street Journal;
- (ii) if paragraph (i) does not apply, the market value of a Share shall be determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992⁷ and agreed in advance with Inland Revenue Shares Valuation on the Date of Grant of the Option or such earlier date or dates (not being more than thirty days before the Date of Grant) as may be agreed with the Board of Inland Revenue;

(b) in the case of an option granted under any other share option scheme, the market value of a Share determined under the rules of such scheme for the purpose of the grant of the option;

Material Interest	the meaning given to that expression by paragraph 10 of Schedule 4.
New Option	an option granted by way of exchange under rule 26.1;
New Shares	the shares subject to a New Option referred to in rule 26.1;
Option	a subsisting right to acquire Shares granted under the Sub-Plan;
Option Holder	an individual who holds an Option or, where the context permits, his legal personal representatives;
Ordinary Share Capital	the meaning given to that expression by section 832(1) of ICTA 1988;
Participating Company	a Company nominated to participate in the Sub-Plan by the Committee in accordance with rule 8;
Schedule 4	Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003;
Shares	Shares of Common Stock in the Company having a par value of \$1.00 per share; and
Subsidiary	a company over which Gannett U.K. Ltd has Control.

In this schedule, unless the context otherwise requires:

words and expressions not defined above have the same meanings as are given to them in the 2001 Plan; the rule headings are inserted for ease of reference only and do not affect their interpretation;

a reference to a rule is a reference to a rule in this schedule;

the singular includes the plural and vice-versa and the masculine includes the feminine; and

a reference to a statutory provision is a reference to a United Kingdom statutory provision and includes any statutory modification, amendment or re-enactment thereof.

8. Companies participating in Sub-Plan

The companies participating in the Sub-Plan shall be the Subsidiaries of Gannett U.K. Limited nominated to participate in the Sub-Plan by the Committee.

9. Shares used in Sub-Plan

The Shares shall form part of the Ordinary Share Capital of the Company and shall at all times comply with the requirements of paragraphs 16 to 20 of Schedule 4.

10. Grant of Options

An Option shall be granted under and subject to the rules of the 2001 Plan as modified by this schedule.

11. Identification of Options

An Award Agreement issued in respect of an Option shall expressly state that it is issued in respect of an Option. An option which is not so identified shall not constitute an Option.

12. Contents of Award Agreement

Notwithstanding Article 6.2 of the 2001 Plan, an Award Agreement issued in respect of an Option shall state:

that it is issued in respect of an Option;

the Date of Grant of the Option;

the number of Shares subject to the Option;

the exercise price under the Option;

any performance target or other condition imposed on the exercise of the Option in accordance with Article 10 of the 2001 Plan; and the date(s) on which the Option will ordinarily become exercisable.

13. Earliest date for grant of Options

An Option may not be granted earlier than the Approval Date.

14. Persons to whom Options may be granted

An Option may not be granted to an individual who is not an Eligible Employee at the Date of Grant.

15. Options non transferable

Notwithstanding Article 6.8(b) of the 2001 Plan, an Option shall be personal to the Eligible Employee to whom it is granted and, subject to rule 25.1, shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Option Holder purports to transfer, charge or otherwise alienate the Option.

16. Limit on number of Shares placed under Option under Sub-Plan

For the avoidance of doubt, Shares placed under Option under the Sub-Plan shall be taken into account for the purpose of Article 4.1(a) of the 2001 Plan.

17. Inland Revenue limit (£30,000)

Notwithstanding Articles 4.1 and 6.1 of the 2001 Plan, an Option may not be granted to an Eligible Employee if the result of granting the Option would be that the aggregate Market Value of the shares subject to all outstanding options granted to him under the Sub-Plan or any other share option scheme established by the Company or an Associated Company and approved by the Board of Inland Revenue under Schedule 4 (other than a savings-related share option scheme) would exceed sterling £30,000 or such other limit as may from time to time be specified in paragraph 6 (1) of Schedule 4. For this purpose, the United Kingdom sterling equivalent of the market value of a Share on any day shall be determined by taking the highest buying price of the bid/offer spread for that day as shown in the Financial Times.

18. Exercise price under Options

Notwithstanding Article 6.3 of the 2001 Plan the amount payable in US dollars per Share on the exercise of an Option shall not be less than the Market Value of a Share on the Date of Grant, and shall be stated on the Date of Grant.

19. Performance target or other condition imposed on exercise of Option

Any performance target or other condition imposed on the exercise of an Option under the 2001 Plan shall be:

19.1 objective;

19.2 such that, once satisfied, the exercise of the Option is not subject to the discretion of any person; and

19.3 stated on the Date of Grant.

If an event occurs as a result of which the Committee considers that a performance target or other condition imposed on the exercise of an Option is no longer appropriate and substitutes, varies or waives under Article 3.2 of the 2001 Plan the performance target or condition, such substitution, variation or waiver shall:

19.4 be reasonable in the circumstances; and

19.5 produce a fairer measure of performance and be neither materially more nor less difficult to satisfy.

20. Exercise of Options by leavers

Notwithstanding Articles 5.4 and 14 of the 2001 Plan but subject to rule 25, all Options shall lapse when an Option Holder ceases to be employed within the Group.

21. Latest date for exercise of Options

An Option may not be exercised more than ten years after the Date of Grant and to the extent not so exercised by that time the Option shall lapse immediately.

22. Material Interest

An Option may not be exercised if the Option Holder then has, or has had within the preceding twelve months, a Material Interest in a Close Company which is the Company or which is a company which has Control of the Company or which is a member of a Consortium which owns the Company.

23. Manner of payment for Shares on the exercise of Options

The amount due on the exercise of an Option shall be paid in US dollars in cash or by cheque or banker's draft and may be paid out of funds provided to the Option Holder on loan by a bank, broker or other person. Notwithstanding Article 6.6 of the 2001 Plan, the amount may not be paid by the transfer to the Company of Shares or any other shares or securities. The date of exercise of an Option shall be the date on which the Company receives the amount due on the exercise of the Option.

24. **Issue or transfer of Shares on exercise of Options**

Notwithstanding Article 6.6 of the 2001 Plan, the Company shall, as soon as reasonably practicable and in any event not later than thirty days after the date of exercise of an Option, issue or transfer to the Option Holder, or procure the issue or transfer to the Option Holder of, the number of Shares specified in the notice of exercise and shall deliver to the Option Holder, or procure the delivery to the Option Holder of, a share certificate in respect of such Shares together with, in the case of the partial exercise of an Option, an Award Agreement in respect of, or the original Award Agreement endorsed to show, the unexercised part of the Option, subject only to compliance by the Option Holder with the rules of the Sub-Plan and to any delay necessary to complete or obtain:

24.1 the listing of the Shares on any stock exchange on which Shares are then listed; or

24.2 such registration or other qualification of the Shares under any applicable law, rule or regulation as the Company determines is necessary or desirable.

25. **Death of Option Holder or cessation of Option Holder's employment by reason of injury, disability, retirement or redundancy.**

25.1 If an Option Holder dies before the tenth anniversary of the Date of Grant, his personal representatives shall be entitled to exercise any Options vested as of date of death at any time within the twelve month period following his death. If not so exercised, the Options shall lapse immediately. Any Options not vested as of the date of death will continue vesting during the period of twelve months following the Option Holder's death.

25.2 Notwithstanding Articles 5.4 and 14 of the 2001 Plan, if an Option Holder ceases employment by reason of injury, disability, or retirement, the Options vested at the time of such termination may be exercised by the Option Holder, provided that such exercise occurs both before the Option Expiration Date and within three years after the Option Holder's termination. Any Options not vested as of the date of termination will continue vesting during this post-termination period in accordance with the Options' original vesting schedule. Upon the expiration of such post-termination exercise period, all unexercised vested Options and all unvested Options will be cancelled.

25.3 Notwithstanding Articles 5.4 and 14 of the 2001 Plan, if an Option Holder ceases employment by reason of redundancy, any Options held at the time of such termination shall lapse immediately.

26. **Change in Control of Company**

26.1 **Exchange of Options**

If a company ("Acquiring Company") obtains Control of the Company as a result of making:

26.1.1 a general offer to acquire the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company; or

- 26.1.2 a general offer to acquire all the shares of Common Stock in the Company of the same class as the Shares.
an Option Holder may, at any time during the period set out in rule 26.2, by agreement with the Acquiring Company, release his Option in whole or in part in consideration of the grant to him of a new option (“New Option”) which is equivalent to the Option but which relates to shares (“New Shares”) in:
- 26.1.3 the Acquiring Company;
- 26.1.4 a company which has Control of the Acquiring Company; or
- 26.1.5 a company which either is, or has Control of, a company which is a member of a Consortium which owns either the Acquiring Company or a company having Control of the Acquiring Company.

26.2 **Period allowed for exchange of Options**

The period referred to in rule 26.1 is the period of six months beginning with the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied.

26.3 **Meaning of “equivalent”**

The New Option shall not be regarded for the purpose of this rule 26 as equivalent to the Option unless:

- 26.3.1 the New Shares satisfy the conditions in paragraphs 16 to 20 of Schedule 4 and
- 26.3.2 save for any performance target or other condition imposed on the exercise of the Option, the New Option will be exercisable in the same manner as the Option and subject to the provisions of the Sub-Plan as it had effect immediately before the release of the Option; and
- 26.3.3 the total market value, immediately before the release of the Option, of the Shares which were subject to the Option is equal to the total market value, immediately after the grant of the New Option, of the New Shares (market value being determined for this purpose in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992); and
- 26.3.4 the total amount payable by the Option Holder for the acquisition of the New Shares under the New Option is equal to the total amount that would have been payable by the Option Holder for the acquisition of the Shares under the Option.

26.4 Date of grant of New Option

The date of grant of the New Option shall be deemed to be the same as the Date of Grant of the Option.

26.5 Application of Sub-Plan to New Option

In the application of the Sub-Plan to the New Option, where appropriate, references to “Company” and “Shares” shall be read as if they were references to the company to whose Shares the New Option relates and the New Shares, respectively.

27. Rights attaching to shares issued on exercise of Options

All Shares issued on the exercise of an Option shall, as to any voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the Shares of the same class in issue at the date of such exercise save as regards any rights attaching to such Shares by reference to a record date prior to the date of such exercise.

28. Amendment of Sub-Plan

Notwithstanding Articles 3.2, 15.6 and 16.1 of the 2001 Plan, no amendment of the Sub-Plan, whether taking the form of an amendment of the 2001 Plan or this schedule which is an amendment to a Key Feature as defined by paragraph 30 (4) of Schedule 4, shall take effect until it has been approved by the Inland Revenue.

29. Adjustment of Options

Notwithstanding Articles 4.2 and 4.3 of the 2001 Plan, no adjustment may be made to an Option unless the adjustment is permitted by paragraph 22 of Schedule 4 and, if so permitted, the adjustment shall not take effect until it has been approved by the Inland Revenue.

No adjustment of an Option as a result of any of the following events or any combination of them referred to in Article 4.2 of the Plan shall be made under this rule 29:

stock dividend;

separation, including a spin-off or other distribution of stock or property of the Company.

30. Tax clause

30.1 If the Company or any member of the Group (“the Relevant Company”) is liable or, in accordance with current practice, is believed by the Committee to be liable under any

statute, regulation or otherwise, to account to any revenue or other authority for any sum in respect of any National Insurance Contributions, income tax or other tax (“the Tax Liability”) of the Option Holder and/or (if the Committee so determines), the Relevant Company, this Rule 30 shall apply, save in respect of Options granted prior to 1 July 2004 when secondary National Insurance Contributions shall be excluded from this Rule. When this Rule applies, the Option Holder shall indemnify and keep indemnified the Relevant Company for the Tax Liability. The Option Holder shall pay the Relevant Company a sum equal to the Tax Liability immediately upon receiving written notice of the quantum of the Tax Liability.

30.2 In respect of Options granted after 1 July 2004 the Committee may require as a condition precedent for the exercise of an Option that the prospective Option Holder shall enter into:

30.2.1 an agreement to reimburse the Relevant Company in whole or in part for any secondary Class 1 National Insurance Contributions arising on the exercise of an Option; or

30.2.2 an election with the Relevant Company to assume the liability for any secondary Class 1 National Insurance Contributions payable in respect of the Option

including an agreement or election under paragraph 3A or 3B of Schedule 1 to the Social Security Contributions and Benefits Act 1992.

30.3 If the Option Holder shall fail to:

30.3.1 reimburse the Relevant Company in accordance with any agreement entered into pursuant to Rule 30, or

30.3.2 make payment to the Relevant Company immediately upon receipt of a written notice in accordance with Rule 30.1

then the Company shall be authorised by the Option Holder to sell such of the Shares as may have been allotted or transferred to the Option Holder upon the exercise of an Option as may be sufficient to release a sum which (after allowance for the costs and expenses of such a sale) may discharge (and shall be applied in discharge of) the Option Holder’s liability to the Relevant Company under this Rule 30 or any such agreement entered into in accordance with this Rule and the Company may exercise all such powers and appoint any of its officers to sign all such documents in the name of the Option Holder and as his act and deed as may be necessary for this purpose.

30.4 If any amount of the Tax Liability should not be recovered as set out above, the Option Holder shall be liable to make good any amount outstanding on demand.

31. Exercise of discretion by the Committee

In exercising any discretion which it may have under the Sub-Plan, the Committee shall act fairly and reasonably.

32. Disapplication of certain provisions of the 2001 Plan

(a) The provisions of the Plan dealing with:

incentive stock options
stock appreciation rights;
performance units
performance shares
cash-based awards; and
restricted stock

shall not form part of, and no such rights may be granted under, the Sub- Plan.

(b) The following provisions of the 2001 Plan shall not, to the extent specified, form part of the Sub-Plan

Article 11
Article 12
Article 15.3
Article 15.4
Article 17.1

Notes

¹ The [Company] is the “Scheme Organiser” as defined in paragraph 2 (2) of Schedule 4 because it has established the Sub-Plan. In most cases, it will also be the [Company] which grants options under the Sub-Plan, although this is not a requirement of UK tax legislation.

² A close company is a company which is under the control (as defined in paragraph 2 above) of five or fewer participators (eg shareholders) or of any number of participators who are directors. There are attributed to a participator all the rights and powers (eg shares of Common Stock, voting power) of, inter alia, a company which he controls or of an “associate” (eg relative) of his. Ordinarily, a company is excluded from being a close company if it is non UK resident or 35% of the voting power in the company is held by the public and its shares of Common Stock

have been listed, and the subject of dealings, on a recognised stock exchange within the preceding 12 months. However, for the purpose of the material interest test (see paragraph 8 below), this exclusion does not apply with the result that the normal definition of a “close company” is extended.

A company is a member of a consortium owning another company if it is one of a number of companies which between them beneficially own not less than three-quarters of the other company’s ordinary share capital and each of which beneficially owns not less than one-twentieth of that capital.

Control means the power of a person to secure:

- (a) by means of the holding of shares of Common Stock or the possession of voting power in or in relation to that or any other body corporate; or
- (b) by virtue of any powers conferred by the articles of association or other document regulating that or any other body corporate

that the affairs of the first-mentioned body corporate are conducted in accordance with the wishes of that person.

The expression “recognised stock exchange” is defined in section 841 of ICTA 1988. “Recognised stock exchange” means the London Stock Exchange Limited and any stock exchange outside the UK which has been designated by the Inland Revenue as a recognised stock exchange. This includes, inter alia, the New York Stock Exchange, NASDAQ and any exchange registered with the US Securities and Exchange Commission as a national securities exchange. However, clearance is required from the Shares of Common Stock Valuation Division before the NASDAQ price may be used to determine the market price of a NASDAQ listed share.

Market value in this context means the price which the shares of Common Stock used in the scheme might reasonably be expected to fetch on a sale in the open market (section 272 Taxation of Chargeable Gains Act 1992 (“TCGA 1992”). In making this determination, it is assumed that there is available to any prospective purchaser of the shares of Common Stock all the information which a prudent prospective purchaser of the shares of Common Stock might reasonably require if he were proposing to purchase the shares of Common Stock from a willing vendor by private treaty and at arm’s length.

A person has a material interest in a company if he, either on his own or with one or more associates, or if any associate of his with or without such other associates:

- (a) is the beneficial owner of, or able, directly or through the medium of other companies, or by any other indirect means to control, more than 25 per cent of the ordinary share capital of the company; or
- (b) where the company is a close company, possesses, or is entitled to acquire, such rights as would, in the event of the winding-up of the company or in any other circumstances, give an entitlement to receive more than 25 per cent of the assets which would then be available for distribution among the participators.

The shares used in the scheme must be:

- (a) ordinary shares;
- (b) fully paid up;
- (c) not redeemable; and
- (d) save for certain limited exceptions, not subject to any restrictions which do not apply to all shares of the same class.

The shares used in the scheme must be:

- (a) of a class listed on a recognised stock exchange; or
- (b) shares in a company which is not under the control of another company; or
- (c) shares in a company which is under the control of another company (other than a company which is, or would if resident in the UK be, a close company) whose shares are listed on a recognised stock exchange.

The shares used in the scheme form part of the ordinary share capital of:

- (a) the grantor (ie the company which has established the scheme); or
- (b) a company which has control of the grantor; or
- (c) a company which either is, or has control of, a company which is a member of a consortium owning either the grantor or a company having control of the grantor.

Where the company whose shares are to be used in a scheme has more than one class of ordinary share, the majority of the issued shares of the same class as those which are to be used must be either employee control shares (see below) or:

- (a) must not be held by persons (including trustees holding shares on behalf of such persons) who acquired their shares in pursuance of a right conferred on them or opportunity offered to them as directors or employees of any company, and not in pursuance of an offer to the public; and
- (b) if the shares are not listed on a recognised stock exchange and the company is under the control of another company whose shares are so listed, must not be held by companies which have control of the company whose shares are in question or of which that company is an associated company.

Shares are employee control shares if:

- (a) the persons holding them are, by virtue of their holding of shares of that class, together able to control the company; and
 - (b) those persons are, or have been, employees or directors of the company or of another company which is under the control of the company.
- ¹⁰ UK tax legislation imposes a limit (currently £30,000) on the “value” of the outstanding options which may be held by an individual participant in an Inland Revenue approved executive share option scheme. The £30,000 limit is calculated by reference to the market value of the shares at the date of grant of the relevant option and is not recalculated for any changes in the share value during the life of the option.. When an option is exercised, the shares in respect of which the option is exercised drop out of the account for the purpose of the £30,000 limit, this creating scope for the grant of an option over further share.

LETTER AGREEMENT

[Date]

The Executive Compensation Committee of the Gannett Board of Directors has approved an award to you under the 2001 Omnibus Incentive Compensation Plan, as set forth below.

This Letter Agreement and the enclosed Terms and Conditions, effective as of [date], constitute the formal agreement governing this award.

Please sign both copies of this Letter Agreement to evidence your agreement with the terms hereof. Keep one copy and return the other to the undersigned.

Please keep the enclosed Terms and Conditions for future reference.

Holder:

Location: **Corporate**

Grant Date: [Date]

Expiration Date: N/A

Number of Restricted Stock Units: _____

Vesting Schedule: [To be determined]

Gannett Co., Inc.

By:

Holder's Signature

Roxanne V. Horning

RESTRICTED STOCK UNITS

TERMS AND CONDITIONS

Under the

Gannett Co., Inc.

2001 Omnibus Incentive Compensation Plan

These Terms and Conditions, dated [date], govern the grant of restricted stock units in the form of Performance Shares (referred to herein as “Restricted Stock Units”) under the 2001 Omnibus Incentive Compensation Plan (the “Plan”) to [Name] (the “Holder”), as set forth below. Terms used herein that are defined in the Plan shall have the meaning ascribed to them in the Plan. If there is any inconsistency between the defined terms of these Terms and Conditions and the terms of the Plan, the Plan’s terms shall supersede and replace the conflicting terms herein.

1. Grant of Restricted Stock Units. Pursuant to the provisions of (i) the Plan, (ii) the individual Letter Agreement governing the grant, and (iii) these Terms and Conditions, the Company has granted to the Holder the number of Restricted Stock Units, with each such unit relating to one share of common stock of the Company (“Common Stock”), in the applicable Letter Agreement and subject to the restrictions set forth therein and in these Terms and Conditions.

2. Forfeiture. Upon a Holder’s ceasing to be an employee of the Company for any reason, any Restricted Stock Units that have not yet vested shall be forfeited and the Restricted Stock Unit award shall terminate.

3. Payment of Restricted Stock Units. The Company shall pay the Holder the value of the Restricted Stock Units that become vested in accordance with the vesting schedule in the Letter Agreement by crediting the account designated by the Holder under the Gannett Deferred Compensation Plan in an amount equal to the Fair Market Value of the number of Restricted Stock Units vesting on each vesting date. The distribution of amounts credited to the Holder’s account under the Gannett Deferred Compensation Plan pursuant to this section 3 shall be governed by the terms of the Gannett Deferred Compensation Plan and the Holder’s distribution

election thereunder; provided, that, the Holder may not select a payment commencement date earlier than the year following his termination of employment. The Holder's distribution election under the Deferred Compensation Plan with regard to the Restricted Stock Units must be made no later than December 31, 20xx.

4. Non-Assignability. Restricted Stock Units may not be transferred, assigned, pledged or hypothecated, whether by operation of law or otherwise, nor may the Restricted Stock Units be made subject to execution, attachment or similar process.

5. Rights as a Shareholder. The Holder shall have no rights as a shareholder with regard to the Restricted Stock Units. The Restricted Stock Units shall not be credited with dividend units with respect to dividends declared with respect to the Common Stock.

6. Discretionary Plan. The Plan is discretionary in nature and may be suspended or terminated by the Company at any time. With respect to the Plan, (a) each grant of Restricted Stock Units is a one-time benefit which does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units; (b) except as specifically provided in the employment agreement between the Holder and the Company dated [date], all determinations with respect to any such future grants, including, but not limited to, the times when Restricted Stock Units shall be granted, the number of units subject to each grant, and the times when Restricted Stock Units are paid, will be at the sole discretion of the Company; (c) the Holder's participation in the Plan is voluntary; (d) the Restricted Stock Units are not part of normal and expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payment, bonuses, long-service awards, pension or retirement benefits (and shall not be considered compensation or earnings for the purpose of calculating the Holder's retirement income or benefit under any qualified or non-qualified pension plan of the Company), or similar payments; and (e) the future value of the Restricted Stock Unit is unknown and cannot be predicted with certainty.

7. Effect of Plan. The Plan is hereby incorporated by reference into these Terms and Conditions, and these Terms and Conditions are subject in all respects to the provisions of the Plan, including without limitation the authority of the Committee to adjust awards and to make interpretations and other determinations with respect to all matters relating to these Terms and Conditions, the applicable Letter Agreements, the Plan, and awards made pursuant thereto.

8. Notice. Notices hereunder shall be in writing and if to the Company shall be addressed to the Secretary of the Company at 7950 Jones Branch Drive, McLean, Virginia 22107 and if to the Holder shall be addressed to the Holder at his address as it appears on the Company's records.

9. Successors and Assigns. The applicable Letter Agreement and these Terms and Conditions shall be binding upon and inure to the benefit of the successors and assigns of the Company.

10. Change in Control Provisions. Vesting of any unvested Restricted Stock Units shall not be accelerated upon a Change in Control.

11. Applicable Laws and Consent to Jurisdiction. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of the State of Delaware without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in Virginia and agree that such litigation shall be conducted in the courts of Fairfax County, Virginia or the federal courts of the United States for the Eastern District of Virginia.

LETTER AGREEMENT

[Date]

The Gannett Board of Directors has approved an award to you under the 2001 Omnibus Incentive Compensation Plan, as set forth below.

This Letter Agreement and the enclosed Terms and Conditions effective as of [Date], constitute the formal agreement governing this award.

Please sign both copies of this Letter Agreement to evidence your agreement with the terms hereof. Keep one copy and return the other to the undersigned.

Please keep the enclosed Terms and Conditions for future reference. Until further notice they will apply to any future grants you receive.

Options Granted:

Location: **Board**

Grant Date: _____

Expiration Date: _____

Option Award:

Option Price Per Share: \$_____

Vesting Schedule: [1st Anniversary] 25%
[2nd Anniversary] 50%
[3rd Anniversary] 75%
[4th Anniversary] 100%

Gannett Co., Inc.

Director's Signature

By: _____
Roxanne V. Horning
Vice President/Compensation and Benefits

STOCK OPTION
TERMS AND CONDITIONS FOR DIRECTORS

Under the
Gannett Co., Inc.

2001 Omnibus Incentive Compensation Plan

These Terms and Conditions, dated _____, govern the grant of stock options (“Options”) under the 2001 Omnibus Incentive Compensation Plan (the “Plan”) to Gannett directors (the “Option Holder”), as set forth below. Terms used herein that are defined in the Plan shall have the meaning ascribed to them in the Plan. If there is any inconsistency between the defined terms of these Terms and Conditions and the terms of the Plan, the Plan’s terms shall supersede and replace the conflicting terms herein.

1. Grant of Options. Pursuant to the provisions of (i) the Plan, (ii) the individual Letter Agreements governing each grant, and (iii) these Terms and Conditions, the Company has granted to the Option Holder the number of options (“Options”) to purchase the number of shares of common stock of the Company (“Common Stock”) set forth on the applicable Letter Agreement, at the purchase price per share stated in such Letter Agreement (“Option price”).

2. Exercisability. Except as otherwise provided in Section 14 below, the Options shall become exercisable as specified in the relevant Letter Agreement. The Options may be partially exercised from time to time within such percentage limitations, but no partial exercise of the Options will be permitted for less than ten shares of Common Stock. In no event shall the Options be exercisable in whole or in part after the Option Expiration Date specified in the relevant Letter Agreement. Upon an Option Holder’s ceasing to be a Director of the Company, if the Option Holder has completed at least one three year term as a director, the Options will continue to vest and may be exercised in accordance with Sections 6 and 7 below. Upon any other cessation of being a Director, the Options will be automatically canceled.

3. Method of Exercising Options. The Options may be exercised from time to time by written or electronic notice (in the form prescribed by the Company) delivered to and received by the Company (unless the Option Holder elects to make a “cashless exercise”), which notice shall be signed by the Option Holder and shall state the election to exercise the Options and the

number of whole shares of Common Stock with respect to which the Options are being exercised. Such notice must be accompanied by a check payable to the Company, or such other consideration allowed pursuant to the Plan, in payment of the full Option price for the number of shares purchased. As soon as practicable after it receives such notice and payment, as applicable, and following receipt from the Option Holder of payment for any taxes which the Company is required by law to withhold by reason of such exercise, the Company will deliver to the Option Holder a certificate or certificates for the shares of Common Stock so purchased. Options may also be exercised by the delivery of shares in payment of the exercise price or pursuant to a “cashless exercise” procedure, subject to securities law restrictions, or by any other means the Executive Compensation Committee of the Company (the “Committee”), in its sole discretion, determines is consistent with the Plan’s purpose and applicable law. The delivery of previously acquired shares may be made by attestation. Payment of any withholding taxes due upon exercise of Options may be made by withholding shares or by attestation.

4. Reduction in Number Of Shares Subject to Options. Upon the exercise of one or more Options, the number of shares of Common Stock subject to the Options shall be reduced one-for-one.

5. Cancellation of Options.

(a) Expiration of Term. On the Expiration Date, the unexercised Options shall be canceled automatically.

(b) Termination of Directorship. Except as provided in Sections 6, 7, and 14 below, or except as otherwise determined by the Committee in its sole discretion, the Options shall automatically be canceled upon the Option Holder’s ceasing to be a Director of the Company for any reason.

6. Termination of Directorship After One Full Three Year Term. Upon termination of the Option Holder’s directorship after the Option Holder has served one full three year term, but less than two full three year terms, the Options vested at the time of such termination may be exercised by the Option Holder, provided that such exercise occurs both before the Option Expiration Date and within one year after the Option Holder’s termination. Any Options not vested as of the date of termination will continue vesting during this post-termination exercise

period in accordance with the Options' original vesting schedule. Upon the expiration of such post-termination exercise period, all unexercised vested Options and all unvested Options will be canceled.

7. Termination of Directorship After Two or More Full Three Year Terms. Upon termination of the Option Holder's directorship after the Option Holder has served two or more full three year terms, the Options vested at the time of such termination may be exercised by the Option Holder, provided that such exercise occurs both before the Option Expiration Date and within (i) two years after the Option Holder's termination if the Option Holder has served two full three year terms or (ii) three years after the Option Holder's termination if the Option Holder has served three or more full three year terms. Any Options not vested as of the date of termination will continue vesting during the applicable post-termination exercise period in accordance with the Options' original vesting schedule. Upon the expiration of such post-termination exercise period, all unexercised vested Options and all unvested Options will be canceled.

8. Non-Assignability. The Options shall not be assignable or transferable by the Option Holder, except by (i) will or by the laws of descent and distribution or (ii) with the consent of the Option Holder, by authorization of, or pursuant to procedures established by, the Committee to a member of the Option Holder's family and/or a trust whose beneficiaries are members of the Option Holder's family or to such other persons or entities as may be approved by the Committee. During the life of the Option Holder, the Options shall be exercisable only by the Option Holder or by the Option Holder's guardian or legal representative or, following a transfer pursuant to (ii) above, by the approved transferee. Upon the Option Holder's death, the Option may be exercised by the Option Holder's estate, or by a person who acquires the right to exercise the Option by bequest or inheritance or by reason of the death of the Option Holder to the extent provided for in Sections 6 and 7.

9. Rights as a Shareholder. The Option Holder shall have no rights as a shareholder by reason of the Options unless and until certificates for shares of Common Stock are issued to him or her.

10. Discretionary Plan. The Plan is discretionary in nature and may be suspended or terminated by the Company at any time. With respect to the Plan, (a) each grant of an Option is a one-time benefit which does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options; (b) all determinations with respect to any such future grants, including, but not limited to, the times when the Option shall be granted, the number of shares subject to each Option, the Option price, and the times when each Option shall be exercisable, will be at the sole discretion of the Company; (c) the Option Holder's participation in the Plan is voluntary; (d) the Option is not part of normal and expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payment, bonuses, long-service awards, pension or retirement benefits, or similar payments; (e) the future value of the shares underlying the Options is unknown and cannot be predicted with certainty; and (f) if the underlying shares do not increase in value, the Option will have no value.

11. Effect of Plan. The Plan is hereby incorporated by reference into these Terms and Conditions, and these Terms and Conditions are subject in all respects to the provisions of the Plan, including without limitation the authority of the Committee to adjust awards and to make interpretations and other determinations with respect to all matters relating to these Terms and Conditions, the applicable Letter Agreements, the Plan, and awards made pursuant thereto. These Terms and Conditions shall apply to grants of Options made to the Option Holder from the date hereof until such time as revised Terms and Conditions are effective.

12. Notice. Notices hereunder shall be in writing and if to the Company shall be addressed to the Secretary of the Company at 7950 Jones Branch Drive, McLean, Virginia 22107 and if to the Option Holder shall be addressed to the Option Holder at his or her address as it appears on the Company's records.

13. Successors and Assigns. The applicable Letter Agreement and these Terms and Conditions shall be binding upon and inure to the benefit of the successors and assigns of the Company and, to the extent provided in Section 8 hereof, to the heirs, legatees and personal representatives of the Option Holder.

14. Change in Control Provisions. Notwithstanding anything to the contrary in these Terms and Conditions, the following provisions shall apply to all Options granted under the attached Letter Agreement:

(a) Definitions. As used in Article 15 of the Plan and in these Terms and Conditions, a “Change in Control” shall mean 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 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 (A) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (B) 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: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or one of its affiliates or (iv) any acquisition pursuant to a transaction that complies with Sections 14(a)(iii)(A), 14(a)(iii)(B) and 14(a)(iii)(C);

(ii) individuals who, as of the date hereof, 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 the date hereof 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, (A) 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, (B) 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 (C) 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 Participant in the Plan who participates in any group conducting a management buyout of Gannett under the terms of which Gannett ceases to be a public company may claim that such buyout is a Change in Control under the Plan and no such Participant shall be entitled to any payments or other benefits under the Plan as a result of such buyout.

(b) Acceleration Provisions. In the event of the occurrence of a Change in Control, all outstanding Options shall become fully exercisable during their remaining term. The benefits that may accrue to the Option Holder under this Section may be affected by the “Limited Vesting” provisions of Sections 15.3 and 15.4 of the Plan.

(c) Legal Fees. The Company shall pay all legal fees, court costs, fees of experts and other costs and expenses when incurred by the Option Holder in connection with any actual, threatened or contemplated litigation or legal, administrative or other proceedings involving the provisions of this Section 14, whether or not initiated by the Option Holder.

15. Grant Subject to Applicable Regulatory Approvals. Any grant of Options under the Plan is specifically conditioned on, and subject to, any regulatory approvals required in the Director's country. These approvals cannot be assured. If necessary approvals for grant or exercise are not obtained, the Options may be canceled or rescinded, or they may expire, as determined by the Company in its sole and absolute discretion.

16. Applicable Laws and Consent to Jurisdiction. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of the State of Delaware without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in Virginia and agree that such litigation shall be conducted in the courts of Fairfax County, Virginia or the federal courts of the United States for the Eastern District of Virginia.

LETTER AGREEMENT

[Date]

The Gannett Board of Directors has approved an award of restricted stock (or deferred restricted stock if you have previously elected to defer this award) to you under the 2001 Omnibus Incentive Compensation Plan, as set forth below.

This Letter Agreement and the enclosed Terms and Conditions effective as of [date], constitute the formal agreement governing this award.

Please sign both copies of this Letter Agreement to evidence your agreement with the terms hereof. Keep one copy and return the other to the undersigned.

Please keep the enclosed Terms and Conditions for future reference. Until further notice they will apply to any future grants you receive.

Restricted Stock Granted:

Location: **Board**

Grant Date: [Date]

Number of Shares:

Vesting Schedule: _____ shares per month, commencing [1st Month after Grant Date]

Gannett Co., Inc.

Director's Signature

By:

Roxanne V. Horning
Vice President/Compensation and Benefits

RESTRICTED STOCK
TERMS AND CONDITIONS FOR DIRECTORS

Under the
Gannett Co., Inc.

2001 Omnibus Incentive Compensation Plan

These Terms and Conditions, dated [date], govern the grant of restricted stock, including the deferred delivery of stock, (in both cases referred to as "Restricted Stock") under the 2001 Omnibus Incentive Compensation Plan (the "Plan") to Gannett directors (each a "Holder"), as set forth below. Terms used herein that are defined in the Plan shall have the meaning ascribed to them in the Plan. If there is any inconsistency between the defined terms of these Terms and Conditions and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms herein.

1. Grant of Restricted Stock. Pursuant to the provisions of (i) the Plan, (ii) the individual Letter Agreements governing each grant, and (iii) these Terms and Conditions, the Company has granted to the Holder the number of shares of common stock of the Company ("Common Stock") in the applicable Letter Agreement and subject to the restrictions set forth therein and in these Terms and Conditions. If the Holder has previously made an election under the Company's Deferred Compensation Plan to defer receipt of the stock pursuant to this grant of Restricted Stock, the issuance of shares pursuant to this grant will be deferred in accordance with the Holder's election and this grant will be deferred Restricted Stock.

2. Forfeiture. Upon a Holder's ceasing to be a Director of the Company for any reason, any shares of Restricted Stock that remain unvested shall be forfeited to the Company, or in the case of deferred Restricted Stock, shall not be issued.

3. Delivery of Share Certificates. Certificates for vested shares will be delivered to the Holder upon the Holder's ceasing to be a Director of the Company. In the case of the death of a Director during the term of his or her directorship, certificates for vested shares will be delivered to the Holder's beneficiary in accordance with Section 11 of the Plan. In the case of deferred Restricted Stock, certificates with regard to vested shares will be delivered to the Holder in accordance with the Holder's election under the Company's Deferred Compensation Plan, but no earlier than the termination of the Holder's directorship.

4. Non-Assignability. Restricted Stock may not be transferred, assigned, pledged or hypothecated, whether by operation of law or otherwise, nor be made subject to execution, attachment or similar process until certificates for vested shares have been delivered to the Holder upon the Holder's ceasing to be a Director of the Company.

5. Rights as a Shareholder. A Holder who has not elected deferred Restricted Stock shall have the right to vote the shares of Restricted Stock and to receive dividends on the Restricted Stock as of the grant date. In the case of deferred Restricted Stock, the Holder shall have no rights as a shareholder until such time as share certificates are issued in the name of the Holder in accordance with the Company's Deferred Compensation Plan. However, the Holder will be credited with amounts equivalent to the dividends on the deferred Restricted Stock pursuant to the Company's Deferred Compensation Plan.

6. Discretionary Plan. The Plan is discretionary in nature and may be suspended or terminated by the Company at any time. With respect to the Plan, (a) each grant of Restricted Stock is a one-time benefit which does not create any contractual or other right to receive future grants of Restricted Stock, or benefits in lieu of Restricted Stock; (b) all determinations with respect to any such future grants, including, but not limited to, the times when Restricted Stock shall be granted, the number of shares subject to each grant, and the times when Restricted Stock becomes vested, will be at the sole discretion of the Company; (c) the Holder's participation in the Plan is voluntary; (d) the Restricted Stock is not part of normal and expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payment, bonuses, long-service awards, pension or retirement benefits, or similar payments; and (e) the future value of the Restricted Stock is unknown and cannot be predicted with certainty.

7. Section 83(b) Election. A Holder who elects to receive Restricted Stock that is not deferred (i.e., does not make an election to defer this award under the Company's Deferred Compensation Plan) may wish to consider an election under Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code"). Under Section 83 of the Code, the fair market value of the Restricted Stock on the date the forfeiture restrictions applicable to such shares lapse will be reportable as ordinary income at that time. The Holder may elect to be taxed at the time the Restricted Stock is acquired rather than when such shares cease to be subject to such forfeiture restrictions by filing an election under Code Section 83(b) with the Internal Revenue

Service within thirty (30) days after the Grant Date. The Holder will have to make a tax payment based on the fair market value of the shares on the grant date. Holders of deferred Restricted Stock do not need to (and cannot) make Section 83(b) elections.

8. Effect of Plan. The Plan is hereby incorporated by reference into these Terms and Conditions, and these Terms and Conditions are subject in all respects to the provisions of the Plan, including without limitation the authority of the Committee to adjust awards and to make interpretations and other determinations with respect to all matters relating to these Terms and Conditions, the applicable Letter Agreements, the Plan, and awards made pursuant thereto. These Terms and Conditions shall apply to grants of Restricted Stock made to the Holder from the date hereof until such time as revised Terms and Conditions are effective.

9. Notice. Notices hereunder shall be in writing and if to the Company shall be addressed to the Secretary of the Company at 7950 Jones Branch Drive, McLean, Virginia 22107 and if to the Holder shall be addressed to the Holder at his or her address as it appears on the Company's records.

10. Successors and Assigns. The applicable Letter Agreement and these Terms and Conditions shall be binding upon and inure to the benefit of the successors and assigns of the Company and, to the extent provided in Section 3 hereof, to the heirs, legatees and personal representatives of the Holder.

11. Change in Control Provisions. Notwithstanding anything to the contrary in these Terms and Conditions, the following provisions shall apply to the Restricted Stock granted under the attached Letter Agreement:

(a) Definitions. As used in Article 15 of the Plan and in these Terms and Conditions, a "Change in Control" shall mean 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 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 (A) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (B) 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: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or one of its affiliates or (iv) any acquisition pursuant to a transaction that complies with Sections 11(a)(iii)(A), 11(a)(iii)(B) and 11(a)(iii)(C);

(ii) individuals who, as of the date hereof, 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 the date hereof 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, (A) 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, (B) 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 (C) 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 Participant in the Plan who participates in any group conducting a management buyout of Gannett under the terms of which Gannett ceases to be a public company may claim that such buyout is a Change in Control under the Plan and no such Participant shall be entitled to any payments or other benefits under the Plan as a result of such buyout.

(b) Acceleration Provisions. In the event of the occurrence of a Change in Control, all shares of Restricted Stock shall become immediately fully vested. The benefits that may accrue to the Holder under this Section may be affected by the "Limited Vesting" provisions of Sections 15.3 and 15.4 of the Plan.

(c) Legal Fees. The Company shall pay all legal fees, court costs, fees of experts and other costs and expenses when incurred by the Holder in connection with any actual, threatened or contemplated litigation or legal, administrative or other proceedings involving the provisions of this Section 11, whether or not initiated by the Holder.

12. Applicable Laws and Consent to Jurisdiction. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of the State of Delaware without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in Virginia and agree that such litigation shall be conducted in the courts of Fairfax County, Virginia or the federal courts of the United States for the Eastern District of Virginia.

LETTER AGREEMENT

[Date]

The Executive Compensation Committee of the Gannett Board of Directors has approved an award to you under the 2001 Omnibus Incentive Compensation Plan, as set forth below.

This Letter Agreement and the enclosed Terms and Conditions effective as of [Date], constitute the formal agreement governing this award.

Please sign both copies of this Letter Agreement to evidence your agreement with the terms hereof. Keep one copy and return the other to the undersigned.

Please keep the enclosed Terms and Conditions for future reference. Until further notice, they will apply to any future grants you receive.

Granted To: Location: Corporate

Options Granted:

Grant Date: [Date] Option Expiration Date: [Tenth Anniversary]

Option Price Per Share: \$

Vesting Schedule: [1st Anniversary]25%
[2nd Anniversary]50%
[3rd Anniversary]75%
[4th Anniversary]100%

Gannett Co., Inc.

By: _____

Employee Signature

Roxanne V. Horning
Vice President/Compensation
and Benefits

STOCK OPTION
TERMS AND CONDITIONS FOR EMPLOYEES

Under the
Gannett Co., Inc.

2001 Omnibus Incentive Compensation Plan

These Terms and Conditions, dated [date], govern the grant of stock options (“Options”) under the 2001 Omnibus Incentive Compensation Plan (the “Plan”) to Gannett employees (the “Option Holder”), as set forth below. Terms used herein that are defined in the Plan shall have the meaning ascribed to them in the Plan. If there is any inconsistency between the defined terms of these Terms and Conditions and the terms of the Plan, the Plan’s terms shall supersede and replace the conflicting terms herein.

1. Grant of Options. Pursuant to the provisions of (i) the Plan, (ii) the individual Letter Agreements governing each grant, and (iii) these Terms and Conditions, the Company has granted to the Option Holder the number of options (“Options”) to purchase the number of shares of common stock of the Company (“Common Stock”) set forth on the applicable Letter Agreement, at the purchase price per share stated in such Letter Agreement (“option price”).

2. Exercisability. Except as otherwise provided in Section 14 below, the Options shall become exercisable as specified in the relevant Letter Agreement. The Options may be partially exercised from time to time within such percentage limitations, but no partial exercise of the Options will be permitted for less than ten shares of Common Stock. In no event shall the Options be exercisable in whole or in part after the Option Expiration Date specified in the relevant Letter Agreement. Upon an Option Holder’s termination of employment with the Company following the Option Holder’s (a) death, (b) permanent disability (as determined under the Company’s Long Term Disability Plan) or (c) retirement at or after age 65 or early retirement at or after age 55 in accordance with the Company’s policies, those Options awarded to the Option Holder will continue to vest and may be exercised as described in Sections 6 and 7 below. Upon any other termination of employment, the Options will be automatically canceled.

3. Method of Exercising Options. The Options may be exercised from time to time by written or electronic notice (in the form prescribed by the Company) delivered to and received by the Company (unless the Option Holder elects to make a “cashless exercise”), which notice shall be signed by the Option Holder and shall state the election to exercise the Options and the

number of whole shares of Common Stock with respect to which the Options are being exercised. Such notice must be accompanied by a check payable to the Company, or such other consideration allowed pursuant to the Plan, in payment of the full option price for the number of shares purchased. As soon as practicable after it receives such notice and payment, as applicable, and following receipt from the Option Holder of payment for any taxes which the Company is required by law to withhold by reason of such exercise, the Company will deliver to the Option Holder a certificate or certificates for the shares of Common Stock so purchased. Options may also be exercised by the delivery of shares in payment of the exercise price or pursuant to a "cashless exercise" procedure, subject to securities law restrictions, or by any other means the Executive Compensation Committee of the Company (the "Committee"), in its sole discretion, determines is consistent with the Plan's purpose and applicable law. The delivery of previously acquired shares may be made by attestation. Payment of any withholding taxes due upon exercise of Options may be made by withholding shares or by attestation.

4. Reduction in Number Of Shares Subject to Options. Upon the exercise of one or more Options, the number of shares of Common Stock subject to the Options shall be reduced one-for-one.

5. Cancellation of Options.

(a) Expiration of Term. On the Expiration Date, the unexercised Options shall be canceled automatically.

(b) Termination of Employment. Except as provided in Sections 6, 7, and 14 below, or except as otherwise determined by the Committee in its sole discretion, the Options shall automatically be canceled upon termination of the Option Holder's employment with the Company or any of its subsidiaries for any reason.

6. Death of Option Holder. Upon the death of the Option Holder, the Options vested at the time of such death may be exercised by the Option Holder's estate, or by a person who acquires the right to exercise the Options by bequest or inheritance or by reason of the death of the Option Holder, provided that such exercise occurs both before the Option Expiration Date and within three years after the Option Holder's death. Any Options not vested as of the Option Holder's death will continue vesting during this post-termination exercise period in accordance with the Options' original vesting schedule. Upon the expiration of such post-termination exercise period, all unexercised vested Options and all unvested Options will be canceled.

7. Retirement or Disability. Upon termination of the Option Holder's employment (i) by reason of permanent disability, as determined under the Company's Long Term Disability Plan, or (ii) retirement at or after age 65 or early retirement at or after age 55 in accordance with the Company's policies, the Options vested at the time of such termination may be exercised by the Option Holder, provided that such exercise occurs both before the Option Expiration Date and within three years after the Option Holder's termination. Any Options not vested as of the date of termination will continue vesting during this post-termination period in accordance with the Options' original vesting schedule. Upon the expiration of such post-termination exercise period, all unexercised vested Options and all unvested Options will be canceled.

8. Non-Assignability. The Options shall not be assignable or transferable by the Option Holder, except by (i) will or by the laws of descent and distribution or (ii) with the consent of the Option Holder, by authorization of, or pursuant to procedures established by, the Committee to a member of the Option Holder's family and/or a trust whose beneficiaries are members of the Option Holder's family or to such other persons or entities as may be approved by the Committee. During the life of the Option Holder, the Options shall be exercisable only by the Option Holder or by the Option Holder's guardian or legal representative or, following a transfer pursuant to (ii) above, by the approved transferee.

9. Rights as a Shareholder. The Option Holder shall have no rights as a shareholder by reason of the Options unless and until certificates for shares of Common Stock are issued to him or her.

10. Discretionary Plan; Employment. The Plan is discretionary in nature and may be suspended or terminated by the Company at any time. With respect to the Plan, (a) each grant of an Option is a one-time benefit which does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options; (b) all determinations with respect to any such future grants, including, but not limited to, the times when the Option shall be granted, the number of shares subject to each Option, the Option price, and the times when each Option shall be exercisable, will be at the sole discretion of the Company; (c) for Option Holders who are Employees, the Option Holder's participation in the Plan shall not create a right to further

employment with the Option Holder's employer and shall not interfere with the ability of the Option Holder's employer to terminate the Option Holder's employment relationship at any time with or without cause; (d) the Option Holder's participation in the Plan is voluntary; (e) the Option is not part of normal and expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payment, bonuses, long-service awards, pension or retirement benefits, or similar payments; (f) the future value of the shares underlying the Options is unknown and cannot be predicted with certainty; and (g) if the underlying shares do not increase in value, the Option will have no value.

11. Effect of Plan. The Plan is hereby incorporated by reference into these Terms and Conditions, and these Terms and Conditions are subject in all respects to the provisions of the Plan, including without limitation the authority of the Committee to adjust awards and to make interpretations and other determinations with respect to all matters relating to these Terms and Conditions, the applicable Letter Agreements, the Plan, and awards made pursuant thereto. These Terms and Conditions shall apply to grants of Options made to the Option Holder from the date hereof until such time as revised Terms and Conditions are effective.

12. Notice. Notices hereunder shall be in writing and if to the Company shall be addressed to the Secretary of the Company at 7950 Jones Branch Drive, McLean, Virginia 22107 and if to the Option Holder shall be addressed to the Option Holder at his or her address as it appears on the Company's records.

13. Successors and Assigns. The applicable Letter Agreement and these Terms and Conditions shall be binding upon and inure to the benefit of the successors and assigns of the Company and, to the extent provided in Sections 6 and 8 hereof, to the heirs, legatees and personal representatives of the Option Holder.

14. Change in Control Provisions. Notwithstanding anything to the contrary in these Terms and Conditions, the following provisions shall apply to all Options granted under the attached Letter Agreement:

(a) Definitions. As used in Article 15 of the Plan and in these Terms and Conditions, a "Change in Control" shall mean 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 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 (A) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (B) 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: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or one of its affiliates or (iv) any acquisition pursuant to a transaction that complies with Sections 14(a)(iii)(A), 14(a)(iii)(B) and 14(a)(iii)(C);

(ii) individuals who, as of the date hereof, 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 the date hereof 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,

(A) 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, (B) 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 (C) 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 Participant in this Plan who participates in any group conducting a management buyout of Gannett under the terms of which Gannett ceases to be a public company may claim that such buyout is a Change in Control under this Plan and no such Participant shall be entitled to any payments or other benefits under this Plan as a result of such buyout.

(b) Acceleration Provisions. In the event of the occurrence of a Change in Control, all outstanding Options shall become fully exercisable during their remaining term. The benefits that may accrue to the Option Holder under this Section may be affected by the "Limited Vesting" provisions of Sections 15.3 and 15.4 of the Plan.

(c) Legal Fees. The Company shall pay all legal fees, court costs, fees of experts and other costs and expenses when incurred by the Option Holder in connection with any actual, threatened or contemplated litigation or legal, administrative or other proceedings involving the provisions of this Section 14, whether or not initiated by the Option Holder.

(d) Employment Agreements. The provisions of this Section 14 shall not be applied to or interpreted in a manner which would decrease the rights held by, or the payments owing to, an Option Holder under an employment agreement with the Company that contains specific provisions applying to Plan awards in the case of any change in control or similar event, and if there is any conflict between the terms of such employment agreement and the terms of this Section 14, the employment agreement shall control.

15. Grant Subject to Applicable Regulatory Approvals. Any grant of Options under the Plan is specifically conditioned on, and subject to, any regulatory approvals required in the Employee's country. These approvals cannot be assured. If necessary approvals for grant or exercise are not obtained, the Options may be canceled or rescinded, or they may expire, as determined by the Company in its sole and absolute discretion.

16. Applicable Laws and Consent to Jurisdiction. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of the State of Delaware without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in Virginia and agree that such litigation shall be conducted in the courts of Fairfax County, Virginia or the federal courts of the United States for the Eastern District of Virginia.

LETTER AGREEMENT

[Date]

The Executive Compensation Committee of the Gannett Board of Directors has approved an award of Performance Shares (referred to herein as "Stock Units") to you under the 2001 Omnibus Incentive Compensation Plan, as set forth below.

This Letter Agreement and the enclosed Terms and Conditions effective as of [date], constitute the formal agreement governing this award.

Please sign both copies of this Letter Agreement to evidence your agreement with the terms hereof. Keep one copy and return the other to the undersigned.

Please keep the enclosed Terms and Conditions for future reference. Until further notice they will apply to any future grants you receive.

Stock Units Granted: Location:

Grant Date:

Stock Unit Commencement Date:

Stock Unit Expiration Date:

Number of Shares:

Gannett Co., Inc.

By: _____
Roxanne V. Horning
Vice President/Compensation
and Benefits

Employee's Signature

STOCK UNITS
TERMS AND CONDITIONS
Under the
Gannett Co., Inc.
2001 Omnibus Incentive Compensation Plan

These Terms and Conditions, dated _____, 2004, govern the grant of Performance Shares (referred to herein as "Stock Units") under the 2001 Omnibus Incentive Compensation Plan (the "Plan") to Gannett employees, as set forth below.

1. Grant of Stock Units. Pursuant to the provisions of (i) the Plan, (ii) the individual Letter Agreements governing each grant, and (iii) these Terms and Conditions, the Company has granted to the Employee the number of Stock Units set forth on the applicable Letter Agreement. Each Stock Unit shall entitle the Employee to receive from the Company one share of the Company's common stock ("Common Stock") upon the expiration of the Incentive Period, as defined below.

2. Incentive Period. Except as otherwise provided in Section 13 below, the Incentive Period in respect of the Stock Units shall commence on the Stock Unit Commencement Date specified in the Letter Agreement and end on the Stock Unit Expiration Date specified in the Letter Agreement.

3. Dividend Equivalents. So long as the Stock Units have not been cancelled, the Employee shall be entitled to receive payment from the Company in an amount equal to each cash dividend the Company would have paid to such Employee had the Employee, on the record date for the payment of such dividend, owned of record the shares of Common Stock which are issuable under such Stock Units. Each such payment shall be made by the Company on the

payment date of the cash dividend in respect of which it is to be made, or as soon as practicable thereafter. Payments under this Section 3 shall be net of all taxes which the Company is required by law to withhold by reason of such payments.

4. Delivery of Shares. The Company shall deliver to the Employee a certificate or certificates for the number of shares of Common Stock equal to the number of Stock Units upon the Stock Unit Expiration Date and upon receipt by the Company from the Employee of payment of the full amount of taxes which the Company is required by law to withhold by reason of such delivery.

5. Cancellation of Stock Units. Except as provided in Sections 6 and 13 below, or except as otherwise determined by the Executive Compensation Committee of the Company (the "Committee") in its sole discretion, all Stock Units granted to the Employee shall automatically be cancelled upon termination of the Employee's employment with the Company or any of its subsidiaries prior to the Stock Unit Expiration Date, and in such event the Employee shall not be entitled to receive any shares of Common Stock in respect thereof.

6. Death, Disability, Retirement, Leaves. In the event that the employment of the Employee shall terminate prior to the Stock Unit Expiration Date by reason of death, permanent disability (as determined under the Company's Long Term Disability Plan) or retirement at or after age 65 or early retirement at or after age 55 in accordance with the Company's policies, the Employee shall be entitled to receive at the time of the Employee's termination of employment the number of shares of Common Stock equal to the product of (i) the total number of shares in respect of such Stock Units which the Employee would have been entitled to receive upon the expiration of the Incentive Period had the Employee's employment not terminated, and (ii) a fraction, the numerator of which shall be the number of full calendar months between the Stock

Unit Commencement Date and the date that employment terminated, and the denominator of which shall be the number of full calendar months from the Stock Unit Commencement Date to the Stock Unit Expiration Date.

In the event that the Employee takes a leave of absence from his or her employment, unless otherwise determined in advance by the Company, the Employee shall be entitled to receive, upon the expiration of the Incentive Period, the number of shares of Common Stock equal to the product of (i) the total number of shares in respect of such Stock Units which the Employee would have been entitled to receive upon the expiration of the Incentive Period had the Employee not taken a leave of absence, and (ii) a fraction, the numerator of which shall be the number of full calendar months from the Stock Unit Commencement Date to the Stock Unit Expiration Date, less the number of full calendar months constituting the leave of absence, and the denominator of which shall be the number of full calendar months from the Stock Unit Commencement Date to the Stock Unit Expiration Date.

7. Non-Assignability. Stock Units may not be transferred, assigned, pledged or hypothecated, whether by operation of law or otherwise, nor may the Stock Units be made subject to execution, attachment or similar process.

8. Rights as a Shareholder. The Employee shall have no rights as a shareholder by reason of the Stock Units unless and until certificates for shares of Common Stock are issued to him or her.

9. Discretionary Plan; Employment. The Plan is discretionary in nature and may be suspended or terminated by the Company at any time. With respect to the Plan, (a) each grant of Stock Units is a one-time benefit which does not create any contractual or other right to receive future grants of Stock Units, or benefits in lieu of Stock Units; (b) all determinations with respect

to any such future grants, including, but not limited to, the times when the Stock Units shall be granted, the number of Stock Units, and the Incentive Period, will be at the sole discretion of the Company; (c) the Employee's participation in the Plan shall not create a right to further employment with the Employee's employer and shall not interfere with the ability of the Employee's employer to terminate the Employee's employment relationship at any time with or without cause; (d) the Employee's participation in the Plan is voluntary; (e) the Stock Units are not part of normal and expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payment, bonuses, long-service awards, pension or retirement benefits, or similar payments; and (f) the future value of the Stock Units is unknown and cannot be predicted with certainty.

10. Effect of Plan and these Terms and Conditions. The Plan is hereby incorporated by reference into these Terms and Conditions, and these Terms and Conditions are subject in all respects to the provisions of the Plan, including without limitation the authority of the Committee to adjust awards and to make interpretations and other determinations with respect to all matters relating to the applicable Letter Agreements, these Terms and Conditions, the Plan and awards made pursuant thereto. These Terms and Conditions shall apply to grants of Stock Units made to the Employee from the date hereof until such time as revised Terms and Conditions are effective.

11. Notices. Notices hereunder shall be in writing and if to the Company shall be addressed to the Secretary of the Company at 7950 Jones Branch Drive, McLean, Virginia 22107, and if to the Employee shall be addressed to the Employee at his or her address as it appears on the Company's records.

12. Successors and Assigns. The applicable Letter Agreement and these Terms and Conditions shall be binding upon and inure to the benefit of the successors and assigns of the

Company and, to the extent provided in Sections 6 and 7 hereof, to the heirs, legatees and personal representatives of the Employee.

13. Change in Control Provisions.

Notwithstanding anything to the contrary in these Terms and Conditions, the following provisions shall apply to all Stock Units granted under the attached Letter Agreement.

(a) Definitions.

As used in Article 15 of the Plan and in these Terms and Conditions, a “Change in Control” shall mean 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 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 (A) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (B) 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: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or one of its affiliates or (iv) any acquisition pursuant to a transaction that complies with Sections 13(a)(iii)(A), 13(a)(iii)(B) and 13(a)(iii)(C);

(ii) individuals who, as of the date hereof, 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 the date hereof 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, (A) 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, (B) 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 (C) 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 Participant in the Plan who participates in any group conducting a management buyout of Gannett under the terms of which Gannett ceases to be a public company may claim that such buyout is a Change in Control under the Plan and no such Participant shall be entitled to any payments or other benefits under the Plan as a result of such buyout.

(b) Acceleration Provisions. In the event of the occurrence of a Change in Control, the vesting of the Stock Units shall be accelerated and subject to Section 13(c), there shall be paid out to the Employee within thirty (30) days following the effective date of the Change in Control, the full number of shares of Common Stock subject to the Stock Units.

(c) Limitation on Acceleration and Payment.

The benefits that may accrue to the Employee under this Section 13 may be affected by the "Limited Vesting" provisions of Sections 15.3 and 15.4 of the Plan.

(d) Legal Fees. The Company shall pay all legal fees, court costs, fees of experts and other costs and expenses when incurred by Employee in connection with any actual, threatened or

contemplated litigation or legal, administrative or other proceedings involving the provisions of this Section 13, whether or not initiated by the Employee.

(e) Employment Agreements. The provisions of this Section 13 shall not be applied to or interpreted in a manner which would decrease the rights held by, or the payments owing to, an Employee under an employment agreement with the Company that contains specific provisions applying to Plan awards in the case of any change in control or similar event, and if there is any conflict between the terms of such employment agreement and the terms of this Section 13, the employment agreement shall control.

14. Grant Subject to Applicable Regulatory Approvals. Any grant of Stock Units under the Plan is specifically conditioned on, and subject to, any regulatory approvals required in the Employee's country. These approvals cannot be assured. If necessary approvals for grant or payment are not obtained, the Stock Units may be cancelled or rescinded, or they may expire, as determined by the Company in its sole and absolute discretion.

15. Applicable Laws and Consent to Jurisdiction. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of the State of Delaware without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in Virginia and agree that such litigation shall be conducted in the courts of Fairfax County, Virginia or the federal courts of the United States for the Eastern District of Virginia.

AWARD AGREEMENT

[Date]

The Executive Compensation Committee of the Gannett Board of Directors has approved an award to you under the 2001 Omnibus Incentive Compensation Plan as amended by the Rules for employees of the Subsidiaries of Gannett U.K. Limited (hereinafter referred to collectively as the "U.K. Sub-Plan"), as set forth below.

This Award Agreement and the enclosed Terms and Conditions effective as of [date], constitute the formal agreement governing this award.

Please sign both copies of this Award Agreement to evidence your agreement with the terms hereof. Keep one copy and return the other to Gannett's Compensation Department, attention Sonia E. Kelly.

Please keep the enclosed Terms and Conditions for future reference. Until further notice, they will apply to any future grants you receive.

Granted To: _____ Employee Location: _____

Options Granted: _____

Grant Date: [date] Option Expiration Date: [10th Anniversary]

Option Price Per Share: \$ _____

Vesting Schedule:	[1st Anniversary]	25%
	[2nd Anniversary]	50%
	[3rd Anniversary]	75%
	[4th Anniversary]	100%

Gannett Co., Inc.

By: _____

Employee Signature

Roxanne V. Horning
Vice President/Compensation
and Benefits

STOCK OPTION
TERMS AND CONDITIONS
Under the
Gannett Co., Inc. ("the Company")
2001 Omnibus Incentive Compensation Plan
Rules for employees of the subsidiaries of Gannett U.K. Limited

These Terms and Conditions, dated [date], govern the grant of stock options ("Options") under the 2001 Omnibus Incentive Compensation Plan (the "Plan") as amended by the Rules for employees of the Subsidiaries of Gannett U.K. Limited (hereinafter referred to collectively as the 'U.K. Sub-Plan'), as set forth below. Terms used herein that are defined in the U.K. Sub-Plan shall have the meaning ascribed to them in the U.K. Sub-Plan. If there is any inconsistency between the defined terms of these Terms and Conditions and the terms of the U.K. Sub-Plan, the U.K. Sub-Plan's terms shall supersede and replace the conflicting terms herein.

1. Grant of Options. Pursuant to the provisions of (i) the U.K. Sub-Plan, (ii) the individual Award Agreements governing each grant, and (iii) these Terms and Conditions, the Company has granted to the Option Holder the number of options ("Options") to purchase the number of shares of common stock of the Company ("Common Stock") set forth on the applicable Award Agreement, at the purchase price per share stated in such Award Agreement ("Option price").

2. Exercisability. Except as otherwise provided in Section 14 below, the Options shall become exercisable as specified in the relevant Award Agreement. The Options may be partially exercised from time to time within such percentage limitations, but no partial exercise of the Options will be permitted for less than ten shares of Common Stock. In no event shall the Options be exercisable in whole or in part after the Option Expiration Date specified in the relevant Award Agreement. Upon an Option Holder's termination of employment with the Company following the Option Holder's (a) death, (b) injury or disability (as determined under the Company's Long Term Disability Plan), or (c) retirement at or after age 65 or early retirement at or after age 55 in accordance with the Company's policies those Options awarded to the Option Holder will continue to vest and may be exercised as described in Sections 6 and 7 below. Upon any other termination of employment, the Options will be automatically cancelled.

3. Method of Exercising Options. The Options may be exercised from time to time by written or electronic notice (in the form prescribed by the Company) delivered to and received by the Company (unless the Option Holder elects to make a “cashless exercise”), which notice shall be signed by the Option Holder and shall state the election to exercise the Options and the number of whole shares of Common Stock with respect to which the Options are being exercised. Such notice must be accompanied by a check payable to the Company, or such other consideration as may be provided under the U.K. Sub-Plan, in payment of the full Option price for the number of shares purchased. As soon as practicable after it receives such notice and payment, the Company will deliver to the Option Holder a certificate or certificates for the shares of Common Stock so purchased. The Option Holder may exercise pursuant to a “cashless exercise” procedure, subject to securities law restrictions.

4. Reduction in Number Of Shares Subject to Options. Upon the exercise of one or more rights related to Options which have been awarded to the Option Holder on the Grant Date (as specified in the relevant Award Agreement), pursuant to the U.K. Sub-Plan, the number of shares of Common Stock subject to the Options shall be reduced one-for-one.

5. Cancellation of Options.

(a) Expiration of Term. On the Expiration Date, the unexercised Options shall be canceled automatically to the extent not yet exercised.

(b) Termination of Employment. Except as provided in Sections 6, 7, and 14 below, or except as otherwise determined by the Executive Compensation Committee of the Board of Directors (the “Committee”) in its sole discretion, the Options shall automatically be cancelled upon termination of the Option Holder’s employment with the Company or any of its subsidiaries for any reason.

6. Death of Option Holder. Upon the death of the Option Holder, the Options vested at the time of such death may be exercised by the Option Holder’s personal representative, provided that such exercise occurs both before the Option Expiration Date and within one year after the Option Holder’s death. Any Options not vested as of the Option Holder’s death will continue vesting during a period of 12 months after the option holder’s death, and to the extent vested may be exercised by the holder’s personal representatives during that period. Upon the expiration of such twelve month period, all unexercised vested Options and all unvested Options will be cancelled.

7. Retirement, Disability or Redundancy. Upon termination of the Option Holder's employment (i) by reason of permanent disability, as determined under the Company's Long Term Disability Plan, or (ii) on retirement at or after age 65 or early retirement at or after age 55 in accordance with the Company's policies, the Options vested at the time of such termination may be exercised by the Option Holder, provided that such exercise occurs both before the Option Expiration Date and within three years after the Option Holder's termination. Any Options not vested as of the date of termination will continue vesting during this post-termination period in accordance with the Options' original vesting schedule. Upon the expiration of such post-termination exercise period, all unexercised vested Options and all unvested Options will be cancelled. Upon termination of an Option Holder's employment by reason of redundancy, any Options held at the time of such termination shall lapse immediately.

8. Non-Assignability. The Options shall not be assignable or transferable by the Option Holder. During the life of the Option Holder, the Options shall be exercisable only by the Option Holder or by the Option Holder's guardian or legal representative.

9. Rights as a Shareholder. The Option Holder shall have no rights as a shareholder by reason of the Options unless and until certificates for shares of Common Stock are issued to him or her.

10. Right to Terminate Employment. Nothing in the U.K. Sub-Plan, the relevant Award Agreement or in these Terms and Conditions shall confer on the Option Holder the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the Option Holder.

11. Effect of U.K. Sub-Plan. The U.K. Sub-Plan is hereby incorporated by reference into these Terms and Conditions, and these Terms and Conditions are subject in all respects to the provisions of the U.K. Sub-Plan, including without limitation the authority of the Committee to adjust awards and to make interpretations and other determinations with respect to all matters relating to these Terms and Conditions, the applicable Award Agreements, the U.K. Sub-Plan, and awards made pursuant thereto. These Terms and Conditions shall apply to grants of Options made to the Option Holder from the date hereof until such time as revised Terms and Conditions are effective.

12. Notice. Notices hereunder shall be in writing and if to the Company shall be addressed to the Secretary of the Company: 7950 Jones Branch Drive, McLean, Virginia 22107 and if to the Option Holder shall be addressed to the Option Holder at his or her address as it appears on the Company's records.

13. Successors and Assigns. The applicable Award Agreement and these Terms and Conditions shall be binding upon and inure to the benefit of the successors and assigns of the Company and, to the extent provided in Sections 6 and 8 hereof, to the heirs, legatees and personal representatives of the Option Holder.

14. Change in Control Provisions. Notwithstanding anything to the contrary in these Terms and Conditions, the following provisions shall apply to all Options granted under the attached Award Agreement:

As used in Article 15 of the Plan and in these Terms and Conditions, a "Change in Control" means the first to occur of the following:

(a) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of 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 (i) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) 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 Sections 14(c)(i), 14(c)(ii) and 14(c)(iii);

(b) individuals who, as of the date hereof, 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 the date hereof 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;

(c) 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, (i) 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, (ii) 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 (iii) 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

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

No Option Holder 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 and no such Option Holder shall be entitled to any payments or other benefits under this Plan as a result of such buyout.

Acceleration Provisions. In the event of the occurrence of a Change in Control, all outstanding Options shall become fully exercisable during their remaining term.

Legal Fees. The Company shall pay all legal fees, court costs, fees of experts and other costs and expenses when incurred by the Option Holder in connection with any actual, threatened or contemplated litigation or legal, administrative or other proceedings involving the provisions of this Section 14, whether or not initiated by the Option Holder.

Employment Agreements. The provisions of this Section 14 shall not be applied to or interpreted in a manner which would decrease the rights held by, or the payments owing to, an Option Holder under an employment agreement with the Company that contains specific provisions applying to U.K. Sub-Plan awards in the case of any change in control or similar event, and if there is any conflict between the terms of such employment agreement and the terms of this Section 14, the employment agreement shall control.

15. Grant Subject to Applicable Regulatory Approvals. Any grant of Options under the U.K. Sub-Plan is specifically conditioned on, and subject to, any regulatory approvals required in the Employee's country. These approvals cannot be assured. If necessary approvals for grant or exercise are not obtained, the Options may be cancelled or rescinded, or they may expire, as determined by the Company in its sole and absolute discretion.

16. Applicable Laws and Consent to Jurisdiction. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of the State of Delaware without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in Virginia and agree that such litigation shall be conducted in the courts of Fairfax County, Virginia or the federal courts of the United States for the Eastern District of Virginia.

CALCULATION OF EARNINGS PER SHARE

Gannett Co., Inc. and Subsidiaries

Unaudited, in thousands of dollars (except per share amounts)

	Thirteen weeks ended	
	Sept. 26, 2004	Sept. 28, 2003
<i>Basic earnings:</i>		
Net income	\$ 310,209	\$ 279,032
Weighted average number of common shares outstanding	261,146	269,815
Earnings per share - basic	\$ 1.19	\$ 1.03
<i>Diluted earnings:</i>		
Net income	\$ 310,209	\$ 279,032
Weighted average number of common shares outstanding	261,146	269,815
Dilutive effect of outstanding stock options and stock incentive rights	2,658	2,359
Weighted average number of shares outstanding, as adjusted	263,804	272,174
Earnings per share - diluted	\$ 1.18	\$ 1.03
	Thirty-nine weeks ended	
	Sept. 26, 2004	Sept. 28, 2003
<i>Basic earnings:</i>		
Net income	\$ 939,049	\$ 853,175
Weighted average number of common shares outstanding	267,898	268,947
Earnings per share - basic	\$ 3.51	\$ 3.17
<i>Diluted earnings:</i>		
Net income	\$ 939,049	\$ 853,175
Weighted average number of common shares outstanding	267,898	268,947
Dilutive effect of outstanding stock options and stock incentive rights	2,964	2,167
Weighted average number of shares outstanding, as adjusted	270,862	271,114
Earnings per share - diluted	\$ 3.47	\$ 3.15

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 report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) 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 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: November 3, 2004

/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 report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) 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 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: November 3, 2004

/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 quarter ended September 26, 2004 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

November 3, 2004

**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 quarter ended September 26, 2004 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

November 3, 2004