SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended July 1, 2001 or

_ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _______ to _________

Commission file number 1-6961

GANNETT CO., INC.
(Exact name of registrant as specified in its charter)

Delaware	16-0442930
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

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

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

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

The number of shares outstanding of the issuer's Common Stock, Par Value $1.00, as of July 1, 2001 was 264,772,128.

PART I. FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS

OPERATING SUMMARY

Recent acquisitions continued to have a significant impact on operating results comparisons for the second quarter of 2001 versus the second quarter of 2000. The company completed the Newscom acquisition in June 2000; the Thomson acquisition in July 2000; and the Central acquisition in August 2000.

Operating revenues rose by $179.4 million or 12% for the second quarter and $433.1 million or 16% for the year-to-date . Operating income from continuing operations fell by $8.3 million or 2% for the second quarter and increased by $2.2 million, less than 1%, for the year-to-date. Newspaper publishing earnings were up $14.9 million or 4% for the quarter and $36.3 million or 5% for the year-to-date, reflecting the positive impact from the recently acquired Newscom, Thomson and Central operations, tempered by lower ad revenues in U.S. markets and higher newsprint prices. Television earnings were down $24.9 million or 24% for the quarter and were down $36.7 million or 22% for the year-to-date due to advertising revenue declines.

Income from continuing operations declined by $32.3 million or 12% for the quarter and $60.8 million or 13% for the year-to-date. Earnings per share (diluted) from continuing operations were $0.88 for the second quarter and $1.53 for the year-to-date, down 12% for each period.

Income from continuing operations for the second quarter and year-to-date was adversely impacted by the softening of newspaper and television advertising revenue. As noted in the pro forma newspaper revenue discussions below, all major ad categories were down for the quarter and the year-to-date. Classified revenues (principally employment) show the sharpest decline. The company does not foresee changes in the general economic environment that are likely to lead to an improvement in the newspaper revenue outlook for the coming months.

Likewise, television revenue comparisons have suffered because of weak demand. For the balance of 2001, television revenue comparisons are expected to deteriorate further as the second half of 2000 benefited from strong political advertising and the Olympics.

Because of the current revenue outlook, the company does not expect to reach the earnings level reported for the third and fourth quarters of 2000.

NEWSPAPERS

Reported newspaper publishing revenues rose $206.1 million or 17% for the quarter and $471.0 million or 20% for the year-to-date, reflecting increased revenues from the newly acquired properties, tempered by softer domestic advertising demand. Newspaper advertising revenues increased $146.0 million or 16% for the quarter and $336.6 million or 19% for the year-to-date. Refer to Note 6 for Business Segment Information.

The tables below provide, on a pro forma basis, details of newspaper ad revenue, including revenues from the Newscom, Thomson and Central properties, for the second quarter and the first six months of 2001 and 2000. Advertising linage and preprint distribution details are also provided below; however, linage and preprint distribution for the U.K. publications are not included.

Advertising revenue, in thousands of dollars (pro forma)

Second Quarter	2001	2000	% Change
Local	$ 463,421	$ 478,591	(3)
National	189,241	212,433	(11)
Classified	454,318	498,865	(9)
Total ad revenue	$1,106,980	$1,189,889	(7)

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

Second Quarter	2001	2000	% Change
Local	9,996	10,394	(4)
National	1,036	1,171	(12)
Classified	13,987	14,542	(4)
Total Run-of-Press linage	25,019	26,107	(4)
Preprint distribution	2,482	2,565	(3)

Advertising revenue, in thousands of dollars (pro forma)

Year-to-date	2001	2000	% Change
Local	$ 899,132	$ 915,270	(2)
National	364,669	408,472	(11)
Classified	913,317	974,423	(6)
Total ad revenue	$2,177,118	$2,298,165	(5)

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

Year-to-date	2001	2000	% Change
Local	19,284	20,275	(5)
National	1,947	2,239	(13)
Classified	27,293	28,189	(3)

Total Run-of-Press linage	48,524	50,703	(4)
Preprint distribution	4,905	4,957	(1)

Pro forma newspaper advertising revenues decreased 7% for the quarter and 5% for the year-to-date. Local ad revenues decreased 3% on a 4% decrease in volume for the quarter and decreased 2% on a 5% decline in volume for the year-to-date. National ad revenues decreased 11% for the quarter on a volume decrease of 12%, with year-to-date revenues down by 11% on a volume decrease of 13%. Classified ad revenues decreased 9% for the quarter on a volume decrease of 4%, with year-to-date revenues down by 6% on a volume decrease of 3%. Advertising results reflect advertiser reluctance to spend in an uncertain economic environment, and the continuing economic downturn adversely impacted revenues at most domestic Gannett operations, particularly in the classified employment category. USA TODAY advertising revenues declined 19% for the quarter and for the year-to-date. Reported revenues from the company's U.K. operations benefited from strong advertising demand, but were unfavorably impacted by a decline in the exchange rate for Sterling. If the exchange rate had remained constant year-over-year, total company pro forma advertising revenues would have declined 6% for the quarter and 4% for the year-to-date.

Reported newspaper circulation revenues increased $54.5 million or 22% for the quarter and $113.4 million or 22% for the year-to-date, reflecting the impact of the acquisitions. On a pro forma basis, newspaper circulation revenues decreased 1% for the quarter and for the year-to-date. Pro forma net paid daily circulation for the company's local domestic newspapers decreased 2% for the second quarter and 1% for the first half of the year, with Sunday circulation down 2% for both the quarter and the year-to-date. USA TODAY reported an average daily paid circulation of 2,291,297 in the ABC Publisher's statement for the 27 weeks ended April 1, 2001, a 0.4% increase over the comparable period a year ago.

Operating costs for the newspaper segment increased $191.2 million or 22% for the quarter and $434.7 million or 25% for the year-to-date, largely due to the added costs from the new properties and higher newsprint prices, offset by tight cost controls. Total pro forma newspaper segment expense, excluding newsprint, declined approximately 7% for the quarter and 6% for the year-to-date. In total, newsprint expense increased by 27% for the quarter and 31% for the year-to-date due to a 6% and 9% increase in consumption for the quarter and year-to-date, respectively, reflecting usage by the new properties, and substantially higher year-over-year prices. The company expects newsprint prices to remain higher for the rest of 2001 as compared to the prior year, but the year-over-year increases are expected to be at a reduced level.

Newspaper operating income increased $14.9 million or 4% for the second quarter and $36.3 million or 5% for the year-to-date, reflecting the positive impact of earnings from recently acquired properties, partially offset by softer domestic advertising demand and higher newsprint prices.

TELEVISION

Reported television revenues decreased $26.7 million or 13% for the second quarter and $37.9 million or 10% for the year-to-date, mainly due to the reluctance of advertisers, principally national advertisers, to spend in this uncertain economic environment. National advertising revenues decreased 21% for the quarter and 18% for the year-to-date, while local advertising revenues decreased 8% for the quarter and 6% for the year-to-date.

Television operating costs for the quarter decreased $1.9 million or 2% and decreased $1.2 million or 1% for the year-to-date. Reported television operating income declined by $24.9 million or 24% for the quarter and $36.7 million or 22% for the year-to-date.

NON-OPERATING INCOME AND EXPENSE/PROVISION FOR INCOME TAXES

Interest expense was $61.7 million in the second quarter of 2001 versus $22.7 million in the second quarter of 2000 and was $142.2 million for the first half of 2001 versus $42.8 million for the first half of 2000 due to increased commercial paper borrowings for the 2000 acquisitions and share repurchases, tempered by lower interest rates. The daily average commercial paper outstanding balance was $5.31 billion during the second quarter of 2001 and $1.25 billion during the second quarter of 2000. For the first half of 2001 and 2000, the daily average commercial paper outstanding balance was $5.36 billion and $1.18 billion, respectively. The weighted average interest rate was 4.4% for the second quarter of 2001 and 6.4% for the second quarter of 2000. For the first half of 2001 and 2000, the weighted average interest rate was 5.16% and 6.13%, respectively.

The company's effective income tax rate was 39.4% for the second quarter of 2001 versus 39.6% for the same period last year, reflecting lower state taxes and lower taxes on foreign operations.

NET INCOME

Income from continuing operations was down $32.3 million or 12% for the quarter and $60.8 million or 13% for the first half of 2001. Diluted earnings per share from continuing operations decreased to $0.88 from $1.00 for the second quarter and to $1.53 from $1.73 for the first half of the year, both 12% declines.

In the first half of 2000, after-tax income from the operation of the discontinued cable business of $2.4 million and an after-tax gain from the sale of the cable business of $744.7 million contributed $2.75 per share (diluted).

The weighted average number of diluted shares outstanding in the second quarter of 2001 totaled 266,754,000, compared to 266,294,000 for the second quarter of 2000. The weighted average number of diluted shares outstanding in the first half of 2001 totaled 266,585,000, compared to 271,234,000 for the first half of 2000.

In February 2000, the company announced authorizations to repurchase up to $1 billion of its common stock and during the first six months of 2000, the company repurchased approximately 14.7 million shares of common stock at a cost of approximately $967.2 million. There were no stock repurchases during the first half of 2001. 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 AND CAPITAL RESOURCES

The company's consolidated operating cash flow (defined as operating income plus depreciation and amortization of intangible assets), as reported in the accompanying Business Segment Information, totaled $556.9 million for the second quarter of 2001, compared with $537.1 million for the same period of 2000, a 4% increase. The company's consolidated operating cash flow for the year-to-date totaled $1,037.5 million for the first half of 2001, compared with $975.0 million for the first half of 2000, a 6% increase. The increase in cash flow reflects the solid operating cash flow contributions from the recently acquired properties and lower interest rates on related borrowings.

Capital expenditures totaled $146.4 million for the first half of 2001, compared to $122.2 million for the first half of 2000. During the first half of 2001, the company made payments of $133.0 million related to several small acquisitions and additional share purchases of WKYC-TV. The company's debt decreased by $330.7 million during the first six months of 2001, reflecting the pay-down of commercial paper borrowings from operating cash flow.

The company's foreign currency translation adjustment, included in accumulated other comprehensive income and reported as part of shareholders' equity, totaled ($134.5 million) at the end of the second quarter versus ($66.4 million) at the end of 2000, reflecting a weakening of Sterling against the U.S. dollar since the end of the year 2000. Newsquest's assets and liabilities at July 1, 2001 were translated from Sterling to U.S. dollars at an exchange rate of $1.42 versus $1.49 at the end of 2000. Newsquest's financial results were translated at an average rate of $1.42 for the second quarter of 2001 versus $1.54 for the second quarter of 2000, and at an average rate of $1.44 for the first half of 2001 versus $1.57 for the first half of 2000.

The company's regular quarterly dividend of $0.22 per share was declared in the second quarter of 2001, totaling $58.2 million.

OTHER MATTERS

Refer to Note 2 for a discussion of new accounting standards.

CERTAIN FACTORS AFFECTING FORWARD-LOOKING STATEMENTS

Certain statements in the company's 2000 Annual Report to Shareholders, its Annual Report on Form 10-K, and in this Quarterly Report contain forward-looking information. The words "expect", "intend", "believe", "anticipate", "likely", "will" and similar expressions generally identify forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results and events to differ materially from those anticipated in the forward-looking statements.

Potential risks and uncertainties which could adversely affect the company's ability to obtain these results include, without limitation, the following factors: (a) increased consolidation among major retailers or other events which may adversely affect business operations of major customers and depress the level of local and national advertising; (b) a continued economic downturn in some or all of the company's principal newspaper or television markets leading to decreased circulation or local, national or classified advertising; (c) a decline in general newspaper readership patterns as a result of competitive alternative media or other factors; (d) an increase in newsprint or syndication programming costs over the levels anticipated; (e) labor disputes which may cause revenue declines or increased labor costs; (f) acquisitions of new businesses or dispositions of existing businesses; (g) a decline in viewership of major networks and local news programming; (h) rapid technological changes and frequent new product introductions prevalent in electronic publishing; (i) an increase in interest rates; (j) a weakening in the Sterling to U.S. dollar exchange rate; and (k) general economic and business conditions.

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

	July 1, 2001	Dec. 31, 2000
ASSETS		
Cash	$ 72,648	$ 69,954
Marketable securities	78,010	123,242
Trade receivables, less allowance (2001 - $33,569; 2000 - $37,465)	802,318	875,363
Inventories	138,883	128,321
Prepaid expenses and other receivables	93,236	105,456
Total current assets	1,185,095	1,302,336
Property, plant and equipment		
Cost	4,264,050	4,135,201
Less accumulated depreciation	(1,773,173)	(1,673,802)
Net property, plant and equipment	2,490,877	2,461,399
Intangible and other assets		
Excess of acquisition cost over the value of assets acquired, less amortization	8,634,739	8,740,804
Investments and other assets	483,475	475,872
Total intangible and other assets	9,118,214	9,216,676
Total assets	$ 12,794,186	$ 12,980,411

LIABILITIES & SHAREHOLDERS' EQUITY		
Accounts payable and current portion of film contracts payable	$ 316,132	$ 493,243
Compensation, interest and other accruals	273,317	325,904
Dividend payable	58,294	58,118
Income taxes	296,351	144,599
Deferred income	149,521	152,137
Total current liabilities	1,093,615	1,174,001
Deferred income taxes	268,046	274,829
Long-term debt	5,417,192	5,747,856
Postretirement medical and life insurance liabilities	403,241	403,528
Other long-term liabilities	265,499	276,787
Total liabilities	7,447,593	7,877,001
Shareholders' Equity		
Preferred stock of $1 par value per share. Authorized 2,000,000 shares; issued - none.		
Common stock of $1 par value per share. Authorized 400,000,000; issued, 324,420,732 shares.	324,421	324,421
Additional paid in capital	176,123	170,715
Retained earnings	7,287,524	6,995,965
Accumulated other comprehensive loss	(132,940)	(66,274)
Total	7,655,128	7,424,827
Less treasury stock - 59,648,604 shares and 60,148,871 shares respectively, at cost	(2,297,279)	(2,307,793)
Deferred compensation related to ESOP	(11,256)	(13,624)
Total shareholders' equity	5,346,593	5,103,410
Total liabilities and shareholders' equity	$ 12,794,186	$ 12,980,411

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

	Thirteen weeks ended		% Inc
	July 1, 2001	June 25, 2000	(Dec)
Net Operating Revenues:			
Newspaper advertising	$ 1,057,899	$ 911,949	16.0
Newspaper circulation	306,019	251,524	21.7
Television	178,692	205,413	(13.0)
Other	84,622	78,921	7.2
Total	1,627,232	1,447,807	12.4
Operating Expenses:			
Cost of sales and operating expenses, exclusive of depreciation	824,030	683,084	20.6
Selling, general and administrative expenses, exclusive of depreciation	246,324	227,593	8.2
Depreciation	51,059	47,070	8.5
Amortization of intangible assets	59,457	35,379	68.1
Total	1,180,870	993,126	18.9
Operating income	446,362	454,681	(1.8)
Non operating income (expense):			
Interest expense	(61,728)	(22,666)	172.3
Other	528	7,947	(93.4)
Total	(61,200)	(14,719)	315.8
Income before income taxes	385,162	439,962	(12.5)
Provision for income taxes	151,700	174,200	(12.9)
Net income	$ 233,462	$ 265,762	(12.2)
Net income per share-basic	$0.88	$1.01	(12.9)
Net income per share-diluted	$0.88	$1.00	(12.0)
Dividends per share	$0.22	$0.21	4.8

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

	Twenty six weeks ended		% Inc
	July 1, 2001	June 25, 2000	(Dec)
Net Operating Revenues:			
Newspaper advertising	$ 2,078,833	$ 1,742,199	19.3
Newspaper circulation	619,028	505,670	22.4
Television	334,305	372,202	(10.2)
Other	170,014	149,056	14.1
Total	3,202,180	2,769,127	15.6
Operating Expenses:			
Cost of sales and operating expenses, exclusive of depreciation	1,663,577	1,350,570	23.2
Selling, general and administrative expenses, exclusive of depreciation	501,062	443,535	13.0
Depreciation	104,340	93,678	11.4
Amortization of intangible assets	118,800	69,145	71.8
Total	2,387,779	1,956,928	22.0
Operating income	814,401	812,199	0.3
Non operating income (expense):			
Interest expense	(142,170)	(42,841)	231.9
Other	976	6,621	(85.3)
Total	(141,194)	(36,220)	289.8
Income before income taxes	673,207	775,979	(13.2)
Provision for income taxes	265,200	307,200	(13.7)
Income from continuing operations	408,007	468,779	(13.0)
Discontinued Operations:			
Income from the operation of discontinued operations, net of tax		2,437	--
Gain on sale of cable business, net of tax		744,700	--
Net income	$ 408,007	$ 1,215,916	(66.4)
Earnings from continuing operations per share basic	$1.54	$1.74	(11.5)
Earnings from discontinued operations:			
Discontinued operations per share basic		$0.01	
Gain on sale of cable business per share basic		$2.77	
Net income per share basic	$1.54	$4.52	(65.9)
Earnings from continuing operations per share diluted	$1.53	$1.73	(11.6)
Earnings from discontinued operations:			

Discontinued operations per share diluted		$0.01	
Gain on sale of cable business per share diluted		$2.74	
	-----	-----	-------
Net income per share diluted	$1.53	$4.48	(65.8)
	=====	=====	=======
Dividends per share	$0.44	$0.42	4.8
	=====	=====	=======

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

	Twenty six weeks ended July 1, 2001	Twenty six weeks ended June 25, 2000
Cash flows from operating activities		
Net income	$ 408,007	$ 1,215,916
Adjustments to reconcile net income to operating cash flows:		
Discontinued operations	0	(747,137)
Income taxes on sale of cable division	0	(889,301)
Depreciation	104,340	93,678
Amortization of intangibles	118,800	69,145
Deferred income taxes	(6,783)	(165,565)
Other, net	56,876	153,822
Net cash flow provided by (used for) operating activities	681,240	(269,442)
Cash flows from investing activities		
Purchase of property, plant and equipment	(146,443)	(122,206)
Payments for acquisitions, net of cash acquired	(133,041)	(543,110)
Change in other investments	(8,564)	(42,969)
Proceeds from sale of certain assets	0	2,714,362
Collection of long term receivables	0	1,900
Net cash (used for) provided by investing activities	(288,048)	2,007,977
Cash flows from financing activities		
Payment of long term debt	(330,664)	(392,588)
Dividends paid	(116,271)	(114,913)
Cost of common shares repurchased	0	(967,242)
Proceeds from issuance of common stock	15,922	8,697
Net cash used for financing activities	(431,013)	(1,466,046)
Effect of currency exchange rate change	(4,717)	(994)
Net (decrease) increase in cash and cash equivalents	(42,538)	271,495
Balance of cash and cash equivalents at beginning of year	193,196	46,160
Balance of cash and cash equivalents at end of second quarter	$ 150,658	317,655

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

July 1, 2001

1. Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with the instructions for Form 10-Q and, therefore, do not include all information and footnotes which are normally included in the Form 10-K and annual report to shareholders. The financial statements covering the 13-week and 26-week periods ended July 1, 2001, and the comparative periods of 2000, 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. Accounting Standards

In July 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141 (SFAS No. 141), "Business Combinations", and No. 142 (SFAS No. 142), "Goodwill and Other Intangible Assets." SFAS No. 141 addresses financial accounting and reporting for goodwill and other intangible assets acquired in a business combination. SFAS No. 141 requires the purchase method of accounting to be used for all business combinations initiated after June 30, 2001, and establishes specific criteria for the recognition of intangible assets separately from goodwill. SFAS No. 141 is effective for all business combinations initiated after June 30, 2001, and for all business combinations accounted for by the purchase method for which the date of acquisition is after June 30, 2001.

SFAS No. 142 addresses financial accounting and reporting for goodwill and other intangible assets subsequent to their acquisition. SFAS No. 142 provides that goodwill and intangible assets which have indefinite useful lives will not be amortized but rather will be tested at least annually for impairment. The company will adopt SFAS No. 142 effective December 31, 2001, the first day of its fiscal year 2002. The company is currently evaluating the provisions of this standard and has not yet determined the effects of these changes on the company's financial position or results of operations but expects a substantial reduction to its amortization expense beginning in 2002.

3. 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 $234.4 million for the second quarter of 2001 and $201.7 million for the second quarter of 2000. Other comprehensive income and losses relate to foreign currency translation adjustments and unrealized gains or losses on available-for-sale securities, net of tax. The accumulated other comprehensive income and losses were net of a deferred income tax liability of $0.6 million for the second quarter of 2001 and a deferred tax asset of $41.0 million for the second quarter of 2000.

Comprehensive income totaled $341.3 million for the first half of 2001 and $1,136.4 million for the first half of 2000. The accumulated other comprehensive losses were net of a deferred income tax asset of $40.9 million for the first half of 2001 and $50.9 million for the first half of 2000.

4. Acquisitions and Dispositions

The company completed the Thomson acquisition in July 2000 and the Central acquisition in August 2000. The purchase price allocations for these acquisitions are preliminary. The final allocations will be based on a complete evaluation of assets acquired and liabilities assumed.

The sale of the assets of the company's cable business for $2.7 billion was completed on January 31, 2000. Upon closing, an after tax gain of approximately $745 million was recognized which, along with the cable segment operating results, are reported as discontinued operations in the company's financial statements.

The following table summarizes, on an unaudited, pro forma basis, the estimated combined results of operations of the company and its subsidiaries as though the 2000 acquisitions (Newscom, Thomson and Central) and disposition (cable business) were all made at the beginning of 2000. However, this pro forma combined statement does not necessarily reflect the results of operations as they would have been if the combined companies had constituted a single entity during those years.

In millions, except per share amounts (pro forma and unaudited)

Quarter-to-date

	2001	2000
Operating revenues	$ 1,627	$ 1,744
Income before income taxes	$ 385	$ 423
Income from continuing operations	$ 233	$ 256
Income per share from continuing operations - basic	$ 0.88	$ 0.97
Income per share from continuing operations - diluted	$ 0.88	$ 0.96

Year-to-date

	2001	2000
Operating revenues	$ 3,202	$ 3,374
Income before income taxes	$ 673	$ 738
Income from continuing operations	$ 408	$ 446
Income per share from continuing operations - basic	$ 1.54	$ 1.66
Income per share from continuing operations - diluted	$ 1.53	$ 1.64

5. Outstanding Shares

The weighted average number of common shares outstanding (basic) in the second quarter totaled 264,685,000 compared to 264,410,000 for the second quarter of 2000. The weighted average number of diluted shares outstanding in the second quarter totaled 266,754,000 compared to 266,294,000 for the second quarter of 2000.

The weighted average number of common shares outstanding (basic) in the first half of 2001 totaled 264,576,000 compared to 269,184,000 for the first half of 2000. The weighted average number of diluted shares outstanding in the first half of 2001 totaled 266,585,000 compared to 271,234,000 for the first half of 2000.

6. Business Segment Information

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

	Thirteen weeks ended		% Inc
	July 1, 2001	June 25, 2000	(Dec)
Operating Revenues:			
Newspaper publishing	$ 1,448,540	$ 1,242,394	16.6
Television	178,692	205,413	(13.0)
Total	$ 1,627,232	$ 1,447,807	12.4

Operating Income (net of depreciation and amortization):

Newspaper publishing	$ 384,142	$ 369,231	4.0
Television	77,003	101,870	(24.4)
Corporate	(14,783)	(16,420)	10.0
Total	$ 446,362	$ 454,681	(1.8)

Depreciation and Amortization:

Newspaper publishing	$ 91,925	$ 63,243	45.4
Television	17,100	16,909	1.1
Corporate	1,491	2,297	(35.1)
Total	$ 110,516	$ 82,449	34.0

Operating Cash Flow:

Newspaper publishing	$ 476,067	$ 432,474	10.1
Television	94,103	118,779	(20.8)
Corporate	(13,292)	(14,123)	5.9
Total	$ 556,878	$ 537,130	3.7

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

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

	Twenty six weeks ended July 1, 2001	Twenty six weeks ended June 25, 2000	% Inc (Dec)
Operating Revenues:			
Newspaper publishing	$ 2,867,875	$ 2,396,925	19.6
Television	334,305	372,202	(10.2)
Total	$ 3,202,180	$ 2,769,127	15.6
Operating Income (net of depreciation and amortization):			
Newspaper publishing	$ 712,927	$ 676,666	5.4
Television	131,269	167,997	(21.9)
Corporate	(29,795)	(32,464)	8.2
Total	$ 814,401	$ 812,199	0.3
Depreciation and Amortization:			
Newspaper publishing	$ 186,068	$ 125,532	48.2
Television	34,083	33,035	3.2
Corporate	2,989	4,256	(29.8)
Total	$ 223,140	$ 162,823	37.0
Operating Cash Flow:			
Newspaper publishing	$ 898,995	$ 802,198	12.1
Television	165,352	201,032	(17.7)
Corporate	(26,806)	(28,208)	5.0
Total	$ 1,037,541	$ 975,022	6.4

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

~~QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK~~

~~The company is not subject to market risk associated with derivative commodity instruments, as the company is not a party to any such instruments. The company believes that its market risk from financial instruments, such as accounts receivable, accounts payable and debt, is not material. The company is exposed to foreign exchange rate risk primarily due to its operations in the United Kingdom, which use Sterling as their functional currency, which is then translated into U.S. dollars.~~

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Securityholders

(a) The Annual Meeting of Shareholders of Gannett Co., Inc. was held on May 8, 2001.

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

James A. Johnson   Douglas H. McCorkindale
Stephen P. Munn

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

H. Jesse Arnelle   Meredith A. Brokaw
Samuel J. Palmisano   Karen Hastie Williams

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

	For	Withhold Authority
James A. Johnson	213,039,732	9,665,969
Douglas H. McCorkindale	185,300,114	37,405,587
Stephen P. Munn	213,059,326	9,646,375

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

	For	Against	Abstain
Election of independent auditors	220,875,192	1,021,219	809,290

(iii) The proposal to approve the Omnibus Incentive Plan was passed. Tabulation of votes for the proposal is as follows:

	For	Against	Abstain
Approval of Omnibus Incentive Plan	196,863,861	24,184,216	1,654,624

(iv) The shareholder proposal concerning EEO policy and American Indians was defeated. Tabulation of votes for the proposal is as follows:

	For	Against	Abstain
Shareholder proposal	20,130,489	172,146,030	6,624,732

(v) The shareholder proposal concerning the nomination of additional director candidates was defeated. Tabulation of votes for the proposal is as follows:

Shareholder proposal	6,110,239	190,453,035	2,337,977

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
None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GANNETT CO., INC.

Dated: August 15, 2001 By:/s/George R. Gavagan

George R. Gavagan
Vice President and Controller

Dated: August 15, 2001 By:/s/Thomas L. Chapple

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

EXHIBIT INDEX

Exhibit Number	Exhibit	Location
3-1	Second Restated Certificate of Incorporation of Gannett Co., Inc.	Incorporated by reference to Exhibit 3-1 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 26, 1993 ("1993 Form 10-K"). Amendment incorporated by reference to Exhibit 3-1 to the 1993 Form 10-K. Amendment dated May 2, 2000, incorporated by reference to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended March 26, 2000.
3-2	By-laws of Gannett Co., Inc. (reflects all amendments through February 1, 2001)	Incorporated by reference to Exhibit 3-2 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 2000.
4-1	$1,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-1 to the 1993 Form 10-K.
4-2	Amendment Number One to $1,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-2 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended June 26, 1994.
4-3	Amendment Number Two to $1,500,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-3 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 1995.
4-4	Amendment Number Three to $3,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-4 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 29, 1996.
4-5	Indenture dated as of March 1, 1983 between Gannett Co., Inc. and Citibank, N.A., as Trustee.	Incorporated by reference to Exhibit 4-2 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 29, 1985.
4-6	First Supplemental Indenture dated as of November 5, 1986 among Gannett Co., Inc., Citibank, N.A., as Trustee, and Sovran Bank, N.A., as Successor Trustee.	Incorporated by reference to Exhibit 4 to Gannett Co., Inc.'s Form 8-K filed on November 9, 1986.
4-7	Second Supplemental Indenture dated as of June 1, 1995, among Gannett Co., Inc., NationsBank, N.A., as Trustee, and Crestar Bank, as Trustee.	Incorporated by reference to Exhibit 4 to Gannett Co., Inc.'s Form 8-K filed on June 15, 1995.
4-8	Rights Plan.	Incorporated by reference to Exhibit 1 to Gannett Co., Inc.'s Form 8-K filed on May 23, 1990. Amendment incorporated by reference to Gannett Co., Inc.'s Form 8-K filed on May 2, 2000.
4-9	Amendment Number Four to $3,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-9 to Gannett Co., Inc.'s Form 10-Q filed on August 12, 1998.
4-10	$3,000,000,000 Competitive Advance and Revolving Credit Agreement among Gannett Co., Inc. and the Banks named	Incorporated by reference to Exhibit 4-10 to Gannett Co., Inc.'s Form 10-Q filed on August 9, 2000.

	therein.	
4-11	Amendment Number One to $3,000,000,000 Competitive Advance and Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-11 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 2000.
4-12	Amendment Number Two to $3,000,000,000 Competitive Advance and Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Attached.
10-3	Gannett Co., Inc. 1978 Executive Long-Term Incentive Plan*	Incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 28, 1980. Amendment No. 1 incorporated by reference to Exhibit 20-1 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 27, 1981. Amendment No. 2 incorporated by reference to Exhibit 10-2 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 25, 1983. Amendments Nos. 3 and 4 incorporated by reference to Exhibit 4-6 to Gannett Co., Inc.'s Form S-8 Registration Statement No. 33-28413 filed on May 1, 1989. Amendments Nos. 5 and 6 incorporated by reference to Exhibit 10-8 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 1989. Amendment No. 7 incorporated by reference to Gannett Co., Inc.'s Form S-8 Registration Statement No. 333-04459 filed on May 24, 1996. Amendment No. 8 incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-Q for the quarter ended September 28, 1997. Amendment dated December 9, 1997, incorporated by reference to Gannett Co., Inc.'s 1997 Form 10-K. Amendment No. 9 incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-Q for the quarter ended June 27, 1999. Amendment No. 10 incorporated by reference to Exhibit 10-3 to Gannett Co., Inc's Form 10-Q for the quarter ended June 25, 2000. Amendment No. 11 incorporated by reference to Exhibit 10-3 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 2000.
10-4	Description of supplemental insurance benefits.*	Incorporated by reference to Exhibit 10-4 to the 1993 Form 10-K.
10-5	Gannett Co., Inc. Supplemental Retirement Plan, as amended.*	Incorporated by reference to Exhibit 10-5 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 26, 1999.
10-6	Gannett Co., Inc. Retirement Plan for Directors.*	Incorporated by reference to Exhibit 10-10 to the 1986 Form 10-K. 1991 Amendment incorporated by reference to Exhibit 10-2 to Gannett Co., Inc.'s Form 10-Q for the quarter ended September 29, 1991. Amendment to Gannett Co., Inc. Retirement Plan for Directors dated October 31, 1996, incorporated by reference to Exhibit 10-6 to the 1996 Form 10K.
10-7	Amended and Restated Gannett Co., Inc. 1987 Deferred Compensation Plan.*	Incorporated by reference to Exhibit 10-1 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended

		September 29, 1996. Amendment No. 5 incorporated by reference to Exhibit 10-2 to Gannett Co., Inc.'s Form 10-Q for the quarter ended September 28, 1997. Amendment No. 2 to January 1, 1997 Restatement incorporated by reference to Exhibit 10-7 to Gannett Co., Inc.'s Form 10-Q for the quarter ended June 27, 1999. Amendments Nos. 3 and 4 incorporated by reference to Exhibit 10-7 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 2000. Amendment No. 5 attached.
10-8	Gannett Co., Inc. Transitional Compensation Plan.*	Incorporated by reference to Exhibit 10-13 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 30, 1990.
10-9	Employment Agreement dated January 1, 2001 between Gannett Co., Inc. and Douglas H. McCorkindale.*	Incorporated by reference to Exhibit 10-9 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 2000.
10-10	2001 Omnibus Incentive Compensation Plan*	Incorporated by reference to Exhibit No. 4 to the Company's Registration Statement on Form S-8 (Registration No. 333-60402).
11	Statement re computation of earnings per share.	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.

~~SECOND AMENDMENT~~

~~SECOND AMENDMENT, dated as of July 2, 2001 (this "Amendment"), to the Competitive Advance and Revolving Credit Agreement, dated as of July 28, 2000 (as amended by the First Amendment thereto, dated as of October 6, 2000, and as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among GANNETT CO., INC., a Delaware corporation ("Gannett"), the several banks and other financial institutions parties to the Credit Agreement prior to the date hereof (the "Existing Lenders"), the several banks and other financial institutions parties to this Amendment but not parties to the Credit Agreement prior to the date hereof (the "New Lenders" and, together with the Existing Lenders, the "Lenders"), BANK OF AMERICA, N.A., as administrative agent (in such capacity, the "Administrative Agent"), and THE CHASE MANHATTAN BANK, as syndication agent.~~

~~W I T N E S S E T H:~~

~~WHEREAS, Gannett has requested certain amendments to the Credit Agreement;~~

~~WHEREAS, the parties are willing to consent to the requested amendments on the terms and conditions contained herein;~~

~~NOW THEREFORE, the parties hereto hereby agree as follows:~~

~~1. Defined Terms. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.~~

~~2. Amendments to Section 1.1. Section 1.1 of the Credit Agreement is hereby amended by amending the definition of "Applicable Margin" by (a) deleting the words "15 basis points" where they appear in the column entitled "Credit Status I" and substituting in lieu thereof the words "20 basis points" and (b) deleting the words "19 basis points" where they appear in the column entitled "Credit Status 2" and substituting in lieu thereof the words "24 basis points".~~

~~3. Amendment to Section 1.1. Section 1.1 of the Credit Agreement is hereby further amended by deleting therefrom the definition of "364-Day Termination Date" and substituting in lieu thereof the following definition:~~

~~"364-Day Termination Date": July 1, 2002.~~

~~4. Amendment to Schedule 1.1. Schedule 1.1 to the Credit Agreement is hereby amended by deleting the columns entitled "Lender" and "364-Day Commitment" where they appear in such Schedule and substituting in lieu thereof the columns entitled "Lender" and "364-Day Commitment" set forth on Schedule 1.1 attached hereto.~~

~~5. Effectiveness. This Amendment shall become effective as of the date on which all of the following conditions precedent have been satisfied:~~

~~(a) The Administrative Agent shall have received (i) counterparts hereof duly executed by Gannett and the Administrative Agent and (ii) an executed consent letter from each Existing Lender (other than any Existing Lender which is an Exiting Lender) and each New Lender authorizing the Administrative Agent to enter into this Amendment;~~

~~(b) The Lenders shall have received (i) audited consolidated financial statements (the "Annual Financials") of Gannett for the most recent fiscal year ended prior to the date hereof as to which such financial statements are available and (ii) unaudited interim consolidated financial statements (the "Quarterly Financials") of Gannett for each quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph (b) as to which such financial statements are available; and~~

~~(c) Each Lender shall have received a certificate from the Secretary of Gannett certifying, as of the date of this Amendment, to resolutions duly adopted by the Board of Directors of Gannett or a duly authorized committee thereof authorizing Gannett's~~

~~execution and delivery of this Amendment and the making of the Borrowings.~~

~~(d) The Lenders and the Administrative Agent shall have received all fees required to be paid on or before the date hereof in connection with this Amendment or the Credit Agreement.~~

~~6. Representations and Warranties. Gannett hereby represents and warrants on and as of the date hereof that, after giving effect to this Amendment:~~

~~(a) No Default or Event of Default has occurred and is continuing;~~

~~(b) Each of the representations and warranties of Gannett in the Credit Agreement and this Amendment is true and correct in all material respects, as if made on and as of the date hereof, except that (i) no representation or warranty is hereby made with respect to Section 3.2 of the Credit Agreement and (ii) all references in Article III of the Credit Agreement (other than in Section 3.2 thereof) to "March 26, 2000" shall be deemed for purposes of this paragraph (b) to be references to "April 1, 2001"; and~~

~~(c) The Annual Financials and the Quarterly Financials (including the related notes) fairly present Gannett's consolidated financial condition as of their respective dates and the consolidated results of the operations of Gannett and its Subsidiaries for the periods then ended, and have been prepared in accordance with GAAP. Gannett and its Subsidiaries have no Material liabilities as of April 1, 2001 not reflected in the consolidated balance sheet as of April 1, 2001 or the related notes as of said date, and from that date to the date hereof there has been no Material change in the business or financial condition of Gannett and its Subsidiaries taken as a whole which has not been publicly disclosed.~~

~~7. New Lenders. By executing this Amendment, each New Lender:~~

~~(a) Agrees to be bound by the provisions of the Credit Agreement, and agrees that it shall, on the date of this Amendment, become a "Lender" (as defined in the Credit Agreement) for all purposes of the Credit Agreement to the same extent as if originally a party thereto; and~~

~~(b)(i) Represents and warrants that it is legally authorized to enter into this Amendment; (ii) confirms that it has received a copy of the Credit Agreement, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment; (iii) agrees that it has made and will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any instrument or document furnished pursuant hereto or thereto; (iv) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (v) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender including, without limitation, if it is organized under the laws of a jurisdiction outside the United States, its obligation pursuant to Section 2.15(d) of the Credit~~

~~Agreement.~~

~~8. Exiting 364 Day Lenders. The 364 Day Commitment of each Lender whose name does not appear on Schedule 1.1 attached hereto (the "Exiting Lender") will terminate on the date hereof upon repayment in full of all amounts, if any, owing to it under the Credit Agreement on the date hereof. On the date hereof, if necessary, Gannett shall effect such borrowings and repayments among the 364-Day Lenders (which, notwithstanding the provisions of subsection 2.13 of the Credit Agreement, need not be pro rata among the 364-Day Lenders) so that, after giving effect thereto, the respective principal amounts of the 364-Day Loans held by the 364-Day Lenders shall be pro rata according to their respective 364-Day Commitment Percentages, as amended hereby (Gannett being obligated to pay the amounts, if any, due pursuant to subsection 2.16 of the Credit Agreement in connection with such prepayments).~~

~~9. Continuing Effect. Except as expressly amended hereby, the Credit Agreement shall continue to be and shall remain in full force and effect in accordance with its terms. From and after the date hereof, all references in the Credit Agreement thereto shall be to the Credit Agreement as amended hereby.~~

~~10. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.~~

~~11. Headings. Section headings used in this Amendment are for convenience of reference only, are not part of this Amendment and are not to affect the constructions of, or to be taken into consideration in interpreting, this Amendment.~~

~~12. GOVERNING LAW. THIS AMENDMENT AND THE RIGHT AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.~~

~~13. Expenses. Gannett agrees to pay or reimburse the Administrative Agent for all of its reasonable out-of-pocket costs and expenses incurred in connection with the preparation, negotiation and execution of this Amendment, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent.~~

~~IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first written above.~~

~~GANNETT CO., INC.~~

~~By: /s/ Gracia C. Martore~~

~~Name: Gracia C. Martore~~
~~Title: Treasurer and Vice President/ Investor Relations~~

~~BANK OF AMERICA, N.A., as Administrative Agent~~

~~By: /s/ Pamela S. Kurtzman~~

~~Name: Pamela S. Kurtzman~~
~~Title: Principal~~

~~GANNETT CO., INC.~~
~~DEFERRED COMPENSATION PLAN~~

~~Amendment No. 5 to the January 1, 1997 Restatement~~

~~Pursuant to Section 3.5 of the Plan, the Committee hereby amends the Plan, effective December 1, 2000:~~

~~1. The following Section 1.2 is hereby added following Section 1.1 of the Plan:~~

~~1.2 Certain Definitions~~

~~This Plan shall apply to compensation earned under the 1978 Long Term Incentive Plan, the 2001 Omnibus Incentive Compensation Plan, and successor plans. The term "SIRs" used in this Plan also includes restricted stock awards issued under any such plan. The phrases "Committee" or "Deferred Compensation Committee" used in this Plan mean the Benefit Plans Committee.~~

~~2. The last sentence of Section 2.3 is hereby deleted in its entirety.~~

~~3. Section 3.3 is hereby deleted in its entirety and replaced with the following:~~

~~3.3 Business Days~~

~~In the event any date specified herein falls on a Saturday, Sunday, or legal holiday, such date shall be deemed to refer to the next business day thereafter or such other date as may be determined by the Committee in the reasonable exercise of its discretion.~~

~~4. Section 3.4 is hereby deleted in its entirety and replaced with the following:~~

~~3.4 Administration~~

~~This Plan shall be administered by the Committee, which shall consist of employees of the Company appointed by the Chief Executive Officer. The Committee has sole discretion to interpret the Plan and to determine all questions arising in the administration, interpretation, and application of the Plan. The Committee's powers include the power, in its sole discretion and consistent with the terms of the Plan, to determine who is eligible to participate in this Plan, to determine the eligibility for and the amount of benefits payable under the Plan, to determine when and how amounts are allocated to a Participant's Deferred Compensation Account, to establish rules for determining when and how elections can be made, to adopt any rules relating to administering the Plan and to take any other action it deems appropriate to administer the Plan. The Committee may delegate its authority hereunder to one or more persons. Whenever the value of a Deferred Compensation Account is to be determined under this Plan as of a particular date, the Committee may determine such value using any method that is reasonable, in its discretion. Whenever payments are to be made under this Plan, such payments shall begin within a reasonable period of time, as determined by the Committee, and no interest shall be paid on such amounts for any reasonable delay in making the payments.~~

~~5. Section 3.7(b) is hereby amended by replacing "may" with "shall" in the first sentence and the following is added at the end of such Section:~~

~~"Notwithstanding any provision in the Plan to the contrary, following a change of control, any act, determination or decision of the Company, Committee or independent fiduciary, as applicable, with regard to the administration, interpretation and application of the Plan must be reasonable, as viewed from the perspective of an unrelated party and with no deference paid to the actual act, determination or decision of the Company, Committee or independent fiduciary. Furthermore, following a change in control, any decision by the Company, Committee, or independent fiduciary, as applicable, shall not be final and binding on a Participant. Instead, following a change in~~

~~control, if a Participant disputes a decision of the Company, Committee or independent fiduciary relating to the Plan and pursues legal action, the court shall review the decision under a "de novo" standard of review."~~

~~6. The following Section 3.8 is hereby added following Section 3.7 of the Plan:~~

~~3.8 Claims~~

~~The Committee shall maintain a procedure under which any Participant (hereinafter called "claimant") whose claim for benefits under the Plan has been denied will receive written notice which clearly sets forth the specific reason or reasons for such denial, the specific plan provision or provisions on which the denial is based, any additional information necessary for the claimant to perfect the claim, if possible, and an explanation of why such additional information is needed, and any explanation of the Plan's claims review procedure. Such procedure shall allow a claimant 60 days after receipt of the written notice of denial to request a review of such denied claim, and the Committee shall make its decision based on such review within 60 days (120 days if special circumstances require more time) of its receipt of the request for review. The decision on review shall be in writing and shall clearly describe the reasons for the Committee's decision. The decisions of the Committee shall be final and binding on the Participant.~~

~~7. The following Article 4.0 is hereby added following Section 3.8 of the Plan.~~

~~4.0 EMPLOYEES OF PARTICIPATING AFFILIATES.~~

~~4.1 Eligibility of Employees of Affiliated Companies~~

~~If the Committee allows it in any individual case, this Plan is also available to officers and employees of a corporation, partnership or other entity that is directly or indirectly controlled by the Company, provided that such officer or employee resides in the United States and is specifically designated as eligible by the Committee. An entity that is directly or indirectly controlled by the Company and employs an individual who is a Participant is hereinafter referred to as a "Participating Affiliate".~~

~~4.2 Compensation from Participating Affiliates~~

~~With respect to Participants who are employed by Participating Affiliates, "Compensation" as used in this Plan shall include all or part of their salary, bonus and/or shares of Gannett common stock issued pursuant to "SIRs", ordinary income that arises upon the exercise of a stock option as more fully described in Section 2.12, and such other forms of taxable income derived from the performance of services for the Company or any Participating Affiliate (as defined in Section 4.1) as may be designated by the Committee and which may be deferred pursuant to such special terms and conditions as the Committee may establish.~~

~~4.3 Rights Subject to Creditors~~

~~The right of any Participant who is employed by a Participating Affiliate to receive future payments under the provisions of the Plan shall be a contractual obligation of the Company and the Participating Affiliate at the time the Participant elects to defer compensation. Such a Participant's right to receive future payments is subject to the claims of the creditors of the Company and the Participating Affiliates in the event of the Company's or any Participating Affiliate's insolvency or bankruptcy as provided in the trust agreement. Plan assets may, in the Committee's discretion, be placed in a trust but will nevertheless continue to be subject to the claims of the Company's and the Participating Affiliates' creditors in the event of the Company's or any Participating Affiliate's insolvency or bankruptcy as provided in the trust agreement. In any event, the Plan is intended to be unfunded under Title I of ERISA. If the Committee so permits, Participating Affiliates may also contribute assets to the Rabbi Trust in~~

~~connection with their Plan obligations under this Article. If, at the election of the Committee, such contributions are not separately accounted for through subtrusts, segregated accounts, or similar arrangements, Plan assets held by the Rabbi Trust will be subject to the claims of the Participating Affiliates' creditors in the event of any Participating Affiliate's insolvency or bankruptcy as provided in the trust agreement.~~

~~4.4 Certain Distributions~~

~~Notwithstanding any Payment Commencement Date or Method of Payment selected by a Participant employed by a Participating Affiliate, if such a Participant ceases to be employed by the Company or a Participating Affiliate other than (i) at or after early or normal retirement pursuant to a retirement plan of the Company, (ii) by reason of the Participant's death, or (iii) by reason of the Participant's total disability the Committee, in its sole discretion, shall determine whether to distribute such Participant's benefits in the form of five annual installment payments, or as a lump sum. In either case, such payment shall begin within a reasonable period of time following the termination of employment.~~

~~4.5 Assignability~~

~~The benefits payable under this Plan to an employee of a Participating Affiliate shall not revert to the Company or Participating Affiliate or be subject to the Company's or Participating Affiliate's creditors prior to the Company's or Participating Affiliate's insolvency or bankruptcy, nor, except pursuant to will or the laws of descent and distribution, shall they be subject in any way to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind by the Participant, the Participant's beneficiary or the creditors of either, including such liability as may arise from the Participant's bankruptcy.~~

~~IN WITNESS WHEREOF, Gannett Co., Inc. has caused this Amendment to be executed by its duly authorized officer as of July 24, 2001.~~

~~GANNETT CO., INC.~~

~~/s/ Richard L. Clapp~~

~~By: Richard L. Clapp~~
~~Senior Vice President~~
~~Human Resources~~

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

	Thirteen weeks ended		Twenty six weeks ended	
	July 1, 2001	June 25, 2000	July 1, 2001	June 25, 2000
Basic earnings:				
Income from continuing operations	$ 233,462	$ 265,762	$ 408,007	$ 468,779
Discontinued operations:				
Earnings from operation of cable business	$ 0	$ 0	$ 0	$ 2,437
Gain on sale of cable business	$ 0	$ 0	$ 0	$ 744,700
Net income	$ 233,462	$ 265,762	$ 408,007	$1,215,916
Weighted average number of common shares outstanding	264,685	264,410	264,576	269,184
Earnings from continuing operations per share basic	$0.88	$1.01	$1.54	$1.74
Earnings from the operation of cable business per share basic	$0.00	$0.00	$0.00	$0.01
Gains on sale of cable business per share basic	$0.00	$0.00	$0.00	$2.77
Basic earnings per share	$0.88	$1.01	$1.54	$4.52
Diluted earnings:				
Income from continuing operations	$ 233,462	$ 265,762	$ 408,007	$ 468,779
Discontinued operations:				
Earnings from operation of cable business	$ 0	$ 0	$ 0	$ 2,437
Gain on sale of cable business	$ 0	$ 0	$ 0	$ 744,700
Net income	$ 233,462	$ 265,762	$ 408,007	$1,215,916
Weighted average number of common shares outstanding	264,685	264,410	264,576	269,184
Dilutive effect of outstanding stock options and stock incentive rights	2,069	1,884	2,009	2,050
Weighted average number of shares outstanding, as adjusted	266,754	266,294	266,585	271,234
Earnings from continuing operations per share diluted	$0.88	$1.00	$1.53	$1.73
Earnings from the operation of cable business per share diluted	$0.00	$0.00	$0.00	$0.01
Gains on sale of cable business per share diluted	$0.00	$0.00	$0.00	$2.74
Diluted earnings per share	$0.88	$1.00	$1.53	$4.48