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 June 29, 2008

OR

o **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 its charter)

Delaware	**16-0442930**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
7950 Jones Branch Drive, McLean, Virginia	**22107-0910**
(Address of principal executive offices)	(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 o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):
Large Accelerated Filer ☑ Accelerated Filer o Non-Accelerated Filer o Smaller Reporting Company o

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

The total number of shares of the registrant's Common Stock, $1.00 par value, outstanding as of June 29, 2008, was 228,114,304.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS

Preliminary Second Quarter Earnings Results

In its press release of July 16, 2008, the company reported that preliminary 2008 second quarter earnings per diluted share were $1.02 compared with $1.24 per diluted share in the second quarter of 2007. These preliminary results, however, did not include non-cash charges to be recorded in the quarter, which had not been finalized at that time, for the impairment of goodwill, other intangible assets and certain other assets. In its July 16, 2008 press release, the company indicated that such charges were expected to total in the range of $2.6 billion to $2.9 billion on a pre tax basis and $2.4 billion to $2.7 billion on an after tax basis.

The financial statements included in this Form 10-Q reflect final adjustments for these matters, which totaled $2.8 billion on a pre tax basis and $2.5 billion after tax.

Final Reported Results from Continuing Operations

The company reported a loss from continuing operations for the second quarter of 2008 of $2,290.8 million or $10.03 per diluted share. For the same period a year ago income from continuing operations was $289.9 million or $1.24 per diluted share.

For the year-to-date, the 2008 loss from continuing operations was $2,099.0 million or $9.17 per diluted share compared to income in 2007 from continuing operations of $496.2 million or $2.11 per diluted share.

During the second quarter of 2008, the company recorded certain non-cash impairment charges totaling approximately $2.8 billion on a pre tax basis and $2.5 billion on an after tax basis or $11.08 per diluted share. These charges are more fully described in the following section of this report.

Non-Cash Charges Recorded in Second Quarter 2008

Softening business conditions and a decline in the company's stock price required the company to perform impairment tests on goodwill, intangible assets, and other long lived assets as of March 31, 2008, the first day of its fiscal second quarter. As a result, the company has recorded non-cash impairment charges in the quarter to reduce the book value of publishing goodwill, other publishing intangible assets including mastheads, and certain publishing property, plant and equipment assets. The carrying value of certain of the company's investments in newspaper publishing partnerships and other businesses, which are accounted for under the equity method, were also written down. The company also recorded accelerated depreciation expense associated with certain cost reduction initiatives.

A summary of these charges is presented below:

(in millions except per share amounts)	Pre Tax Amount	After Tax Amount	Per Diluted Share Amount (a)
Publishing segment asset impairments:			
Goodwill	$ 2,138	$ 2,138	$ 9.36
Other intangible assets-principally mastheads	176	113	0.50
Property, plant and equipment	177	110	0.48
Total asset impairments	2,491	2,361	10.34
Accelerated depreciation:			
Publishing	8	5	0.02
Broadcasting	2	1	—
Corporate	1	1	—
Consolidated total included in operating expenses	2,502	2,368	10.37
Newspaper publishing partnerships and other equity method investments	261	162	0.71
Total non-cash charges	$ 2,763	$ 2,530	$ 11.08

(a) Per diluted share amounts are for the quarter ended June 29, 2008 and totals may not sum due to rounding.

The goodwill impairment charge results from the application of the impairment testing provisions of Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" (SFAS No. 142). Impairment testing is customarily performed annually, and last had been performed at the end of 2007, at which time no goodwill impairment charge was indicated. Because of softening business conditions within the company's publishing segment and the decline in the company's stock price and market capitalization, this testing was updated as of the beginning of the second quarter of 2008. For one of the reporting units in its publishing segment, an impairment was indicated. The fair value of the reporting unit was determined using discounted cash flow and multiple of earnings techniques. The company then undertook the next step in the impairment testing process by determining the fair value of assets and liabilities within this reporting unit.

The implied value of goodwill determined by the valuation for this reporting unit was less than the carrying amount by $2.1 billion, and therefore an impairment charge in this amount was taken. There was no tax benefit recognized related to the impairment charge since the recorded goodwill was non-deductible as it arose from stock purchase transactions. Therefore the after tax effect of the impairment was $2.1 billion or $9.36 per diluted share.

The impairment charge of $176 million for other publishing intangible assets was required because revenue results from the underlying businesses have softened from what was expected at the time they were purchased. In accordance with SFAS No. 142, the carrying values of impaired indefinite lived intangible assets, principally mastheads, were reduced to fair value. Fair value was determined using a relief-from-royalty method. In addition, the carrying values of certain definite lived intangible assets, principally customer relationships, were reduced to fair value in accordance with Statement of Financial Accounting Standard No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS No. 144). Deferred tax benefits have been recognized for these intangible asset impairment charges and therefore the after tax impact was $113 million or $0.50 per diluted share.

The carrying value of property, plant and equipment amounts at certain publishing businesses was also evaluated due to softening business conditions. The recoverability of these assets was measured in accordance with SFAS No. 144. This measurement process indicated that expected undiscounted future cash flows to be generated by certain asset groups would be less than the asset carrying values. The carrying values of these asset groups were therefore reduced to fair value and an impairment charge of $177 million was taken. Asset group fair values were determined using a multiple of earnings technique. The company also recognized accelerated depreciation of $11 million in connection with certain cost reduction initiatives. Deferred tax benefits were recognized for these charges and therefore the after tax impact was $117 million or $0.51 per diluted share.

For certain of the company's newspaper publishing partnership investments, and for certain other investments in which the company owns a minority equity interest, carrying values were written down to fair value because the businesses underlying the investments had experienced significant and sustained declines in operating performance, leading the company to conclude that they were other than temporarily impaired. The adjustment of newspaper publishing partnership carrying values comprise the majority of these investment charges, and these were driven by many of the same factors affecting the company's wholly owned publishing businesses. These investment carrying value adjustments were $261 million pre tax and $162 million on an after tax basis, or $0.71 per diluted share. The pre tax charges for these investments are reflected as "Equity income (losses) in unconsolidated investees, net" in the Statement of Income (Loss).

Operating Revenue and Expense Discussion

The narrative which follows provides background on key revenue and expense areas and principal factors affecting amounts and comparisons.

Operating Revenues

Operating revenues declined 10.2% to $1.7 billion for the second quarter of 2008 and 9.3% to $3.4 billion for the first six months of the year. Revenue results were affected primarily by weakness in the economy in the US and the UK, and a very challenging advertising environment that depressed revenues for both the publishing and broadcasting segments. A more detailed discussion of revenues is included in following sections of this report.

Operating Expenses

As a result of the non-cash charges discussed above, operating expenses increased substantially. Excluding the non-cash charges discussed above for goodwill, other intangible assets, and property, plant and equipment, operating costs declined 7% for the second quarter and year-to-date period, respectively.

During the second quarter of 2008, the company made changes to its domestic benefit plans by improving its 401(k) plan while freezing benefits under certain company sponsored defined benefit pension plans. As a result, the company recognized a pre tax curtailment gain for its domestic pension plans of approximately $46.5 million ($28.9 million after tax or $0.13 per share). However, the pension curtailment gain was almost totally offset by approximately $39.9 million in pre tax severance expenses ($26.4 million after tax or $0.12 per share) related to reductions in force and efficiency efforts in the U.S. and the UK.

Excluding severance costs, payroll expenses were down 4% for the quarter and 3% for the first six months, reflecting headcount reductions across the company.

Newsprint expenses were down 12% for the second quarter of 2008 and 16% for the first six months. Newsprint usage prices for the second quarter rose 5% but consumption was down 16%. For the six month period, prices were 1% lower and consumption was 15% lower.

The company's continued aggressive cost control efforts at all business properties during the quarter mitigated to a significant degree the effects of lower revenue results. The company has increased strategic spending for online/digital operations, including costs for new personnel and technology.

2007 Business Dispositions

In May 2007, the company completed the sale of the Norwich (CT) Bulletin; the Rockford (IL) Register Star; the Observer-Dispatch in Utica, NY; and The Herald-Dispatch in Huntington, WV to GateHouse Media, Inc. and contributed the Chronicle-Tribune in Marion, IN to the Gannett Foundation. For all periods presented, results from these businesses have been reported as discontinued operations.

Publishing Results

Publishing revenues decreased 11% to $1.5 billion from $1.7 billion in the second quarter and decreased 10% to $3.0 billion from $3.4 billion year-to-date. Domestic advertising revenues decreased 14% for the second quarter and 12% for the first six months. In British pounds, advertising revenues in the UK decreased 13% for the second quarter and 10% for the first six months. On a constant currency basis total publishing advertising revenue would have decreased 13% for the second quarter and 12% year-to-date. The average exchange rate used to translate UK publishing results from Sterling to U.S. dollars decreased 1% to 1.97 from 1.99 for the second quarter and increased less than 1% to 1.98 from 1.97 for the year-to-date period.

Publishing operating revenues are derived principally from advertising and circulation sales, which accounted for 73% and 20% of total publishing revenues for the second quarter and the year-to-date period. Advertising revenues include amounts derived from advertising placed with publishing internet web sites as well as print products. Other publishing revenues are mainly from commercial printing operations and PointRoll. The table below presents the components of publishing revenues.

Publishing revenues, in thousands of dollars

Second Quarter	2008	2007	% Change
Advertising	$ 1,108,189	$ 1,281,555	(14)
Circulation	305,994	312,506	(2)
All other	111,238	113,908	(2)
Total	$ 1,525,421	$ 1,707,969	(11)

Year-to-date	2008	2007	% Change
Advertising	$ 2,205,083	$ 2,503,182	(12)
Circulation	615,172	630,041	(2)
All other	211,855	222,901	(5)
Total	$ 3,032,110	$ 3,356,124	(10)

The table below presents the principal categories of advertising revenues for the publishing segment.

Advertising revenues, in thousands of dollars

Second Quarter	2008	2007	% Change
Retail	$ 505,195	$ 550,857	(8)
National	168,934	200,815	(16)
Classified	434,060	529,883	(18)
Total publishing advertising revenue	$ 1,108,189	$ 1,281,555	(14)
Year-to-date	**2008**	**2007**	**% Change**
Retail	$ 984,218	$ 1,069,634	(8)
National	343,752	380,028	(10)
Classified	877,113	1,053,520	(17)
Total publishing advertising revenue	$ 2,205,083	$ 2,503,182	(12)

Publishing advertising revenues decreased 14% from $1.3 billion to $1.1 billion for the second quarter as the company experienced softness in all three revenue categories. UK publishing advertising decreased 13% reflecting a downturn in all categories, with the classified decline being the most significant. For US domestic publishing, advertising decreased 14%, reflecting softness in all categories, also led by classified. For the year-to-date period, publishing advertising revenues declined 12%.

For the second quarter and year-to-date periods, retail advertising revenues declined 8%. Retail advertising in the U.S. was down 8% for the quarter and the year-to-date. Revenues were lower in most principal retail categories, with the most significant declines in the furniture, department store, and telecommunications categories. Certain of these category losses are tied to the very soft real estate environment in the US and the UK.

National advertising revenues declined 16% and 10% for the second quarter and year-to-date, respectively. National ad revenue softness reflects overall advertising declines at USA TODAY of 17% for the second quarter and 8% year-to-date. Paid ad pages at USA TODAY were 831 for the second quarter compared to 1,034 for the same period last year and 1,657 year-to-date compared to 1,937 last year.

Total classified advertising revenues decreased 18% for the quarter and 17% year-to-date, led by the very soft domestic real estate market in the west and southeast, specifically Florida, Arizona, California and Nevada. Domestic classified real estate revenues were down 30% for both the quarter and year-to-date. Classified employment revenues were down 29% for the quarter and 27% year-to-date, and auto revenues decreased 11% for the quarter and the year-to-date. Classified revenues for UK publishing decreased 14% for the quarter and 11% year-to-date, on a constant currency basis. In the UK, auto and real estate advertising revenues were down 19% and 27% for the quarter and 20% and 21% year-to-date, respectively, while employment revenues were 11% lower for the quarter and 9% lower year-to-date, all on a constant currency basis.

Total online/digital revenues associated with publishing operations rose 5% and 6% for the quarter and year-to-date, respectively.

Circulation revenues declined 2% for the second quarter and the first six months of 2008. Net paid daily circulation for publishing operations, excluding USA TODAY, declined 4% in the second quarter and 6% year-to-date while Sunday net paid circulation was down 5% for the second quarter and the year-to-date period. In the March Publishers Statement submitted to ABC, circulation for USA TODAY for the previous six months increased 0.3% from 2,278,022 in 2007 to 2,284,219 in 2008.

The decrease in “All other” revenues for the second quarter and year-to-date periods, is primarily due to lower commercial printing activity, partially offset by higher revenues at PointRoll.

As a result of the non-cash charges discussed above, publishing operating expenses increased substantially. Excluding these non-cash charges, publishing operating expenses were down 6% for the second quarter and year-to-date, respectively due to strong operating cost controls, including a significant decline in newsprint usage and expense. Newsprint expense was 12% lower for the quarter, reflecting a 16% decline in usage, including savings from web width reductions and greater use of light weight newsprint, partially offset by a 5% increase in price. Year-to-date, newsprint expense declined 16% on a 15% decline in usage and a 1% decrease in price. For the remainder of 2008, newsprint prices are expected to be above prior year levels while consumption will be below last year.

Cost comparisons for the publishing segment are also affected by an allocation of the previously discussed curtailment gain recognized in the second quarter upon the freezing of benefits under company sponsored domestic defined benefit pension plans. However this gain was offset by second quarter severance expenses of $38 million related to reductions in force and efficiency efforts for domestic and UK publishing.

Excluding the impact of the non-cash charges, newsprint costs, the pension curtailment gain and severance costs, publishing expenses declined 5% for the quarter and year-to-date. This reflects aggressive cost controls at most properties, partially offset by increased spending for the company's online/digital operations, including costs associated with personnel additions and technology to support new initiatives.

The publishing segment reported a loss for the second quarter and year-to-date periods of 2008, reflecting the non-cash impairment charges discussed above. Absent these charges, publishing operating income decreased $103.0 million or 26% for the quarter and $158.1 million or 21% for the year-to-date, reflecting the challenging print advertising environment, partially mitigated by operating cost savings throughout the group.

Broadcasting Results

Broadcasting includes results from the company's 23 television stations and Captivate. Reported broadcasting revenues were $192.6 million in the second quarter compared to $204.7 million in 2007, a decline of $12.1 million or 6%. Year-to-date revenues were $362.7 million compared to $387.7 million in 2007, a decline of $25.0 million or 6%. Television revenues, excluding Captivate, were down 6% in the quarter, with local revenues down 7% and national revenues down 11%. Year-to-date revenues, excluding Captivate, were down 7%, with local revenues down 8% and national revenues down 9%. The decline in revenue reflects reduced ad demand amid the generally softer economic environment. The year-to-date revenue decline also reflects the absence in 2008 of Super Bowl ad spending on the company's CBS affiliates. These factors were partially offset by an increase of approximately $3.1 million and $7.3 million in politically related advertising revenue for the second quarter and year-to-date 2008, respectively. Online revenues increased 17% for the quarter and 14% year-to-date.

Broadcasting operating expenses decreased more than 3% for the second quarter and more than 4% for the first 6 months of 2008, to $113.3 million and $225.7 million, reflecting an allocation of part of the pension curtailment gain, lower ad sales expense and lower stock-based compensation, partially offset by severance costs and the non-cash charges involving property, plant and equipment discussed above.

Reported operating income from broadcasting was down $8.2 million or 9% in the second quarter and $14.5 million or 10% year-to-date.

Corporate Expense

Corporate expenses in the second quarter were $10.0 million as compared to $18.7 million a year ago. Year-to-date corporate expenses were $25.7 million compared to $41.8 million a year ago. The decline reflects an allocation of part of the pension curtailment gain, as well as tight cost controls and lower stock compensation expense.

Consolidated Operating Expenses

Total consolidated operating expenses increased substantially due to the inclusion of the non-cash charges related to goodwill, other intangible assets and property, plant and equipment. Excluding the non-cash charges, operating expenses were below last year by $95 million, or 7%. Year-to-date total operating expenses decreased by $195 million or 7%. Important savings were achieved in publishing, broadcasting and at the corporate level. In addition to lower newsprint expense, payroll and stock compensation, most other general operating costs were lower for both business segments and for corporate. Operating expense comparisons were also favorably affected by the excess of the pension plan curtailment gain ($46.5 million) over severance expense ($39.9 million) recorded in the second quarter.

Non-Operating Income and Expense

The company's interest expense decreased $22.4 million or 34% for the quarter and $46.8 million or 34% year-to-date, reflecting lower interest levels and average debt balance. The daily average outstanding balance of commercial paper was $845 million during the second quarter of 2008 and $2.4 billion during the second quarter of 2007. The daily average outstanding balance of commercial paper was $785 million during the first six months of 2008 and $2.2 billion during the first six months of 2007. The weighted average interest rate on commercial paper was 3.2% and 5.4% for the second quarter of 2008 and 2007, respectively. For the year-to-date periods of 2008 and 2007, the weighted average interest rate on commercial paper was 3.6% and 5.4%, respectively. Total average outstanding debt for the second quarter was $3.96 billion in 2008 and $4.71 billion in 2007. For the year-to-date periods of 2008 and 2007, the total average outstanding debt was $3.97 billion and $4.92 billion, respectively. The weighted average interest rate for total outstanding debt was 4.2% for the quarter as compared to 5.4% last year and 4.4% year-to-date as compared to 5.4% last year.

As discussed more fully in the "Liquidity, Capital Resources, Financial Position, and Statement of Cash Flows" section of this report, the company has floating rate notes in the form of commercial paper obligations and a $280.0 million term loan that was drawn in July 2008. At the end of the second quarter, the company also had floating rate convertible notes outstanding but, as expected, these were repaid in their entirety on July 15, 2008, financed with a combination of new term loan proceeds and commercial paper borrowings. Subsequent to the repayment of the convertible notes, the company had approximately $2.3 billion in floating rate obligations outstanding. A 1/2% increase or decrease in the average interest rate for these obligations would result in an increase or decrease in annual interest expense of $11.3 million.

At the end of 2007, the company's equity share of operating results from its newspaper partnerships, including Tucson, which participates in a joint operating agency, the California Newspapers Partnership and Texas-New Mexico Newspapers Partnership, were reclassified from "All other" revenue and reflected as "Equity income (losses) in unconsolidated investees, net" in the non-operating section of the Consolidated Statements of Income. This line also includes equity income and losses from online/new technology businesses which were previously classified in "Other" non-operating items. "All other" revenue is now comprised principally of commercial printing revenues and revenue from PointRoll. All periods presented reflect these reclassifications.

The company's net equity loss in unconsolidated investees as reported for the second quarter and year-to-date periods of 2008 is substantial due to the inclusion of $261 million of impairment charges related to minority equity investments in newspaper partnerships and certain other businesses. Excluding the impairment charges, the company's net equity income in unconsolidated investees declined $10 million for the second quarter and $20 million for the first six months of 2008, primarily due to lower operating results from its newspaper partnership investments, increased promotional and business development spending at CareerBuilder and Classified Ventures and operating costs for newly established digital/online businesses, including Metromix.

Other non-operating income for the year-to-date period of 2008 reflects a first quarter gain of $25.5 million on the sale of excess land adjacent to the company's headquarters in McLean, Virginia.

Provision (Benefit) for Income Taxes

The company reported a pre tax loss of $2,425.0 million for its second quarter and $2,133.5 million for the first six months of 2008. These pre tax losses include impairment charges discussed previously, the majority of which are not deductible for income tax purposes. Therefore, the effective tax benefit rate on these pre tax losses, including the impairment charges, are at the very low levels of 5.5% for the second quarter and 1.6% for the year-to-date period. Excluding the pre tax and tax effects of all impairment charges recorded in the second quarter, the company's effective tax rate on such earnings would have been 29.0% for the second quarter and 31.4% for the year-to-date period. The tax rates for 2008 reflect a lower statutory rate on UK earnings and benefits from favorable renegotiations of prior year tax positions with UK tax authorities.

Discontinued Operations

Earnings from discontinued operations represent the combined operating results (net of income taxes) of the Norwich (CT) Bulletin, the Rockford (IL) Register Star, the Observer-Dispatch in Utica, NY and The Herald-Dispatch in Huntington, WV that were sold to GateHouse Media, Inc. on May 7, 2007 and the Chronicle-Tribune in Marion, IN that was contributed to the Gannett Foundation on May 21, 2007. The revenues and expenses from each of these properties have, along with associated income taxes, been removed from continuing operations and netted into a single amount on the Statement of Income titled "Income from the operation of discontinued operations, net of tax" for the first quarter of 2007.

Taxes provided on the earnings from discontinued operations totaled $1.3 million and $4.1 million for the second quarter and year-to-date 2007, respectively. This includes U.S. federal and state income taxes and represents an effective rate of approximately 39%. The excess of this effective rate over the U.S. statutory rate of 35% is due principally to state income taxes. Also included in discontinued operations is the $73.8 million net after tax gain recognized in the second quarter of 2007 on the disposal of these properties. Taxes provided on the gain totaled approximately $139.8 million, covering U.S. federal and state income taxes and represent an effective rate of 65%. The excess of this effective rate over the U.S. statutory rate of 35% is due principally to the non-deductibility of goodwill associated with the properties disposed.

Earnings from discontinued operations, excluding the gain, per diluted share were $0.01 and $0.03 for the second quarter and year-to-date 2007, respectively. Second quarter 2007 earnings per diluted share for the gain on the disposition of these properties were $0.31.

Net Income/Loss

The company's net loss was $2,290.8 million or $10.03 per diluted share for the second quarter compared to net income of $365.7 million or $1.56 per diluted share for 2007. For the year-to-date period of 2008 the company's net loss was $2,099.0 or $9.17 per diluted share compared with net income of $576.3 million or $2.45 per diluted share for the comparable period of 2007. The 2008 results include $2.8 billion of non-cash charges discussed above ($2.5 billion after tax).

The weighted average number of diluted shares outstanding for the second quarter of 2008 totaled 228,325,000 compared to 234,605,000 for the second quarter of 2007. For the first six months of 2008 and 2007, the weighted average number of diluted shares outstanding totaled 228,772,000 and 234,814,000, respectively. The decline in outstanding shares is the result of the company's share repurchase program under which approximately 0.6 million shares were repurchased during the second quarter of 2008, 2.1 million shares were repurchased during the first six months of 2008, and 3.0 million shares were repurchased in the second half of 2007. See Part II, Item 2 for information on share repurchases.

Acquisitions, Investments and Asset Dispositions

On December 31, 2007, the company acquired X.com, Inc. (BNQT.com). X.com, Inc. operates an action sports digital network covering eight different action sports including surfing, snowboarding and skateboarding. X.com will be affiliated with the USA TODAY Sports brand. This acquisition was not material to results of operations or financial condition.

In February 2008, the company formed quadrantONE, a new digital ad sales network, with three other top media companies: Tribune Company, Hearst Corporation and The New York Times Company.

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

In May 2008, the company purchased a minority stake in Cozi Group Inc. (COZI). COZI owns and maintains family organization software aimed at busy families.

Subsequent to the close of the second quarter, the company acquired from Tribune Company and The McClatchy Company their minority ownership interests in ShopLocal LLC, a leading marketing and database services company for major retailers in the U.S. The company now owns 100% of ShopLocal and will consolidate its results beginning in the third quarter of 2008. The acquisition will enable ShopLocal to collaborate with another Gannett company, PointRoll, to create ads that dynamically connect retail advertisers and consumers, online and in the store.

Subsequent to the end of the second quarter the company purchased a minority stake in Mogulus, LLC, a company that provides internet broadcasting services. The company also increased its investment in 4INFO subsequent to the end of the period, maintaining its approximate ownership interest.

In April 2007, the company disposed of a parcel of real estate located adjacent to its corporate headquarters in McLean, Virginia. In accordance with the installment method of accounting under SFAS No. 66, "Accounting for Sales of Real Estate", $6 million of the gain was recognized in other non-operating income during the second quarter of 2007. The remaining gain of $25.5 million was deferred and recognized in the first quarter of 2008.

The financial statements reflect an allocation of purchase price that is preliminary for acquisitions completed subsequent to July 1, 2007.

Liquidity, Capital Resources, Financial Position, and Statements of Cash Flows

The company's cash flow from operating activities was $537.6 million for the first six months of 2008, compared to $648.9 million for the first six months of 2007. The decrease reflects lower publishing and broadcast earnings and related cash flow from those operations.

Cash flows used in the company's investing activities totaled $5.9 million for the six months of 2008, reflecting $58.0 million of capital spending, $11.3 million of payments for acquisitions (discussed in Note 5 to the financial statements), and $24.0 million for investments. These cash inflows were partially offset by $69.2 million of proceeds from the sale of assets and $18.3 million of proceeds from investments.

Cash flows used in financing activities totaled $31.6 million for the first six months of 2008 reflecting net debt proceeds of $226.2 million, the payment of dividends totaling $184.0 million and the repurchase of common stock of $72.8 million. The company's regular quarterly dividend of $0.40 per share, which was declared in the second quarter of 2008, totaled $91.4 million and was paid in July 2008.

On July 25, 2006, the Board of Directors authorized the repurchase of an additional $1 billion of the company's common stock. 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. As of June 29, 2008, the company had remaining authority to repurchase up to $808.9 million of the company's common stock. For more information on the share repurchase program, refer to Item 2 of Part II of this Form 10-Q.

On June 16, 2008 the company repaid at scheduled maturity $500 million in aggregate principal amount of 4.125% notes, using borrowings in the commercial paper market.

On April 2, 2007, the company repaid at scheduled maturity $700 million in aggregate principal amount of 5.50% notes. The repayment was funded with proceeds of commercial paper borrowings, including $525 million which had been raised prior to the end of the first quarter of 2007 and which were temporarily invested in marketable securities until the repayment date of the notes.

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

In July 2008, the company received proceeds of $280 million from borrowings under a new term loan agreement with certain lenders. The term loan is payable in full on July 14, 2011. The loan agreement requires the maintenance of net worth of at least $3.5 billion, and also contains covenants and default provisions customary for facilities of this nature and substantially similar to those contained in each of the company's other credit agreements, as amended, dated February 27, 2004 and December 13, 2004. The loan carries interest at a floating rate and may be prepaid at any time without penalty.

The proceeds from the term loan, along with proceeds received from commercial paper issuances, approximately $500 million of which had been received from borrowings prior to the end of the second quarter and which were held in interest bearing deposits, were used to repurchase the $1.0 billion convertible notes discussed above.

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 is rated A-2 and P-2 by Standard & Poor's (S&P) and Moody's Investors Service (Moody's), respectively. The company's senior unsecured long-term debt is rated BBB+ by S&P and A3 by Moody's. Subsequent to the end of the quarter, on July 17, 2008, Moody's announced that it was placing the company's long-term rating of A3 under review for a possible downgrade, while re-affirming the P-2 short-term rating applicable to its commercial paper.

The company has an effective universal shelf registration statement with the Securities and Exchange Commission under which an unspecified amount of securities may be issued. Proceeds from any takedowns off the shelf may be used for general corporate purposes, including capital expenditures, working capital, securities repurchase programs, repayment of debt and the financing of acquisitions.

The company's foreign currency translation adjustment, included in accumulated other comprehensive income and reported as part of shareholders' equity, totaled $744 million at the end of the second quarter 2008 versus $777 million at the end of 2007. This change reflects a slight decrease in the exchange rate for British Pound Sterling. Newsquest's assets and liabilities at June 29, 2008 and December 30, 2007 were translated from Sterling to U.S. dollars at an exchange rate of approximately 2.00 at June 29, 2008 and the end of 2007, respectively. For the second quarter and first six months of 2008, Newsquest's financial results were translated at an average rate of 1.97 and 1.98, compared to 1.99 and 1.97 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. If the price of Sterling against the U.S. dollar had been 10% more or less than the actual price, operating income, excluding the non-cash impairment charges, for the second quarter and year-to-date periods of 2008 would have increased or decreased approximately 2%.

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. The company is not responsible for updating or revising any forward-looking statements, whether the result of new information, future events or otherwise, except as required by law.

Potential risks and uncertainties which could adversely affect the company's results include, without limitation, the following factors: (a) increased consolidation among major retailers or other events which may adversely affect business operations of major customers and depress the level of local and national advertising; (b) a further economic downturn in some or all of the company's principal publishing or broadcasting markets leading to decreased circulation or local, national or classified advertising; (c) a decline in general publishing readership and/or advertiser patterns as a result of competitive alternative media or other factors; (d) an increase in newsprint or syndication programming costs over the levels anticipated; (e) labor disputes which may cause revenue declines or increased labor costs; (f) acquisitions of new businesses or dispositions of existing businesses; (g) a decline in viewership of major networks and local news programming; (h) rapid technological changes and frequent new product introductions prevalent in electronic publishing; (i) an increase in interest rates; (j) a weakening in the Sterling to U.S. dollar exchange rate; (k) volatility in financial and credit markets which could affect the value of retirement plan assets and the company's ability to raise funds through debt or equity issuances; (1) changes in the regulatory environment; (m) an other than temporary decline in operating results and enterprise value that could lead to further non-cash goodwill, other intangible asset or property, plant and equipment impairment charges; and (n) general economic, political and business conditions.

CONDENSED CONSOLIDATED BALANCE SHEETS
Gannett Co., Inc. and Subsidiaries
In thousands of dollars (except per share amounts)

	Jun. 29, 2008	Dec. 30, 2007
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 577,362	$ 77,249
Trade receivables, less allowance for doubtful receivables (2008 — $34,984; 2007 — $36,772)	863,373	956,523
Other Receivables	40,889	92,660
Inventories	118,827	97,086
Deferred income taxes	27,470	28,470
Prepaid expenses and other current assets	81,703	91,267
Total current assets	1,709,624	1,343,255
Property, plant and equipment		
Cost	4,763,790	4,921,877
Less accumulated depreciation	(2,401,464)	(2,306,207)
Net property, plant and equipment	2,362,326	2,615,670
Intangible and other assets		
Goodwill	7,873,254	10,034,943
Indefinite-lived and other amortized intangible assets, less accumulated amortization	544,590	735,461
Investments and other assets	886,302	1,158,398
Total intangible and other assets	9,304,146	11,928,802
Total assets	$ 13,376,096	$ 15,887,727

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

CONDENSED CONSOLIDATED BALANCE SHEETS
Gannett Co., Inc. and Subsidiaries
In thousands of dollars (except per share amounts)

	Jun. 29, 2008 (Unaudited)	Dec. 30, 2007
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and current portion of film contracts payable	$ 238,715	$ 257,393
Compensation, interest and other accruals	384,438	407,245
Dividends payable	91,689	93,050
Income taxes	52,458	24,301
Deferred income	157,753	180,174
Total current liabilities	925,053	962,163
Deferred income taxes	478,096	696,112
Income taxes	288,300	319,778
Long-term debt	4,324,586	4,098,338
Postretirement medical and life insurance liabilities	208,501	216,988
Other long-term liabilities	488,520	556,910
Total liabilities	6,713,056	6,850,289
Minority interests in consolidated subsidiaries	18,870	20,279
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: 800,000,000 shares;		
Issued: 324,418,632 shares	324,419	324,419
Additional paid-in capital	733,515	721,205
Retained earnings	10,737,655	13,019,143
Accumulated other comprehensive income	398,410	430,891
	12,193,999	14,495,658
Less treasury stock, 96,304,328 shares and 94,216,075 shares, respectively, at cost	(5,549,829)	(5,478,499)
Total shareholders' equity	6,644,170	9,017,159
Total liabilities, minority interests and shareholders' equity	$ 13,376,096	$ 15,887,727

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

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

	Thirteen Weeks Ended		% Inc
	June 29, 2008	July 1, 2007	(Dec)
Net Operating Revenues:			
Publishing advertising	$ 1,108,189	$ 1,281,555	(13.5)
Publishing circulation	305,994	312,506	(2.1)
Broadcasting	192,568	204,666	(5.9)
All other	111,238	113,908	(2.3)
Total	1,717,989	1,912,635	(10.2)
Operating Expenses:			
Cost of sales and operating expenses, exclusive of depreciation	988,538	1,052,476	(6.1)
Selling, general and administrative expenses, exclusive of depreciation	299,539	320,636	(6.6)
Depreciation	65,618	62,677	4.7
Amortization of intangible assets	6,475	8,855	(26.9)
Goodwill and other asset impairment charges (see Note 3)	2,491,365	—	***
Total	3,851,535	1,444,644	***
Operating income (loss)	(2,133,546)	467,991	***
Non-operating (expense) income:			
Equity income (losses) in unconsolidated investees, net (see Note 3)	(252,793)	17,470	***
Interest expense	(43,957)	(66,400)	(33.8)
Other non-operating items	5,340	10,324	(48.3)
Total	(291,410)	(38,606)	***
Income (loss) before income taxes	(2,424,956)	429,385	***
Provision (benefit) for income taxes	(134,200)	139,500	***
Income (loss) from continuing operations	(2,290,756)	289,885	***
Income from the operation of discontinued operations, net of tax	—	1,963	***
Gain on disposal of newspaper business net of tax	—	73,814	***
Net Income (Loss)	$ (2,290,756)	$ 365,662	***
Earnings (Loss) from continuing operations per share — basic	$ (10.03)	$ 1.24	***
Discontinued operations per share — basic	—	0.01	***
Gain on disposal of newspaper business per share — basic	—	0.32	***
Net Income (Loss) per share — basic	$ (10.03)	$ 1.56	***
Earnings (Loss) from continuing operations per share — diluted	$ (10.03)	$ 1.24	***
Discontinued operations per share — diluted	—	0.01	***
Gain on disposal of newspaper business per share — diluted	—	0.31	***
Net Income (Loss) per share — diluted	$ (10.03)	$ 1.56	***
Dividends per share	$ 0.40	$ 0.31	29.0

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

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

	Twenty-six Weeks Ended		% Inc
	June 29, 2008	July 1, 2007	(Dec)
Net Operating Revenues:			
Publishing advertising	$ 2,205,083	$ 2,503,182	(11.9)
Publishing circulation	615,172	630,041	(2.4)
Broadcasting	362,748	387,725	(6.4)
All other	211,855	222,901	(5.0)
Total	3,394,858	3,743,849	(9.3)
Operating Expenses:			
Cost of sales and operating expenses, exclusive of depreciation	1,975,038	2,110,412	(6.4)
Selling, general and administrative expenses, exclusive of depreciation	594,435	641,157	(7.3)
Depreciation	125,220	124,862	0.3
Amortization of intangible assets	14,715	17,710	(16.9)
Goodwill and other asset impairment charges (see Note 3)	2,491,365	—	***
Total	5,200,773	2,894,141	***
Operating income (loss)	(1,805,915)	849,708	***
Non-operating (expense) income:			
Equity income (losses) in unconsolidated investees, net (see Note 3)	(264,548)	15,990	***
Interest expense	(92,506)	(139,345)	(33.6)
Other non-operating items	29,491	10,286	***
Total	(327,563)	(113,069)	***
Income (loss) before income taxes	(2,133,478)	736,639	***
Provision (benefit) for income taxes	(34,500)	240,400	***
Income (loss) from continuing operations	(2,098,978)	496,239	***
Income from the operation of discontinued operations, net of tax	—	6,221	***
Gain on disposal of newspaper business net of tax	—	73,814	***
Net Income (Loss)	$ (2,098,978)	$ 576,274	***
Earnings (Loss) from continuing operations per share — basic	$ (9.17)	$ 2.12	***
Discontinued operations per share — basic	—	0.03	***
Gain on disposal of newspaper business per share — basic	—	0.31	***
Net Income (Loss) per share — basic	$ (9.17)	$ 2.46	***
Earnings (Loss) from continuing operations per share — diluted	$ (9.17)	$ 2.11	***
Discontinued operations per share — diluted	—	0.03	***
Gain on disposal of newspaper business per share — diluted	—	0.31	***
Net Income (Loss) per share — diluted	$ (9.17)	$ 2.45	***
Dividends per share	$ 0.80	$ 0.62	29.0

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

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

	Twenty-six weeks ended	
	June 29, 2008	**July 1, 2007**
Cash flows from operating activities:		
Net Income (Loss)	$ (2,098,978)	$ 576,274
Adjustments to reconcile net income (loss) to operating cash flows:		
Gain on sale of discontinued operations, net of tax	—	(73,814)
Depreciation and amortization	139,935	144,679
Goodwill and other asset impairment charges (see Note 3)	2,491,365	—
Provision for deferred income taxes	(216,100)	12,100
Pension (benefit) expense, net of pension contributions	(33,047)	30,037
Equity losses (income) in unconsolidated investees, net (see Note 3)	264,548	(15,990)
Stock-based compensation	13,404	20,521
Other net, including asset sale gains and changes in other assets and liabilities	(23,487)	(44,924)
Net cash flow from operating activities	537,640	648,883
Cash flows from investing activities:		
Purchase of property, plant and equipment	(57,989)	(59,974)
Payments for acquisitions, net of cash acquired	(11,295)	(20,972)
Payments for investments	(23,998)	(67,144)
Proceeds from investments	18,266	20,266
Proceeds from sale of assets	69,160	438,869
Purchase of investments in marketable securities	—	(58,508)
Net cash (used for) provided by investing activities	(5,856)	252,537
Cash flows from financing activities:		
Proceeds from issuance of long-term debt, net of debt issuance fees	—	1,000,000
Proceeds from (payments of) unsecured promissory notes	726,248	(953,663)
Payments of unsecured fixed rate notes and other indebtedness	(500,000)	(700,000)
Dividends paid	(184,043)	(145,598)
Cost of common shares repurchased	(72,764)	(90,354)
Proceeds from issuance of common stock	—	12,065
Distributions to minority interest in consolidated partnerships	(1,068)	(1,487)
Net cash used for financing activities	(31,627)	(879,037)
Effect of currency exchange rate change	(44)	1,684
Net increase in cash and cash equivalents	500,113	24,067
Balance of cash and cash equivalents at beginning of period	77,249	94,256
Balance of cash and cash equivalents at end of period	$ 577,362	$ 118,323

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 29, 2008

NOTE 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 thirteen week and year-to-date periods ended June 29, 2008, and the comparable periods of 2007, 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.

In connection with the May 2007 sale of the Norwich (CT) Bulletin; the Rockford (IL) Register Star; the Observer-Dispatch in Utica, NY; and The Herald-Dispatch in Huntington, WV to GateHouse Media, Inc. and the contribution of the Chronicle-Tribune in Marion, IN to the Gannett Foundation, the results for these publishing businesses are presented in the Condensed Consolidated Statements of Income as discontinued operations. At June 29, 2008, there were no results of operations or net assets related to these discontinued operations. Amounts applicable to the discontinued operations, which have been reclassified in the Statements of Income for the thirteen week and twenty-six week periods ended July 1, 2007, are as follows:

(in millions of dollars)	Thirteen Weeks ended July 1, 2007	Twenty-six Weeks ended July 1, 2007
Revenues	$ 11.8	$ 41.0
Pre tax income	$ 3.3	$ 10.3
Net income	$ 2.0	$ 6.2
Gain (after tax)	$ 73.8	$ 73.8

At the end of 2007, the company's equity share of operating results from its newspaper partnerships, including Tucson, which participates in a joint operating agency, the California Newspapers Partnership and Texas-New Mexico Newspapers Partnership, were reclassified from "All other" revenue and reflected as "Equity income (losses) in unconsolidated investees, net" in the non-operating section of the Consolidated Statements of Income. This line also includes equity income and losses from online/new technology businesses which were previously classified in "Other" non-operating items. "All other" revenue is now comprised principally of commercial printing revenues and revenue from PointRoll. All periods presented reflect these reclassifications.

NOTE 2 — Recently issued accounting standards

In June 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) EITF No. 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities." This FSP provides that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of earnings per share pursuant to the two-class method. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those years. Upon adoption, a company is required to retrospectively adjust its earnings per share data (including any amounts related to interim periods, summaries of earnings and selected financial data) to conform with the provisions in this FSP. Early application of this FSP is prohibited. The adoption of FSP No. EITF 03-6-1 will not have a material effect on the company's Consolidated Financial Statements.

In May 2008, the FASB issued FSP No. APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)." This FSP clarifies that convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) are not addressed by paragraph 12 of APB Opinion No. 14, "Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants." Additionally, this FSP specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The adoption of FSP No. APB 14-1 will not have a material effect on the company's Consolidated Financial Statements.

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161, “Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133” (SFAS No. 161). SFAS No. 161 amends and expands the disclosure requirements of SFAS No. 133 with the intent to provide users of financial statements with an enhanced understanding of: (i) How and why an entity uses derivative instruments; (ii) How derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations and (iii) How derivative instruments and related hedged items affect an entity’s financial position, financial performance and cash flows. This statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The company is in the process of evaluating the impact of SFAS No. 161 on its Consolidated Financial Statements.

In December 2007 the FASB issued Statement of Financial Accounting Standards No. 141 (revised 2007), “Business Combinations” (SFAS No. 141(R)) and No. 160, “Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51” (SFAS No. 160). SFAS No. 141(R) and SFAS No. 160 are effective for the beginning of fiscal year 2009. SFAS No. 141(R) will change how business acquisitions are accounted for and will impact financial statements both on the acquisition date and in subsequent periods. SFAS No. 160 will change the accounting and reporting for minority interest, which will be recharacterized as noncontrolling interests and classified as a component of equity. The company is in the process of studying the impact of these standards on the company’s financial accounting and reporting.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, “Fair Value Measurements” (SFAS No. 157) which is effective for fiscal years beginning after November 15, 2007. The company adopted SFAS No. 157 at the beginning of 2008. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. Refer to Note 12 for information regarding the company’s fair value measurements. In November 2007, the FASB agreed to a one-year deferral of the effective date for nonfinancial assets and liabilities that are recognized or disclosed at fair value on a nonrecurring basis. The company is currently assessing the impact of adopting the deferred portion of the pronouncement.

NOTE 3 — Impairment and other non-cash charges

Softening business conditions and a decline in the company's stock price required the company to perform impairment tests on its goodwill, intangible assets, and other long lived assets as of March 31, 2008, the first day of its fiscal second quarter. As a result, the company has recorded non-cash impairment charges in the quarter to reduce the book value of publishing goodwill, other publishing intangible assets including mastheads, and certain publishing property, plant and equipment assets. The carrying value of certain of the company's investments in newspaper publishing partnerships and other businesses, which are accounted for under the equity method, were also written down. The company also recorded accelerated depreciation expense associated with certain cost reduction initiatives.

A summary of these charges is presented below:

(in millions except per share amounts)	Pre Tax Amount	After Tax Amount	Per Diluted Share Amount (a)
Publishing segment asset impairments:			
Goodwill	$ 2,138	$ 2,138	$ 9.36
Other intangible assets—principally mastheads	176	113	0.50
Property, plant and equipment	177	110	0.48
Total asset impairments	2,491	2,361	10.34
Accelerated depreciation:			
Publishing	8	5	0.02
Broadcasting	2	1	—
Corporate	1	1	—
Consolidated total included in operating expenses	2,502	2,368	10.37
Newspaper publishing partnerships and other equity method investments	261	162	0.71
Total non-cash charges	$ 2,763	$ 2,530	$ 11.08

(a) Per diluted share amounts are for the quarter ended June 29, 2008 and totals may not sum due to rounding.

The goodwill impairment charge results from the application of the impairment testing provisions of Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" (SFAS No. 142). Impairment testing is customarily performed annually, and last had been performed at the end of 2007, at which time no goodwill impairment charge was indicated. Because of softening business conditions within the company's publishing segment and the decline in the company's stock price and market capitalization, this testing was updated as of the beginning of the second quarter of 2008. For one of the reporting units in its publishing segment, an impairment was indicated. The fair value of the reporting unit was determined using discounted cash flow and multiple of earnings techniques. The company then undertook the next step in the impairment testing process by determining the fair value of assets and liabilities within this reporting unit.

The implied value of goodwill determined by the valuation for this reporting unit was less than the carrying amount by $2.1 billion, and therefore an impairment charge in this amount was taken. There was no tax benefit recognized related to the impairment charge since the recorded goodwill was non-deductible as it arose from stock purchase transactions. Therefore, the after tax effect of the impairment was $2.1 billion or $9.36 per diluted share.

The impairment charge of $176 million for other publishing intangible assets was required because revenue results from the underlying businesses have softened from what was expected at the time they were purchased. In accordance with SFAS No. 142, the carrying values of impaired indefinite lived intangible assets, principally mastheads, were reduced to fair value. Fair value was determined using a relief-from-royalty method. In addition, the carrying values of certain definite lived intangible assets, principally customer relationships, were reduced to fair value in accordance with Statement of Financial Accounting Standard No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS No. 144). Deferred tax benefits have been recognized for these intangible asset impairment charges and therefore the after tax impact was $113 million or $0.50 per diluted share.

The carrying value of property, plant and equipment amounts at certain publishing businesses was also evaluated due to softening business conditions. The recoverability of these assets was measured in accordance with SFAS No. 144. This measurement process indicated that expected undiscounted future cash flows to be generated by certain asset groups would be less than the asset carrying values. The carrying values of these asset groups were therefore reduced to fair value and an impairment charge of $177 million was taken. Asset group fair values were determined using a multiple of earnings technique. The company also recognized accelerated depreciation of $11 million in connection with certain cost reduction initiatives. Deferred tax benefits were recognized for these charges and therefore the after tax impact was $117 million or $0.51 per diluted share.

For certain of the company's newspaper publishing partnership investments, and for certain other investments in which the company owns a minority equity interest, carrying values were written down to fair value because the businesses underlying the investments had experienced significant and sustained declines in operating performance, leading the company to conclude that they were other than temporarily impaired. The adjustment of newspaper publishing partnership carrying values comprise the majority of these investment charges, and these were driven by many of the same factors affecting the company's wholly owned publishing businesses. These investment carrying value adjustments were $261 million pre tax and $162 million on an after tax basis, or $0.71 per diluted share. The pre tax charges for these investments are reflected as "Equity income (losses) in unconsolidated investees, net" in the Statement of Income (Loss).

NOTE 4 — Equity based awards

Stock-based compensation

For the quarter ended June 29, 2008 and July 1, 2007, options were granted for 34,683 and 32,625 shares, respectively. For the year-to-date periods ended June 29, 2008 and July 1, 2007, options were granted for 807,883 and 805,725 shares, respectively. The following weighted average assumptions were used to estimate the fair value of those options.

	Year-to-date	
	2008	2007
Average expected term	4.5 years	4.5 years
Expected volatility	18.45%	17.80%
Risk-free interest rates	2.92%	4.52%
Expected dividend yield	4.20%	2.07%

For the second quarter 2008, the company recorded stock-based compensation expense of $6.0 million, consisting of $3.0 million for nonqualified stock options and $3.0 million for restricted shares. For the year-to-date 2008, the company recorded stock-based compensation expense of $13.4 million, consisting of $7.5 million for nonqualified stock options and $5.9 million for restricted shares. The related tax benefit for stock compensation was $2.3 million for the second quarter and $5.1 million for the year-to-date period. On an after tax basis, total stock compensation expense was $3.7 million or $0.02 per share for the second quarter and $8.3 million or $0.04 per share year-to-date.

For the second quarter of 2007, the company recorded stock-based compensation expense of $6.9 million, consisting of $4.0 million for nonqualified stock options and $2.9 million for restricted shares (including shares issuable under the long-term incentive program). For the year-to-date 2007, the company recorded stock based compensation expense of $20.5 million, consisting of $13.9 million for nonqualified stock options and $6.6 million for restricted shares. The related tax benefit for stock compensation expense was $2.6 million for the second quarter and $7.8 million for the year-to-date period. On an after tax basis, total stock compensation expense was $4.3 million or $0.02 per share for the second quarter and $12.7 million or $0.05 per share year-to-date.

During the quarter and year-to-date ended June 29, 2008, no options were exercised.

During the quarter and year-to-date ended July 1, 2007, options for 91,538 and 216,864 shares of common stock were exercised. The company received $5.1 million and $12.1 million of cash from the exercise of these options. The intrinsic value of the options exercised was approximately $0.3 million for the second quarter and $1.1 million for the year-to-date. The actual tax benefit realized from the tax deductions from the options exercised was $0.1 million for the second quarter and $0.4 million for the year-to-date.

Option exercises are satisfied through the issuance of shares from treasury stock.

A summary of the status of the company's stock option awards as of June 29, 2008 and changes thereto during 2008 is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at beginning of year	27,933,353	$ 70.88		
Granted	807,883	31.98		
Canceled/Expired	(855,860)	74.08		
Outstanding at quarter end	27,885,376	$ 69.66	4.36	$ 0.00
Options exercisable at quarter end	23,252,971	$ 73.04	4.01	$ 0.00

Restricted stock

In addition to stock options, the company issues stock-based compensation in the form of restricted stock. Restricted stock is an award of common stock that is subject to restrictions and such other terms and conditions as the Executive Compensation Committee determines. These awards entitle an employee to receive shares of common stock at the end of a four-year incentive period conditioned on continued employment. Compensation expense for restricted stock is recognized for the awards that are expected to vest. The expense is based on the fair value of the awards on the date of grant and is generally recognized on a straight-line basis over the four-year incentive period.

The company has also issued restricted stock to its Board of Directors. Upon each annual meeting of shareholders, each director receives a long-term award of 1,250 shares of restricted stock or options to purchase 5,000 shares of stock. The restricted stock awards vest over three years and expense is recognized on a straight-line basis over the vesting period based on the fair value of the restricted stock on the date of grant. The options generally vest at 25% per year beginning on the first anniversary date of the grant date and expense is recognized over the four-year vesting period.

Additionally, directors may elect to receive their annual fees in restricted stock or options in lieu of cash. These shares or options generally vest at 25% per quarter after the grant date. Expense is recognized on a straight-line basis over the twelve-month board year for which the fees are paid based on the fair value of the stock award on the date of grant.

Directors may also elect to receive their meeting fees in restricted stock or options in lieu of cash. Restricted stock or options issued as compensation for meeting fees are issued at the end of the board year during which the fees were earned and fully vests on the date of grant. Expense is recognized on a straight-line basis over the course of the board year.

All shares of restricted stock in which the directors vest are held by the company for the benefit of the directors until their retirement, at which time vested shares are delivered to the Directors.

A summary of the status of the restricted stock awards as of June 29, 2008 and changes during 2008 is presented below:

	Shares	Weighted Average Fair Value
Restricted stock outstanding and unvested at beginning of year	1,041,222	$ 47.89
Granted	45,372	31.09
Vested	(13,528)	50.80
Canceled	(34,101)	48.92
Restricted stock outstanding and unvested at quarter end	1,038,965	$ 47.08

Long-term incentive program

In February 2006, the company adopted a three-year strategic long-term incentive program, or LTIP. Through the use of the LTIP, the company desired to motivate key executives to drive success in new businesses while continuing to achieve success in our core businesses. Because of softening business conditions, in the second quarter of 2008 the company determined that program targets would not be achieved, and previously accrued cost at the end of the first quarter of 2008 was reversed.

NOTE 5 — Acquisitions, investments and asset dispositions

On December 31, 2007, the company acquired X.com, Inc. (BNQT.com). X.com, Inc. operates an action sports digital network covering eight different action sports including surfing, snowboarding and skateboarding. X.com will be affiliated with the USA TODAY Sports brand. This acquisition was not material to results of operations or financial condition.

In February 2008, the company formed quadrantONE, a new digital ad sales network, with three other top media companies: Tribune Company, Hearst Corporation and The New York Times Company.

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

In May 2008, the company purchased a minority stake in Cozi Group Inc. (COZI). COZI owns and maintains family organization software aimed at busy families.

Subsequent to the close of the second quarter, the company acquired from Tribune Company and The McClatchy Company their minority ownership interests in ShopLocal LLC, a leading marketing and database services company for major retailers in the U.S. The company now owns 100% of ShopLocal and will consolidate its results beginning in the third quarter of 2008. The acquisition will enable ShopLocal to collaborate with another Gannett company, PointRoll, to create ads that dynamically connect retail advertisers and consumers, online and in the store.

Subsequent to the end of the second quarter the company purchased a minority stake in Mogulus, LLC, a company that provides internet broadcasting services. The company also increased its investment in 4INFO subsequent to the end of the period, maintaining its approximate ownership interest.

In April 2007, the company disposed of a parcel of real estate located adjacent to its corporate headquarters in McLean, Virginia. In accordance with the installment method of accounting under SFAS No. 66, “Accounting for Sales of Real Estate”, a portion of the gain was recognized in other non-operating income during the second quarter of 2007. The remaining gain of $25.5 million was deferred and recognized in the first quarter of 2008.

The financial statements reflect an allocation of purchase price that is preliminary for acquisitions subsequent to July 1, 2007.

NOTE 6 — Goodwill and other intangible assets

The following table displays goodwill, indefinite-lived intangible assets, and amortizable intangible assets at June 29, 2008 and December 30, 2007.

	June 29, 2008		December 30, 2007	
(in thousands of dollars)	Gross	Accumulated Amortization	Gross	Accumulated Amortization
Goodwill	$ 7,873,254	$ —	$ 10,034,943	$ —
Indefinite-lived intangibles:				
Mastheads and trade names	113,935	—	248,501	—
Television station FCC licenses	255,304	—	255,304	—
Amortizable intangible assets:				
Customer relationships	247,810	104,257	307,114	110,491
Other	46,512	14,714	48,222	13,189

Amortization expense was $6.5 million in the quarter ended June 29, 2008 and $14.7 million year-to-date. For the second quarter and year-to-date of 2007, amortization expense was $8.9 and $17.7 million respectively. Amortization expense in the quarter ended June 29, 2008 was reduced slightly due to the impairment of certain amortizable intangible assets discussed in Note 3. Customer relationships, which include subscriber lists and advertiser relationships, are amortized on a straight-line basis over four to 25 years. Other intangibles include commercial printing relationships, internally developed technology and other assets. These assets were assigned lives of between 2.5 and 15 years and are amortized on a straight-line basis.

(in thousands of dollars)	Publishing	Broadcasting	Total
Goodwill			
Balance at Dec. 30, 2007	$ 8,415,891	$ 1,619,052	$ 10,034,943
Acquisitions and adjustments	8,094	—	8,094
Impairment	(2,138,000)	—	(2,138,000)
Dispositions	(137)	—	(137)
Foreign currency exchange rate changes	(31,545)	(101)	(31,646)
Balance at June 29, 2008	$ 6,254,303	$ 1,618,951	$ 7,873,254

Goodwill decreased primarily due to the non-cash charges discussed further in Note 3.

NOTE 7 — Long-term debt

On June 16, 2008 the company repaid the $500 million in unsecured notes bearing interest at 4.125% that were due using borrowings in the commercial paper market.

On April 2, 2007, the company repaid at scheduled maturity $700 million in aggregate principal amount of 5.50% notes. The repayment was funded with proceeds of commercial paper borrowings, including $525 million which had been raised prior to the end of the first quarter of 2007 and which were temporarily invested in marketable securities until the repayment date of the notes.

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

In July 2008, the company received proceeds of $280 million from borrowings under a new term loan agreement with certain lenders. The term loan is payable in full on July 14, 2011. The loan agreement requires the maintenance of net worth of at least $3.5 billion, and also contains covenants and default provisions customary for facilities of this nature and substantially similar to those contained in each of the company's other credit agreements, as amended, dated February 27, 2004 and December 13, 2004. The loan carries interest at a floating rate and may be prepaid at any time without penalty.

The proceeds from the term loan, along with proceeds received from commercial paper issuances, approximately $500 million of which had been received from borrowings prior to the end of the second quarter and which were held in interest bearing deposits, were used to repurchase the $1.0 billion convertible notes discussed above.

The following schedule of annual maturities of long-term debt assumes the company had used its $3.9 billion of revolving credit agreements to refinance existing unsecured promissory notes, the unsecured fixed rate notes, the unsecured floating rate notes, the unsecured senior convertible notes and other indebtedness due in 2008, 2009 and 2011. Based on this refinancing assumption, all of these obligations are reflected in the maturities for 2012.

(in thousands)	June 29, 2008
2009	—
2010	—
2011	—
2012	$ 4,324,586
2013	—
Later years	—
Total	$ 4,324,586

NOTE 8 — Retirement plans

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

On June 10, 2008, the company's Board of Directors authorized and approved amendments to each of (i) the Gannett Retirement Plan; (ii) the Gannett Supplemental Retirement Plan (SERP); (iii) the Gannett 401(k) Savings Plan (401(k) Plan); and (iv) the Gannett Deferred Compensation Plan (DCP). The amendments are designed to improve the 401(k) Plan while reducing the amount and volatility of future pension expense. As a result of the amendments to the Gannett Retirement Plan and SERP, most participants in these plans will have their benefits frozen as of August 1, 2008, meaning that their service and earnings on and after that date will not be considered for purposes of calculating their retirement benefits. Participants whose Gannett Retirement Plan and, if applicable, SERP benefits are frozen will have their frozen benefits periodically increased by a cost of living adjustment until benefits commence. Effective August 1, 2008, most participants whose benefits are frozen under the Gannett Retirement Plan and, if applicable, the SERP will receive higher matching contributions under the 401(k) Plan. Under the new formula, the matching contribution rate generally will increase from 50% of the first 6% of compensation that an employee elects to contribute to the plan to 100% of the first 5% of compensation. Gannett will also make additional employer contributions to the 401(k) Plan on behalf of certain employees. The DCP was amended to provide for Gannett contributions on behalf of certain employees whose benefits under the 401(k) Plan are capped by IRS rules that limit the amount of compensation that can be taken into account when calculating benefits under a qualified plan. Generally, Gannett's contributions to the DCP will be calculated by applying the same formula that applies to an employee's matching and additional employer contributions under the 401(k) Plan to the employee's compensation in excess of the IRS compensation limit.

As a result of the amendments to freeze most benefit accruals in the Gannett Retirement Plan and the SERP, the company recognized a net pre tax pension curtailment gain of $46.5 million in the second quarter of 2008 in accordance with Statement of Financial Accounting Standards No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits." Incremental contributions under the enhanced 401(k) Savings Plan will commence August 1, 2008.

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

(in millions of dollars)	*Second Quarter* 2008	*Second Quarter* 2007	*Year-to-date* 2008	*Year-to-date* 2007
Service cost-benefits earned during the period	$ 19.4	$ 24.5	$ 43.2	$ 51.1
Interest cost on benefit obligation	53.1	49.7	106.7	98.9
Expected return on plan assets	(68.4)	(68.1)	(139.0)	(135.9)
Amortization of prior service credit	(3.8)	(5.5)	(9.0)	(10.3)
Amortization of actuarial loss	7.6	11.3	15.5	22.2
Pension expense for company-sponsored retirement plans	7.9	11.9	17.4	26.0
Curtailment gain	(46.5)	—	(46.5)	
Union and other pension cost	1.8	2.0	3.6	4.0
Pension (benefit) cost	$ (36.8)	$ 13.9	$ (25.5)	$ 30.0

NOTE 9 — 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 are presented in the following table:

(in millions of dollars)	*Second Quarter* 2008	*Second Quarter* 2007	*Year-to-date* 2008	*Year-to-date* 2007
Service cost-benefits earned during the period	$ 0.5	$ 0.5	$ 1.0	$ 1.0
Interest cost on net benefit obligation	3.5	3.4	7.0	6.8
Amortization of prior service credit	(3.9)	(1.8)	(7.8)	(5.7)
Amortization of actuarial loss	1.2	0.1	2.4	1.4
Net periodic postretirement benefit cost	$ 1.3	$ 2.2	$ 2.6	$ 3.5

NOTE 10 — Income taxes

The company adopted the provisions of FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" (FIN No. 48) on January 1, 2007.

The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was approximately $182 million as of December 30, 2007 and $149 million as of the end of the second quarter of 2008. This amount reflects the federal tax benefit of state tax deductions. Excluding the federal tax benefit of state tax deductions, the total amount of unrecognized tax benefits as of December 30, 2007 was $264 million and as of June 29, 2008 was $231 million. The $33 million net decrease reflects a net reduction for prior year tax positions of $21 million, a reduction for cash settlements of $13 million, a reduction for lapses of statutes of limitations of $4 million, and additions in the current year of $5 million. The reduction for prior year tax positions, as well as the reduction for cash settlements, was primarily related to favorable settlements with the UK tax authorities.

The company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense. The company also recognizes interest income attributable to overpayment of income taxes as a component of income tax expense. The company recognized interest expense (income) of $9 million and $(5) million during the second quarter of 2008 and 2007, respectively. The amount of net accrued interest and penalties related to uncertain tax benefits as of December 30, 2007 was approximately $83 million and as of June 29, 2008, was approximately $100 million.

The company files income tax returns in the U.S. and various state and foreign jurisdictions. The 2005 through 2007 tax years remain subject to examination by the IRS. The IRS has commenced examination of the company's 2005 and 2006 U.S. income tax returns, and this examination is expected to be completed in 2009. The 2004 through 2007 tax years generally remain subject to examination by state authorities, and the years 2003-2007 are subject to examination in the U.K. In addition, tax years prior to 2004 remain subject to examination by certain states primarily due to the filing of amended tax returns upon settlement of the IRS examination for these years and due to ongoing audits.

It is reasonably possible that the amount of the unrecognized benefits with respect to certain of the company's unrecognized tax positions will significantly increase or decrease within the next 12 months. These changes may be the result of settlement of ongoing audits, lapses of statutes of limitations or other regulatory developments. At this time, the company estimates that the amount of its gross unrecognized tax positions may decrease by up to approximately $50 million within the next 12 months primarily due to lapses of statutes of limitations in various jurisdictions and potential settlements of ongoing audits and negotiations.

NOTE 11 — Comprehensive income (loss)

The table below presents the components of comprehensive income (loss) for the second quarter and first six months of 2008 and 2007.

	Second Quarter		***Year-to-date***	
(in thousands of dollars)	2008	2007	2008	2007
Net income (loss)	$ (2,290,756)	$ 365,662	$ (2,098,978)	$ 576,274
Other comprehensive income (loss)	(23,421)	78,484	(32,480)	99,810
Comprehensive income (loss)	$ (2,314,177)	$ 444,146	$ (2,131,458)	$ 676,084

Other comprehensive income (loss) consists primarily of foreign currency translation and mark-to-market adjustments on the interest rate swaps.

NOTE 12 — Fair value measurement

The company measures and records in the accompanying condensed consolidated financial statements certain assets and liabilities at fair value on a recurring basis. SFAS No. 157 establishes a fair value hierarchy for those instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and our own assumptions (unobservable inputs). The hierarchy consists of three levels:

Level 1 -	Quoted market prices in active markets for identical assets or liabilities;
Level 2 -	Inputs other than Level 1 inputs that are either directly or indirectly observable; and
Level 3 -	Unobservable inputs developed using estimates and assumptions developed by the company, which reflect those that a market participant would use.

The following table summarizes the financial instruments measured at fair value in the accompanying condensed consolidated balance sheet as of June 29, 2008 (in thousands):

	Fair Value Measurements as of June 29, 2008			
	Level 1	Level 2	Level 3	Total
Assets				
Deferred compensation related investments	$ 44,597	$ —	$ —	$ 44,597
Sundry investments	$ 25,525	$ —	$ —	$ 25,525
Liabilities				
Interest rate swaps	$ —	$ 13,396	$ —	$ 13,396

NOTE 13 — Business segment information

The company has determined that its reportable segments based on its management and internal reporting structures are publishing, which is the largest segment of its operations, and broadcasting.

Broadcasting includes results from the company's 23 television stations and Captivate. 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 and in select hotels across North America.

Excluding discontinued operations

	Thirteen weeks ended		% Inc
(unaudited, in thousands of dollars)	June 29, 2008	July 1, 2007	(Dec)
Net Operating Revenues:			
Publishing	$ 1,525,421	$ 1,707,969	(10.7)
Broadcasting	192,568	204,666	(5.9)
Total	$ 1,717,989	$ 1,912,635	(10.2)
Operating Income (Loss) (net of depreciation, amortization and asset impairment — see Note 3):			
Publishing	$ (2,202,786)	$ 399,279	***
Broadcasting	79,234	87,412	(9.4)
Corporate	(9,994)	(18,700)	(46.6)
Total	$ (2,133,546)	$ 467,991	***
Depreciation, Amortization and Asset Impairment (see Note 3):			
Publishing	$ 2,548,122	$ 59,163	***
Broadcasting	10,160	8,459	20.1
Corporate	5,176	3,910	32.4
Total	$ 2,563,458	$ 71,532	***

	Twenty-six weeks ended		% Inc
	June 29, 2008	July 1, 2007	(Dec)
Net Operating Revenues:			
Publishing	$ 3,032,110	$ 3,356,124	(9.7)
Broadcasting	362,748	387,725	(6.4)
Total	$ 3,394,858	$ 3,743,849	(9.3)
Operating Income (Loss) (net of depreciation, amortization and asset impairment — see Note 3):			
Newspaper publishing	$ (1,917,254)	$ 739,887	***
Broadcasting	137,039	151,574	(9.6)
Corporate	(25,700)	(41,753)	(38.4)
Total	$ (1,805,915)	$ 849,708	***
Depreciation, Amortization and Asset Impairment (see Note 3):			
Newspaper publishing	$ 2,603,501	$ 117,474	***
Broadcasting	18,655	17,182	8.6
Corporate	9,144	7,916	15.5
Total	$ 2,631,300	$ 142,572	***

NOTE 14 — Earnings (loss) per share

The company's earnings (loss) per share (basic and diluted) are presented below:

(in thousands except per share amounts)	Thirteen weeks ended June 29, 2008	Thirteen weeks ended July 1, 2007	Twenty-six weeks ended June 29, 2008	Twenty-six weeks ended July 1, 2007
Income (loss) from continuing operations (see Note 3)	$ (2,290,756)	$ 289,885	$ (2,098,978)	$ 496,239
Income from the operation of discontinued operations, net of tax	—	1,963	—	6,221
Gain on disposal of newspaper business, net of tax	—	73,814	—	73,814
Net income (loss)	$ (2,290,756)	$ 365,662	$ (2,098,978)	$ 576,274
Weighted average number of common shares outstanding — basic	228,325	234,196	228,772	234,391
Effect of dilutive securities				
Stock options	—	65	—	85
Restricted stock	—	344	—	338
Weighted average number of common shares outstanding — diluted (a)	228,325	234,605	228,772	234,814
Earnings (loss) from continuing operations per share — basic	$ (10.03)	$ 1.24	$ (9.17)	$ 2.12
Discontinued operations per share — basic	—	0.01	—	0.03
Gain on disposal of newspaper business net of tax — basic	—	0.32	—	0.31
Net income (loss) per share — basic	$ (10.03)	$ 1.56	$ (9.17)	$ 2.46
Earnings (loss) from continuing operations per share — diluted	$ (10.03)	$ 1.24	$ (9.17)	$ 2.11
Discontinued operations per share — diluted	—	0.01	—	0.03
Gain on disposal of newspaper business per share — diluted	—	0.31	—	0.31
Net income (loss) per share — diluted	$ (10.03)	$ 1.56	$ (9.17)	$ 2.45

(a) Diluted weighted average common shares exclude 448 and 445 incremental shares resulting from the application of the treasury stock method to outstanding options and restricted stock for the thirteen and twenty-six weeks ended June 29, 2008, respectively. Their effect is anti-dilutive as results for these periods were a net loss.

NOTE 15 — Litigation

On December 31, 2003, two employees of the company's television station KUSA in Denver filed a class action lawsuit in the U.S. District Court for the District of Colorado against Gannett and the Gannett Retirement Plan (Plan) on behalf of themselves and other similarly situated individuals who participated in the Plan after January 1, 1998, the date that certain amendments to the Plan took effect. The complaint was amended to add a third plaintiff. The plaintiffs alleged, among other things, that the current pension plan formula adopted in that amendment violated the age discrimination accrual provisions of the Employee Retirement Income Security Act. The plaintiffs sought to have their post-1997 benefits recalculated and sought other equitable relief. The court granted the plaintiffs' motion to certify a class. On July 1, 2008, subsequent to the end of the company's second quarter, the court granted summary judgment in favor of the defendants, and entered a judgment dismissing all claims of the class plaintiffs and the individual plaintiffs. The plaintiffs' right to appeal the decision expired on July 31, 2008.

The company and a number of its subsidiaries are defendants in other judicial and administrative proceedings involving matters incidental to their business. The company's management does not believe that any material liability will be imposed as a result of these other matters.

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. If the price of Sterling against the U.S. dollar had been 10% more or less than the actual price, operating income, excluding the non-cash impairment charges, for the second quarter and year-to-date periods of 2008 would have increased or decreased approximately 2%.

As discussed more fully in the "Liquidity, Capital Resources, Financial Position, and Statement of Cash Flows" section of this report, the company has floating rate notes in the form of commercial paper obligations and a $280.0 million term loan that was drawn in July 2008. At the end of the second quarter, the company also had floating rate convertible notes outstanding but, as expected, these were repaid in their entirety on July 15, 2008, financed with a combination of new term loan proceeds and commercial paper borrowings. Subsequent to the repayment of the convertible notes, the company had approximately $2.3 billion in floating rate obligations outstanding. A 1/2% increase or decrease in the average interest rate for these obligations would result in an increase or decrease in annual interest expense of $11.3 million.

The fair value of the company's total long-term debt, determined based on quoted market prices for similar issues of debt with the same remaining maturities and similar terms, totaled $4.29 billion at June 29, 2008.

Item 4. Controls and Procedures

Based on their evaluation, the company's Chairman, President and Chief Executive Officer and Executive Vice President and Chief Financial Officer have concluded the company's disclosure controls and procedures are effective as of June 29, 2008, 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 changes in the company's internal controls or in other factors during the fiscal quarter 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. Unregistered Sales of Equity Securities and Use of Proceeds

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Program	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
3/31/08 – 5/04/08	98,000	$ 25.50	98,000	$ 821,422,352
5/05/08 – 6/01/08	—	—	—	$ 821,422,352
6/02/08 – 6/29/08	483,100	$ 25.85	483,100	$ 808,936,610
Total Second Quarter 2008	581,100	$ 25.79	581,100	$ 808,936,610

All of the shares included in column (c) of the table above were repurchased under the remaining $1 billion authorization announced on July 25, 2006. There is no expiration date for the repurchase program. No repurchase program expired during the periods presented above and management does not intend to terminate the repurchase program. All shares repurchased were part of the publicly announced repurchase program.

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of Shareholders of Gannett Co., Inc. was held on April 30, 2008. The following describes the actions taken at the Annual Meeting.

Three nominees were re-elected to the Board of Directors with each receiving greater than 95% of the vote. Tabulation of votes for each of the nominees was as follows:

	For	Withhold Authority
Craig A. Dubow	194,795,565	9,813,200
Donna E. Shalala	195,902,115	8,706,650
Neal Shapiro	196,625,153	7,983,612

The proposal to ratify Ernst & Young LLP as the company's independent registered public accounting firm was approved. Tabulation of the votes for the proposal was as follows:

	For	Against	Abstain	Broker Non-Vote
Ratification of independent auditors	202,480,302	343,413	1,785,050	- 0 -

Item 5. Other Events

On July 31, 2008, the company's Board of Directors amended Article II, Sections 4 and 6 of the company's bylaws. Amended Article II, Section 4(A)(1) clarifies that the notice described in clause (c) of Article II, Section 4(A)(1) shall be the exclusive means for a stockholder to make nominations or submit other business (other than matters properly brought under Rule 14a-8 under the Exchange Act and included in the Corporation's notice of meeting) before an annual meeting of stockholders. Under amended Article II, Section 4(A)(2), to be in proper form, a stockholder's notice must set forth, in addition to the information that was previously required by the bylaws, a description of (i) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (ii) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote any shares of any security of the Corporation, (iii) any short interest in any security of the Corporation, (iv) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder that are separated or separable from the underlying shares of the Corporation, (v) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (vi) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household. Amended Article II, Section 4(C)(3) clarifies that any references in the Bylaws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to Section 4(A)(1)(c) or Section 4(B) of the Bylaws. Amended Article II, Section 6 establishes the record date as the date on which the Company shall determine whether the number of director nominees exceeds the number of directors to be elected for purposes of the director election vote requirements set forth in Article II, Section 6. The amended bylaws are attached as Exhibit 3-2 to this Form 10-Q.

Item 6. Exhibits

Incorporated by reference to the Exhibit Index attached hereto and made a part hereof.

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.

Date: August 1, 2008	GANNETT CO., INC.
	/s/ George R. Gavagan
	George R. Gavagan Vice President and Controller (on behalf of Registrant and as Chief Accounting Officer)

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EXHIBIT INDEX

Exhibit Number	Exhibit	Location
3-1	Third Restated Certificate of Incorporation of Gannett Co., Inc.	Incorporated by reference to Exhibit 3.1 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended April 1, 2007.
3-2	By-laws of Gannett Co., Inc.	Attached.
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.
31-1	Rule 13a-14(a) Certification of CEO.	Attached.
31-2	Rule 13a-14(a) Certification of CFO.	Attached.
32-1	Section 1350 Certification of CEO.	Attached.
32-2	Section 1350 Certification of CFO.	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.

[Reflects all amendments through July 31, 2008]

BY-LAWS

OF

GANNETT CO., INC.

ARTICLE I.

Meetings of Stockholders

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

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

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

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

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

Section 6. Quorum and Conduct of Meetings.

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

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

Section 7. Voting.

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

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

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

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

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

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

ARTICLE II.

Board of Directors

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

Section 2. Number and Terms: Except as otherwise fixed pursuant to the provisions of Article FOURTH of the Certificate of Incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of the directors of the Corporation shall be fixed from time to time by majority vote of the entire Board of Directors. Without limiting the term of any director previously elected, directors elected to the board of directors after the annual meeting of stockholders to be held in 2007 shall hold office until the first annual meeting of stockholders following their election and until his or her successor shall have been duly elected and qualified or until the director's prior death, resignation or removal.

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

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

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

Every person who is elected a director of this Corporation shall own, directly or beneficially (beneficial ownership to be determined in accordance with the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder (the "Exchange Act")), at least three thousand shares of the common stock of this Corporation (subject to adjustment for any stock splits or stock dividends occurring after August 10, 2007). Shares of common stock issuable upon vesting of restricted stock units or in a director's account in the Corporation's deferred compensation plan shall be counted for purposes of this ownership requirement.

Section 4. Notice of Stockholder Business and Nominations.

(A) Annual Meetings of Stockholders. (1) Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any stockholder of the Corporation who (i) was a stockholder of record at the time of giving of notice provided for in this By-Law and at the time of the annual meeting, (ii) is entitled to vote at the meeting and (iii) complies with the notice procedures set forth in this By-Law as to such business or nomination; clause (c) shall be the exclusive means for a stockholder to make nominations or submit other business (other than matters properly brought under Rule 14a-8 under the Exchange Act and included in the Corporation's notice of meeting) before an annual meeting of stockholders.

(2) Without qualification, for any nominations or any other business to be properly brought before an annual meeting by a stockholder pursuant to Article II, Section 4(A)(1)(c) of this By-Law, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day and not later than the close of business on the 100th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 100th day prior to such annual meeting or, if the first public announcement of the date of such annual meeting is less than 110 days prior to such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above. To be in proper form, a stockholder's notice (whether given pursuant to this Section 4(A)(2) or Section 4(B)) to the Secretary of the Corporation must: (a) set forth, as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, if any, (ii) (A) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record by such stockholder and such beneficial owner, (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote any shares of any security of the Corporation, (D) any short interest in any security of the Corporation (for purposes of these By-laws a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (E) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder that are separated or separable from the underlying shares of the Corporation, (F) any proportionate interest in shares of the Corporation or Derivative

Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (G) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household (which information shall be supplemented by such stockholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date), and (iii) any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act; (b) if the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting, set forth (i) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such stockholder and beneficial owner, if any, in such business and (ii) a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder; (c) set forth, as to each person, if any, whom the stockholder proposes to nominate for election or reelection as a director (i) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected) and (ii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and (d) with respect to each nominee for election or reelection to the Board of Directors, include the completed and signed questionnaire, representation and agreement required by Article II, Section 5 of these By-Laws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

(3) Notwithstanding anything in the second sentence of Article II, Section 4(A)(2) of this By-Law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least 110 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who (i) is a stockholder of record at the time of giving of notice provided for in this By-Law and at the time of the special meeting, (ii) is entitled to vote at the meeting and (iii) complies with the notice procedures set forth in this By-Law as to such nomination. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by Article II, Section 4(A)(2) of this By-Law with respect to any nomination (including the completed and signed questionnaire, representation and agreement required by Article II, Section 5 of these By-Laws) shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 100th day prior to the date of such special meeting or, if the first public announcement of the date of such special meeting is less than 110 days prior to the date of such special meeting, the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall any adjournment or postponement of a special meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(C) General. (1) Only such persons who are nominated in accordance with the procedures set forth in this By-Law shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-Law. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this By-Law and, if any proposed nomination or business is not in compliance with this By-Law, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this By-Law, “public announcement” shall mean disclosure in a press release reported by national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this By-Law, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-Law; provided, however, that any references in these By-Laws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to Section 4(A)(1)(c) or Section 4(B) of this By-Law. Nothing in this By-Law shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation’s proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock if and to the extent provided for under law, the Certificate of Incorporation or these By-Laws.

Section 5. Submission of Questionnaire, Representation and Agreement. To be eligible to be a nominee for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Article II, Section 4 of these By-Laws) to the Secretary of the Corporation at the principal executive offices of the Corporation a written questionnaire with respect to the background, qualification and experience of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (A) will abide by the requirements of Article II, Section 6 of these By-Laws, (B) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a “Voting Commitment”) that has not been disclosed to the Corporation or (2) any Voting Commitment that could limit or interfere with such person’s ability to comply, if elected as a director of the Corporation, with such person’s fiduciary duties under applicable law, (C) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, (D) beneficially owns, or agrees to purchase within 90 days if elected as a director of the Corporation, not less than three thousand shares of stock of the Corporation (“Qualifying Shares”) (subject to adjustment for any stock splits or stock dividends occurring after August 10, 2007), will not dispose of such minimum number of shares so long as such person is a director, and has disclosed therein whether all or any portion of the Qualifying Shares were purchased with any financial assistance provided by any other person and whether any other person has any interest in the Qualifying Shares (shares of common stock issuable upon vesting of restricted stock units or in a director's account in the Corporation's deferred compensation plan shall be counted for purposes of this ownership requirement), and (E) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

Section 6. Election: Except as provided in Section 9 of this Article or as otherwise required by law or by the Certificate of Incorporation, each director shall be elected by the vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, provided that if on the record date for such meeting the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. For purposes of this Section, a majority of the votes cast means that the number of shares voted "for" a director must exceed 50% of the votes cast with respect to that director. If a nominee who is already serving as a director is not elected, the director shall offer to tender his or her resignation to the Board. The Nominating and Public Responsibility Committee will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. The director who tenders his or her resignation will not participate in the Board's decision. Each Director shall hold office until his or her successor shall be duly elected and qualified, or until death, resignation or removal in the manner hereinafter provided, or until he or she shall cease to qualify.

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

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

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

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

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

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

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

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

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

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

Section 16. Executive and Other Committees: The Board of Directors may in its discretion by resolution passed by a majority of the Directors present at a meeting at which a quorum is present designate an Executive Committee and one or more other committees, each consisting of one or more of the Directors of the Corporation, and each of which, to the extent provided in the resolution and the laws of the State of Delaware, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it; provided, however, that no such committee shall have power or authority as to the following matters:

(1) The amendment of the Certificate of Incorporation of the Corporation (except as provided under the Delaware General Corporation Law);

(2) The amendment of the By-laws of the Corporation;

(3) Approval or recommending to stockholders any action which must be submitted to stockholders for approval under the Delaware General Corporation Law.

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

Section 17. Indemnification.

(a) Each person (including, here and hereinafter, the heirs, executors, administrators, or estate of such person) (1) who is or was a Director or officer of the Corporation, (2) who is or was an agent or employee of the Corporation other than an officer and as to whom the Corporation has agreed to grant such indemnity, or (3) who is or was serving at the request of the Corporation as its representative in the position of a director or officer of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation as of right to the full extent permitted or authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended against any fine, liability, cost or expense asserted against him or incurred by him in his capacity as such director, officer, agent, employee, or representative, or arising out of his status as such director, officer, agent, employee, or representative. The Corporation may maintain insurance, at its expense, to protect itself and any such person against any such fine, liability, cost or expense, whether or not the Corporation would have the power to indemnify him against such liability under the General Corporation Law of the State of Delaware.

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

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

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

Section 18. <u>Emergency Provisions.</u> Notwithstanding any other provision in the Corporation's restated certificate of incorporation or Bylaws, this emergency Bylaw provision shall be operative (i) during any emergency resulting from an attack on the United States or on a locality in which the Corporation conducts its business or customarily holds meetings of its Board of Directors or its stockholders, or (ii) during any nuclear or atomic disaster, or (iii) during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Directors or a standing committee thereof cannot readily be convened for action, or (iv) during any other condition that may be provided under relevant provisions of Delaware Law (each condition described in clauses (i) through (iv) being referred to below as an "Emergency"). Pursuant to this Section 18, during any Emergency:

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

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

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

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

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

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

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

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

ARTICLE III.

Officers

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

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

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

Without limitation of the foregoing:

(a) Chairman of the Board: The Chairman of the Board shall be a director of the Corporation and shall preside at all meetings of the Board and of the Executive Committee of the Board and at all meetings of stockholders. The Chairman of the Board shall undertake such other duties or responsibilities as the Board may assign.

(b) President and Chief Executive Officer: The President and Chief Executive Officer shall be the chief executive officer of the Corporation and shall be a director of the Corporation. In the absence of the Chairman, the President and Chief Executive Officer shall preside at all meetings of the Board and of the Executive Committee of the Board and at all meetings of stockholders.

(c) Vice Presidents: The Board of Directors shall determine the powers and duties of the respective Vice Presidents and may, in its discretion, fix such order of seniority among the respective Vice Presidents as it may deem advisable.

(d) Secretary: The Secretary shall issue notices of all meetings of the stockholders and Directors where notices of such meetings are required by law or these By-laws and shall keep the minutes of such meetings. He shall sign such instruments and attest such documents as require his signature of attestation and affix the corporate seal thereto where appropriate.

(e) Treasurer: The Treasurer shall have custody of all funds and securities of the Corporation and shall sign all instruments and documents as require his signature. He shall perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors.

(f) Controller: The Controller shall be in charge of the accounts of the Corporation and he shall have such powers and perform such duties as may be assigned to him by the Board of Directors.

(g) General Counsel: The General Counsel shall have general control of all matters of legal import concerning the Corporation.

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

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

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

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

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

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

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

ARTICLE IV.

Shares and Their Transfer

Section 1. Certificated and Uncertificated Shares. Shares of the Corporation's stock may be certificated or uncertificated, as provided under Delaware law. All certificates of stock of the Corporation shall be numbered and shall be entered in the books of the Corporation as they are issued. They shall exhibit the holder's name and number of shares and shall be signed by the Chairman or a Vice Chairman or the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar.

Section 2. Transfers. Transfers of stock shall be made on the books of the Corporation only by the record holder of such stock, or by attorney lawfully constituted in writing, and, in the case of stock represented by a certificate, upon surrender of the certificate. Except as hereinafter provided in the case of loss, destruction or mutilation of certificates, no transfer of stock shall be entered until the previous certificate, if any, given for the same shall have been surrendered and canceled.

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

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

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

ARTICLE V.

Seal

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

ARTICLE VI.

Amendments

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

Exhibit 31.1

CERTIFICATIONS

I, Craig A. Dubow, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's second fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2008

/s/ Craig A. Dubow

Craig A. Dubow
Chairman, President and Chief Executive Officer

Exhibit 31.2

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's second fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2008

/s/ Gracia C. Martore

Gracia C. Martore
Executive Vice President and Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of Gannett Co., Inc. (“Gannett”) on Form 10-Q for the quarter ended June 29, 2008 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Craig A. Dubow, 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/ Craig A. Dubow
Craig A. Dubow
Chairman, President and Chief Executive Officer

July 31, 2008

Exhibit 32.2

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

In connection with the Quarterly Report of Gannett Co., Inc. (“Gannett”) on Form 10-Q for the quarter ended June 29, 2008 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Gracia C. Martore, Executive 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
Executive Vice President and Chief Financial Officer

July 31, 2008