

GANNETT CO INC /DE/
Form 10-K
February 25, 2009

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

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

(Mark One)

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

For the fiscal year ended December 28, 2008

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

For the transition period from _____ to _____

Commission file number 1-6961

GANNETT CO., INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or
Organization)

16-0442930

(I.R.S. Employer Identification No.)

7950 Jones Branch Drive, McLean, Virginia

(Address of principal executive offices)

22107-0910

(Zip Code)

Registrant's telephone number, including area code: (703) 854-6000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Name of Each Exchange on Which Registered

Common Stock, par value \$1.00 per share

The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 the 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 Non-accelerated filer Smaller reporting company
Indicate by check mark whether the registrant is a shell company, as defined in Rule 12b-2 of the Exchange Act. Yes No

The aggregate market value of the voting common equity held by non-affiliates of the registrant based on the closing sales price of the registrant's Common Stock as reported on The New York Stock Exchange on June 27, 2008, was \$5,020,320,713. The registrant has no non-voting common equity.

As of February 1, 2009, 228,409,277 shares of the registrant's Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The definitive proxy statement relating to the registrant's Annual Meeting of Shareholders to be held on April 28, 2009, is incorporated by reference in Part III to the extent described therein.

**INDEX TO GANNETT CO., INC.
2008 FORM 10-K**

| Item No. | | Page |
|------------------------|---|-------------|
| <u>Part I</u> | | |
| <u>1.</u> | <u>Business</u> | 3 |
| <u>1A.</u> | <u>Risk Factors</u> | 20 |
| <u>1B.</u> | <u>Unresolved Staff Comments</u> | 21 |
| <u>2.</u> | <u>Properties</u> | 21 |
| <u>3.</u> | <u>Legal Proceedings</u> | 22 |
| <u>4.</u> | <u>Submission of Matters to a Vote of Security Holders</u> | 22 |
| <u>Part II</u> | | |
| <u>5.</u> | <u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u> | 23 |
| <u>6.</u> | <u>Selected Financial Data</u> | 24 |
| <u>7.</u> | <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> | 24 |
| <u>7A.</u> | <u>Quantitative and Qualitative Disclosures about Market Risk</u> | 39 |
| <u>8.</u> | <u>Financial Statements and Supplementary Data</u> | 40 |
| <u>9.</u> | <u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u> | 72 |
| <u>9A.</u> | <u>Controls and Procedures</u> | 72 |
| <u>9B.</u> | <u>Other Events</u> | 73 |
| <u>Part III</u> | | |
| <u>10.</u> | <u>Directors, Executive Officers and Corporate Governance</u> | 74 |
| <u>11.</u> | <u>Executive Compensation</u> | 74 |
| <u>12.</u> | <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u> | 74 |
| <u>13.</u> | <u>Certain Relationships and Related Transactions, and Director Independence</u> | 74 |

| | | |
|------------|---|----|
| <u>14.</u> | <u>Principal Accountant Fees and Services</u> | 74 |
|------------|---|----|

Part IV

| | | |
|------------|---|----|
| <u>15.</u> | <u>Exhibits and Financial Statement Schedules</u> | 74 |
|------------|---|----|

Exhibit 10.4.3

Exhibit 10.6.4

Exhibit 10.6.5

Exhibit 10.6.6

Exhibit 10.14

Exhibit 10.15

Exhibit 10.16

Exhibit 10.16.1

Exhibit 10.17

Exhibit 10.18

Exhibit 10.19

Exhibit 21

Exhibit 23

Exhibit 31.1

Exhibit 31.2

Exhibit 32.1

Exhibit 32.2

Table of Contents

PART I

ITEM 1. BUSINESS

Company Profile

Gannett was founded by Frank E. Gannett and associates in 1906 and incorporated in 1923. The company went public in 1967. It reincorporated in Delaware in 1972. Its more than 225 million outstanding shares of common stock are held by approximately 8,500 shareholders of record in all 50 states and several foreign countries. The company has approximately 41,500 employees including 2,000 employees for CareerBuilder, LLC. Its headquarters are in McLean, Va., near Washington, D.C.

The company is a leading international news and information company. In the United States, the company publishes 85 daily newspapers, including USA TODAY, and nearly 850 non-daily publications. Along with each of its daily newspapers, the company operates Web sites offering news, information and advertising that is customized for the market served and integrated with its publishing operations. USATODAY.com is one of the most popular news sites on the Web. The company is the largest newspaper publisher in the U.S.

Publishing operations in the United Kingdom, operating as Newsquest, include 17 paid-for daily newspapers, more than 200 weekly newspapers, magazines and trade publications, locally integrated Web sites and classified business Web sites with national reach. Newsquest is the second largest regional newspaper publisher in the U.K.

In broadcasting, the company operates 23 television stations in the U.S. with a market reach of more than 20.8 million households covering 18% of the U.S. population. Each of these stations also operates locally oriented Web sites offering news, entertainment and advertising content, in text and video format. Through its Captivate subsidiary, the broadcasting group delivers news, information and advertising to a highly desirable audience demographic through its video screens located in elevators of office towers and select hotel lobbies across North America.

Gannett's total Online U.S. Internet Audience in January 2009 was 27.1 million unique visitors, reaching about 16.1% of the Internet audience, as measured by Nielsen//NetRatings.

Beginning in the third quarter of 2008 and concurrent with the purchase of a controlling interest in CareerBuilder, LLC, the leading U.S. employment Web site with expanding overseas operations, and ShopLocal, a provider of online marketing solutions, the company began reporting a separate Digital segment.

In addition to CareerBuilder and ShopLocal, the Digital segment also includes PointRoll, Planet Discover, Schedule Star and Ripple6. Results from CareerBuilder and ShopLocal were initially consolidated in the third quarter of 2008. Results for PointRoll, Planet Discover and Schedule Star, which had been reflected previously in the Publishing segment, have been reclassified to the Digital segment.

PointRoll and ShopLocal, now operating together, provide online advertisers with rich media marketing services, and have achieved significant revenue and earnings gains. Ripple6, acquired in November 2008, is a provider of technology platforms for social media services for publishers and other users.

Complementing its core publishing, digital and broadcasting businesses, the company has made significant strides in its digital strategy through key investments and partnerships in the online space. These include a partnership investment in Classified Ventures, which owns and operates the Cars.com and Apartments.com Web sites.

In 2008, the company made further strategic investments in QuadrantONE, a new digital ad sales network; Fantasy Sports Ventures, which operates a network of fantasy sports content Web sites; COZI Group, which owns family organization software; and Mogulus, an Internet broadcasting service provider.

In late 2007, Metromix LLC was created, a digital joint venture which focuses on a common model for local online entertainment sites, and then scales the sites into a national platform under the Metromix brand.

Through its 2007 acquisition of Schedule Star LLC, the company operates HighSchoolSports.net, a digital content site serving the high school sports audience, and the Schedule Star solution for local athletic directors. National platform opportunities will be developed from the many local footprints of this business.

The company continues to evolve to meet the demands of consumers and advertisers in the digital environment and to optimize its opportunities at its core publishing and broadcast operations.

The operating principles in place to achieve these objectives include:

Drive innovation through the company to create new digital offerings that either complement our news and information businesses, or that take us into new markets with new audiences. This effort was bolstered by

important executive appointments made in January 2008, with Chris D. Saridakis named as Senior Vice President and Chief Digital Officer. Saridakis is responsible for expanding and enriching the company's global digital operations. Saridakis was named CEO of PointRoll in 2005 after serving two years as the company's chief operating officer. Prior to PointRoll, Saridakis was senior vice president and general manager of the Global TechSolutions division for DoubleClick Inc.

Also, Jack A. Williams was named president of Gannett Digital Ventures, which oversees Gannett's portfolio of online classified companies including CareerBuilder and other diversified businesses.

Improve our core publishing and television operations through transformation of our newsrooms into Information Centers. The Information Center concept has enhanced our appeal to more customers in the markets we serve, with 24/7 updating and through several techniques and products, including video streaming, database information on wide-ranging topics and crowdsourcing to reflect information provided by our audiences. While our focus is on customer centricity, our Information Center initiatives also fulfill our responsibilities under the First Amendment.

In late 2008, the company launched a new initiative called ContentOne through which it expects to fundamentally change the way content is gathered, shared and sold. ContentOne's focus will be reducing duplication of effort in developing and gathering content and then enhancing the sharing of content across the company. A key objective is to view our content as a product, with usefulness and value beyond its inclusion in our newspapers, our television broadcasts and our Web sites. ContentOne builds on the Information Center initiative by creating a national focal point that will serve all of our businesses.

Continued focus on audience aggregation strategies through multiple products to achieve maximum reach and coverage in our communities and better serve our advertisers.

Table of Contents

Maximize the use and deployment of resources throughout the company. In 2008, the company continued its commitment to transforming its business activities, including more consolidation and centralization of functions that do not require a physical presence in our markets. In this regard, the company has consolidated numerous production facilities and established centralized accounting, credit and collection functions which will service nearly all domestic business operations by the end of 2009. These efforts have achieved cost efficiencies and permitted improved local focus on content and revenue-producing activities.

Maintain the company's strong financial discipline and capital structure, preserving its flexibility to make acquisitions and affiliations.

Strengthen the foundation of the company by finding, developing and retaining the best and the brightest employees through a robust Leadership and Diversity program. Gannett's Leadership and Diversity Council has been charged with attracting and retaining superior talent and developing a diverse workforce that reflects the communities Gannett serves.

Business segments: The company has three principal business segments: publishing, digital and broadcasting. Beginning with the third quarter, the company reported the new Digital business segment, which includes CareerBuilder and ShopLocal results from the dates of their full consolidation, on Sept. 3 and June 30, respectively, as well as PointRoll, Planet Discover, Schedule Star and Ripple6 (from the date of its acquisition on Nov. 13, 2008). Prior period results for PointRoll, Planet Discover and Schedule Star have been reclassified from the publishing segment to the new digital segment.

Operating results from the operation of Web sites that are associated with publishing operations and broadcast stations continue to be reported in the publishing and broadcast segments.

Financial information for each of the company's reportable segments can be found in our financial statements, as discussed under Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations and as presented under Item 8 Financial Statements and Supplementary Data of this Form 10-K.

The company's 85 U.S. daily newspapers have a combined daily paid circulation of approximately 6.6 million. They include USA TODAY, the nation's largest-selling daily newspaper, with a circulation of approximately 2.3 million. All U.S. daily newspapers operate tightly integrated and robust online sites.

The company continues to diversify and expand its portfolio through business acquisitions and internal development. Some examples of this diversification are:

PointRoll, a leading rich media marketing company that provides Internet user-friendly technology that allows advertisers to expand their online space and impact.

ShopLocal, a leader in multichannel shopping and advertising services.

CareerBuilder, the No. 1 employment Web site in the U.S.

Planet Discover, a provider of local, integrated online search and advertising technology.

Metromix, a digital joint venture which focuses on a common model for local online entertainment sites, and then scales the sites into a national platform through the Metromix brand.

MomsLikeMe, an internally developed national brand for social networking among moms-site users at the local level, supplemented with helpful information moms can use.

QuadrantONE, a new digital ad sales network.

Ripple6, a leading provider of technology platforms for social media services for publishers and other users.

USA WEEKEND, a weekly newspaper magazine carried by more than 600 local newspapers with an aggregate circulation reach of 23 million.

Clipper Magazine, a direct mail advertising magazine that publishes more than 500 individual market editions under the brands Clipper Magazine, Savvy Shopper and Mint Magazine in 30 states.

Army Times Publishing, which publishes military and defense newspapers.

Gannett Healthcare Group, publisher of bi-weekly Nursing Spectrum and NurseWeek periodicals specializing in nursing news and employment advertising, which reach one million or nearly half of the registered nurses in the U.S. Gannett Healthcare Group also publishes Today in OT and Today in PT periodicals, and it was expanded in 2008 with Pearls Review, a nursing certification and education Web site.

Gannett Offset, a network of five commercial printing operations in the U.S.

Newspaper partnerships: The company owns a 19.49% interest in California Newspapers Partnership, which includes 21 daily California newspapers; a 40.64% interest in Texas-New Mexico Newspapers Partnership, which includes seven daily newspapers in Texas and New Mexico and four newspapers in Pennsylvania; and a 13.5% interest in Ponderay Newsprint Company in the state of Washington.

Joint operating agencies: The company's newspaper subsidiaries in Detroit and Tucson participate in joint operating agencies. Each joint operating agency performs the production, sales and distribution functions for the subsidiary and another newspaper publishing company under a joint operating agreement. Operating results for the Detroit joint operating agency are fully consolidated along with a charge for the minority partner's share of profits. The operating results of the Tucson joint operating agency are accounted for under the equity method, and are reported as a net amount in Equity income (loss) in unconsolidated investees, net. On Jan. 16, 2009, the company announced it was offering to sell certain assets of its newspaper in Tucson, the Tucson Citizen, which participates in the joint operating agency. If a sale is not completed by March 21, 2009, the company will close the newspaper. The company will retain its 50% partnership interest in the joint operating agency providing services to the remaining non-Gannett newspaper operation in Tucson.

Prior to 2008, the company participated in a joint operating agency in Cincinnati. Operating results for the Cincinnati joint operating agency were fully consolidated along with a charge for the minority partner's share of profits.

Beginning in 2008, the company's newspaper, The Cincinnati Enquirer, became the sole daily newspaper in that market.

Table of Contents

Strategic investments: On Dec. 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 is affiliated with the USA TODAY Sports brand.

In February 2008, the company formed QuadrantONE, a new digital ad sales network, with three other top media companies.

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.

In July 2008, the company purchased a minority stake in Mogulus, LLC, a company that provides Internet broadcasting services. Also in July 2008, the company increased its investment in 4INFO, maintaining its approximate ownership interest in this mobile information and advertising company.

In August 2008, the company purchased Pearls Review, Inc., a nursing certification and education Web site now operated within Gannett Healthcare Group.

In May 2007, Microsoft purchased a minority stake in CareerBuilder and in a separate agreement, MSN and CareerBuilder announced an extension of their strategic alliance, making CareerBuilder the exclusive content provider to the MSN Careers channel in the U.S. through 2013. Additionally, MSN and CareerBuilder broadened their alliance to include key MSN international sites, facilitating an accelerated expansion overseas for CareerBuilder.

In October 2007, the company acquired a controlling interest in Schedule Star LLC, which operates HighSchoolSports.net, a digital content site serving the high school sports audience, and the Schedule Star solution for local athletic directors.

At the end of October 2007, the company, in partnership with Tribune Company, announced a digital joint venture to expand a national network of local entertainment Web sites under the Metromix brand. The newly formed company, Metromix LLC, focuses on a common model for local online entertainment sites, and then scales the sites into a national platform under the Metromix brand. Metromix is owned equally by the two parent companies.

The company owns a 23.6% stake in Classified Ventures, an online business focused on real estate and automotive advertising categories; and a 19.7% interest in ShermansTravel, an online travel news, advertising and booking service.

With all of these acquisitions and investments, the company is establishing important business relationships to leverage its publishing and online assets and operations to enhance its online footprint, revenue base and profits.

Publishing/United States

The company's U.S. newspapers, including USA TODAY, reach 14.0 million readers every weekday and 12.6 million readers every Sunday providing critical news and information from their customers' neighborhoods and from around the globe.

At the end of 2008, the company operated 85 U.S. daily newspapers, including USA TODAY, and almost 850 non-daily local publications in 31 states and Guam. The U.S. Community Publishing (USCP) division and USA TODAY are headquartered in McLean, Va. On Dec. 28, 2008, U.S. publishing had approximately 29,200 full- and part-time employees.

The company's local newspapers are managed through its U.S. Community Publishing division. These newspapers are in large and small markets, and the geographical diversity is a core strength of the company.

Gannett publishes in major markets such as Phoenix, Ariz.; Indianapolis, Ind.; Cincinnati, Ohio; Des Moines, Iowa; Nashville, Tenn.; Asbury Park, N.J.; Louisville, Ky.; and Westchester, N.Y.

Mid-sized markets are represented by Salem, Ore.; Fort Myers, Fla.; Appleton, Wis.; Palm Springs, Calif.; Montgomery, Ala.; and Greenville, S.C.

St. George, Utah; Fort Collins, Colo.; Sheboygan, Wis.; Iowa City, Iowa; and Ithaca, N.Y., are examples of our smaller markets.

USA TODAY was introduced in 1982 as the country's first national, general-interest daily newspaper. It is produced at facilities in McLean, Va., and is transmitted via satellite to offset printing plants around the country. It is printed at Gannett plants in 15 U.S. markets and at offset plants, not owned by Gannett, in 18 other U.S. markets.

In 2008, USATODAY.com launched in-depth social communities and more than 200,000 topics pages highlighting content around the Web, continuing to develop its focus on users, their conversations and preferences.

USATODAY.com remains one of the most popular newspaper sites on the Web, with more than 51 million visits per month at the end of 2008.

All of the company's local newspapers and affiliated Web sites are fully integrated operations.

Other businesses that complement, support or are managed and reported within the publishing segment include: USA WEEKEND, Clipper Magazine, Army Times Publishing, Gannett Healthcare Group and Gannett Offset. In addition, during 2008 Gannett News Service provided content for company newspapers and sold its services to independent newspapers. In 2009, GNS became part of ContentOne; Gannett Retail Advertising Group represents the company's local newspapers in the sale of advertising to national and regional franchise businesses; Gannett Direct Marketing offers direct-marketing services; and Gannett Media Technologies International develops and markets software and other products for the publishing industry, and provides technology support for the company's newspaper and Web operations.

News and editorial matters: Gannett Information Centers produce newspapers, Web sites, mobile content and niche/custom publications that create deep reach into their markets. Market studies done during 2008 showed that the Information Center concept to produce a range of content in order to give readers what they want, when and where they want it is working well. The aggregated reach into each market is growing.

Mid-2008 was the two-year mark of the transformation from traditional print-centric newsrooms to Information Centers. The next phase of the transformation was rolled out in July. It challenges journalists to focus on three tasks that are most critical to success:

- Be a community's watchdog, sustaining high-quality First Amendment journalism.
- Understand the audiences most important to our success and shape coverage around them.
- Engage communities, making them full partners in all that we do.

Table of Contents

Another top priority for Gannett Information Centers in 2008 was digital innovation. Emerging digital tools were applied to journalism to deliver news to digital-only users. Facebook, YouTube and Twitter are commonly used now. Gannett is emerging as an industry leader in experimenting with new techniques and technologies for substantive, issue-based reporting.

The company's domestic daily newspapers received Gannett News Service (GNS) in 2008 and subscribe to The Associated Press, and some receive various supplemental news services and syndicated features. The company operates news bureaus in Washington, D.C., and five state capitals: Albany, N.Y., Baton Rouge, La., Trenton, N.J., Sacramento, Calif., and Tallahassee, Fla.

In 2008, Gannett newspapers and individual staffers received national recognition for excellent work. Randell Beck, executive editor and director of content and audience development of the Argus Leader at Sioux Falls, S.D., received the American Society of Newspaper Editors' annual Award for Editorial Leadership, the society's most prestigious honor. Beck was named publisher of the Argus Leader in August 2008.

Phil Currie, senior vice president/news who retired Dec. 31, 2008, received an APME Meritorious Award for his longstanding commitment to journalism, his work in championing diversity and his support of APME.

The Detroit Free Press won Emmys for two video reports "Aretha Franklin's Respect" and "Pit Bulls: Companions or Killers."

The Detroit Free Press and The News Journal at Wilmington, Del., won APME Public Service Awards - Detroit for its investigation of the conduct of the mayor of Detroit; Wilmington for its examination of patient abuse and other problems at Delaware's only mental hospital.

USA TODAY, The Des Moines Register, and the Army Times won top awards from the Online News Association. USA TODAY was cited for its "Today in the Sky" report; Des Moines for its Iowa caucuses coverage; and the Army Times for general excellence.

The Burlington (Vt.) Free Press won a national Missouri Lifestyle Journalism Award, sponsored by the University of Missouri, for its local features reporting.

Demonstrating Gannett's longstanding commitment to diversity, John Bodette, executive editor of the St. Cloud (Minn.) Times, received a Robert G. McGruder Leadership in Diversity Award.

Five Gannett newspapers were recognized with ASNE Pacesetter Diversity Awards. The newspapers were The News-Press at Fort Myers, Fla., The Honolulu Advertiser, Visalia (Calif.) Times-Delta and Tulare (Calif.) Advance-Register, The Times at Shreveport, La., and the Times Herald at Port Huron, Mich.

Audience research: As Gannett's publishing businesses continue their mission to meet consumers' news and information needs anytime, anywhere and in any form, the company has focused on an audience aggregation strategy. The company considers the reach and coverage of multiple products in their communities in their totality and measures the frequency with which consumers interact with each Gannett product.

Results from 2008 studies indicate that many Gannett publications are reaching more people more often than ever. For example, in Honolulu, the combination of all Gannett products reach 83% of the adult population an average of 5.1 times a week for a total of 2.99 million impressions each week - a 23% increase since 2006. Overall impressions were up 17% since 2006 in both Louisville, Ky., and Asbury Park, N.J., and up 8% in Rochester, N.Y.

The company has gathered audience aggregation data for 51 Gannett markets and will continue to add to that in 2009. Aggregated audience data allows advertising sales staff to provide detailed information to advertisers about how best to reach their potential customers, which products to use in which combination, and how often. As a result, this approach enables us to increase our total advertising revenue potential while maximizing advertiser effectiveness. Six key advertiser segments have been identified and performance within each segment is measured in every study. Through digital growth and the development of ancillary products, Gannett newspapers have maintained their high reach, reaching approximately 70% of adults in each of the six segments. The training of ad sales staff on how to best execute this audience-based selling strategy is ongoing.

Scarborough Research measures 81 of the nation's top markets. In a report on market penetration - or the number of adults in a community who access a publication and its related Web site - it reported that 81 percent of adults in the Rochester, N.Y., market in a given week either read the print version of the Rochester Democrat and Chronicle or visited its Web site (democratandchronicle.com), making it the top-ranked newspaper in the country for its integrated

audience penetration. In all, Gannett had the top three newspapers for weekly market penetration of the print edition (Rochester, the Gannett Wisconsin Newspapers and The Des Moines Register). The same three were tops in combined newspaper and Web site penetration.

In addition to the audience-based initiative, the company continues to measure customer attitudes, behaviors and opinions to better understand our customers' Web site use patterns, and use focus groups with audiences and advertisers to more clearly determine their needs. Our focus on local coverage and reader preferences has reaped benefits. In virtually every study we've done since the advent of the Information Center, reader satisfaction with our local coverage has improved, in some cases dramatically. Further, as we have refined our zoned, community weeklies, readership has increased.

Circulation: Detailed information about the circulation of the company's newspapers may be found later in this Form 10-K. Circulation declined in nearly all of our newspaper markets, a trend generally consistent with the domestic newspaper industry.

Home-delivery prices for the company's newspapers are established individually for each newspaper and range from \$1.75 to \$3.80 a week for daily newspapers and from \$0.85 to \$3.40 a copy for Sunday newspapers. Price increases for certain elements of local circulation volume were initiated at 83 newspapers in 2008.

The Centers of Excellence (COE) completed their first full year of taking customer calls for all U.S. Community Publishing and Detroit newspapers. The first center, which opened in Greenville, completed its second full year in November 2008. Many improvements were realized in 2008, including an increase from printed bill to EZ-Pay conversions on 5.7% of calls taken, up from 3.9% in 2007. The number of total payments taken during calls was at 14.2% in 2008 compared to 10% in 2007, and during a call, customer service representatives were able to obtain new e-mail addresses for 6.4% of accounts compared to 4.5% in 2007.

During 2008, a great deal of focus was placed on automating processes in order to ensure best practices were implemented across all USCP sites and in an effort to reduce the number of resources required to implement repetitive processes. One project focused on sending automatic e-mails to customers who contacted the COE for

Table of Contents

various purposes through either a phone call or via e-mail to make a payment, to put their delivery on vacation hold, to request a redelivery, etc. Now, when the customer service representative enters the pertinent information into the front-end system (Genesys GICS), the information is translated to code, which triggers a process that sends a confirmation e-mail to the customer that relates directly to the customer's request.

Additionally, the e-mail directs the customer to ICON (the customer service Web site) for future transactions, and it also provides the customer with various links to sign up for other Gannett products. As a result of this and other enhancements, ICON average monthly usage has increased by more than 47,000 hits in 2008 compared to 2007, an increase of 74%.

The company continued its emphasis on its automated payment plan, EZ-Pay. Total EZ-Pay subscribers grew from 43.8% of all subscribers at the end of 2007 to 49.8% at the end of 2008—a 13.6% increase. EZ-Pay subscribers include those on recurring credit/debit cards as well as 52-week paid-in-advance customers. Subscriber retention among those who use EZ-Pay is consistently more than 20% higher than for subscribers who pay by mail. This higher retention improves circulation volume and provides for a higher return on investment for new subscriber start costs.

At the end of 2008, 66 of the company's domestic daily newspapers, including USA TODAY, were published in the morning and 19 were published in the evening. For local U.S. newspapers, excluding USA TODAY, morning circulation accounts for 93% of total daily volume, while evening circulation accounts for 7%.

On Dec. 8, 2008, the single copy price of USA TODAY at newsstands and vending machines was increased from 75 cents to \$1.00. Mail subscriptions are available nationwide and abroad, and home, hotel and office delivery are offered in many markets. Approximately 62% of its net paid circulation results from single-copy sales at newsstands, vending machines or to hotel guests, and the remainder is from home and office delivery, mail, educational and other sales.

Advertising: Our newspapers have advertising departments that sell retail, classified and national advertising across multiple platforms including the print newspaper, online and niche publications. In 2008, the company added a national ad sales force to focus efforts on the largest national advertisers. The company also contracts with outside representative firms that specialize in the sale of national ads. Ad revenues from newspaper affiliated online operations are reported together with revenue from print publishing.

Retail display advertising is associated with local merchants or locally owned businesses. In addition, retail includes regional and national chains—such as department and grocery stores—that sell in the local market.

Classified advertising includes the major categories of automotive, employment, legal, and real estate/rentals as well as private party consumer-to-consumer business for merchandise and services. Advertising for classified segments is published in the classified sections, in other sections within the newspaper, on our affiliated Web sites and in niche magazines that specialize in the segment.

National advertising is display advertising principally from advertisers who are promoting national products or brands. Examples are pharmaceuticals, travel, airlines, or packaged goods. Both retail and national ads also include preprints, typically stand-alone multiple page fliers that are inserted in the newspaper.

Our audience aggregation strategy gives us the ability to deliver the specific audiences that our advertisers want. While there are still many advertisers that want mass reach, many others want to target niche audiences by demographics, geography, consumer buying habits or customer behavior. Whether it is mass reach or a niche audience, our approach is to identify an advertiser's best customers and then develop advertising schedules that combine products within our portfolio that best reach the desired audience with the appropriate frequency. In 2008, we began measuring advertising recall and effectiveness in our large markets using online reader panels. This capability has allowed us to better demonstrate our value by connecting our audience reach with our advertisers' store traffic and sales.

The company's audience-based sales efforts have been directed at all levels of advertisers, from the smallest, locally owned merchants to large, complex businesses. Along with this new sales approach, the company has intensified its sales and management training and improved the quality of sales calls.

A major priority over the past two years has been restructuring our sales organizations to match the needs of our customers while at the same time creating additional efficiencies to lower the cost of sale. Our newspapers have redesigned their sales teams around three general groups of customers: strategic national, key local and small local accounts. The structure aligns sales and support resources to the needs of our customers, providing efficient service

and affordable packages to a greater number of smaller accounts, and customized, innovative solutions for our larger, more market driven clients. National accounts are managed by the new national sales team. The structure also includes digital specialists charged with expanding our online share in the local market, as well as product specialists who focus on growing niche advertisers in our non-daily publications.

A new national newspaper ad sales team was launched in January 2008 that assumed responsibility for large national retail accounts from local newspaper advertising departments. These additional resources give our national customers one point of contact for all Gannett markets, enabling us to have more strategic conversations and better respond to the customer's needs while permitting local newspaper sales personnel to focus on advertisers in their markets.

This national team works in conjunction with other national sales resources for Digital, Broadcast and USA TODAY, and together, they are part of the SalesOne concept to create multi-market, multi-platform solutions for national advertisers scalable across the country.

Online operations: The company's local newspaper Web sites achieved significant growth in audience reach in 2008, as page views were up 6.4% and visitors rose 6.2%.

Important executive appointments were made in January 2008 with Chris D. Saridakis named as Senior Vice President and Chief Digital Officer, responsible for expanding and enriching the company's global digital operations.

Also, Jack A. Williams was named president of Gannett Digital Ventures, which oversees Gannett's portfolio of online classified companies, including CareerBuilder, that operate as affiliates of our local publishing businesses and other diversified businesses.

Online platform and infrastructure improvements were made throughout 2008 that now allow Gannett to sell all of its advertising inventory as a network; sales efforts and online technology improvements will continue in 2009.

The overriding objective of our online strategy at Gannett newspapers is to provide compelling content to best serve our customers. A key reason customers turn to a Gannett newspaper is

Table of Contents

online site is to find local news and information. The credibility of the local newspaper, the known and trusted information source, extends to the newspaper's Web site and thus differentiates it from other Internet sites. This is a major factor that allows Gannett newspapers to compete successfully as Internet information providers.

A second objective in our online business development is to maximize the natural synergies between the local newspaper and local Web site. The local content, customer relationships, news and advertising sales staff, and promotional capabilities are all competitive advantages for Gannett. The company's strategy is to use these advantages to create strong and timely content, sell packaged advertising products that meet the needs of advertisers, operate efficiently and leverage the known and trusted brand of the newspaper.

Gannett Web sites for moms are an example of executing this strategy. First launched in November 2006 at The Indianapolis Star's Indymoms.com, there now are 80 moms sites in the country, including a Web site serving each of the top 30 largest markets. The management of 63 of these sites is spread across the local U.S. Community Publishing and broadcast markets with 17 centrally managed by Gannett Digital. In 2008, Gannett created a national platform for its local moms site under the MomsLikeMe.com brand, leveraging the robust social networking features of Ripple6. The key to the success of these sites is the online social networking among moms-site users at the local level, supplemented with helpful information moms can use. Many of the discussions on moms sites are repurposed into pages of our print publications.

As part of their efforts to expand their audience reach and generate additional advertising revenue, our U.S. newspapers are testing other online sites, including Make the Charts, which is a music sharing site for local bands. Our online business activities also include efforts to register users of Gannett Web sites in order to obtain ZIP code, age and gender. This information allows us to better understand the needs of our customers and provide better-defined groups for advertisers.

This strategy has served Gannett well in the development of our newspaper Internet efforts. The aggressive local focus, including advertising sales efforts, combined with effective use of national economies of scale and standardized technology, resulted in solid results in 2008.

Gannett Media Technologies International (GMTI) provides technological support and products for the company's domestic newspapers and Internet activities, including ad software and database management, editorial production and archiving, and Web site hosting. In addition, GMTI provides similar services to other newspaper companies.

Non-daily operations: The publication of non-daily products continued to be an important part of our market strategy for 2008. The company now publishes almost 850 non-daily publications in the U.S., including glossy lifestyle magazines, community newspapers and publications catering to one topic, such as health or cars. The company's strategy for non-daily publications is to appeal to key advertising segments (e.g. affluent women, women with children or young readers). Non-daily products help our newspaper operations increase overall impressions and frequency for advertisers looking to reach specific audience segments, or in some cases, like community weeklies, provide a lower price point alternative for smaller advertisers, thus helping to increase the newspaper operation's local market share. In 2008, Gannett launched its first non-daily titles based on online content verticals—13 MomsLikeMe monthly publications and one weekly Metromix publication in Nashville.

In a collaborative effort between Army Times Publishing and WUSA-TV, the company-owned CBS affiliate in Washington, D.C., *This Week in Defense News*, has become a very successful half-hour television program produced and broadcast weekly through the teamwork of Defense News, the leading news publication in the defense sector, and WUSA-TV. The program includes features and interviews with government officials and key decision makers in the defense sector.

Production: Eighty-four domestic daily newspapers are printed by the offset process, and one is printed using the letterpress processes. This single site will be converted in 2010 to offset in the Berliner format.

In recent years, improved technology has resulted in greater speed and accuracy and in a reduction in the number of production hours worked at many of the company's newspapers. That trend will continue in 2009 and further consolidation of job functions across multiple newspaper sites is expected. In 2008, consolidated printing was accomplished at four sites with an additional seven sites expected to be consolidated by the end of the first quarter of 2009.

In 2007, two Gannett Regional Toning Centers were established to enhance print quality of the photos for the majority of our newspapers. This was expanded in 2008 with a commercial offering to other newspapers. A contract was signed with another large publisher to process their images and we look to expand on this revenue opportunity in 2009.

At the end of 2008, the majority of U.S. Community Publishing operations had converted their presses to a 44-inch web. Conversions to the 44-inch web will continue in 2009. Also in 2008, 86% of our newsprint tonnage ordered by the operations was 45 gram newsprint and testing of 43 gram newsprint is underway at a few select sites.

Product quality and efficiency improvements continue in other areas. Outsourcing of ad production was successfully implemented for several newspapers in 2008, with over 76,000 ads outsourced. Of those, 9,200 were for the Web.

Business processes: In 2008, the company launched two initiatives to centralize and achieve efficiency in certain accounting operations. A National Shared Service Center was established in Indianapolis, Ind., to provide centralized accounts payable and general ledger services for U.S. publishing and broadcast operations. This center currently supports approximately 60% of our domestic business units.

In Springfield, Mo., the company established the Centralized Credit & Collection Center, which provides credit, collection and other accounts receivable support for U.S. publishing and broadcasting. This center currently supports approximately 50% of our domestic business units.

During 2009, the company expects that nearly all of its U.S. business units will be supported by these centers.

Competition: The company's newspapers and affiliated Web sites compete with other media for advertising principally on the basis of their performance in helping to sell the advertisers' products or services. Newspapers also compete for circulation and readership against other professional news and information operations, and amateur content creators. While most of the company's newspapers do not have daily newspaper competitors that are published

Table of Contents

in the same city, in select larger markets, there is such competition. Most of the company's newspapers compete with other newspapers published in suburban areas and nearby cities and towns and with free-distribution and paid-advertising publications (often weeklies), as well as other media, including magazines, television, direct mail, cable television, radio, outdoor advertising telephone directories, e-mail marketing, Web sites and mobile-device platforms.

Web sites which compete for the principal traditional classified advertising revenue streams such as real estate, employment and automotive, have had the most significant impact on the company's revenue results.

The rate of development of opportunities in, and competition from, digital communications media, including Internet and mobile platforms, continues to increase. Through internal development programs, acquisitions and partnerships, the company's efforts to explore new opportunities in news, information and communications business and audience generation have expanded and will continue to do so. The company continues to seek more effective ways to engage with its local communities using all available media platforms and tools.

Environmental regulation: Gannett is committed to protecting the environment. The company's goal is to ensure its facilities comply with federal, state, local and foreign environmental laws and to incorporate appropriate environmental practices and standards in its operations.

The company is one of the industry leaders in the use of recycled newsprint and increased its purchases of newsprint containing recycled content from 42,000 metric tons in 1989 to 520,282 metric tons in 2008. During 2008, 74% of the company's domestic newsprint purchases contained recycled content, with an average recycled content of 49%.

The company's newspapers use inks, photographic chemicals, solvents and fuels. The use, management and disposal of these substances are sometimes regulated by environmental agencies. The company retains a corporate environmental consultant who, along with internal and outside counsel, oversees regulatory compliance and preventive measures.

Some of the company's newspaper subsidiaries have been included among the potentially responsible parties in connection with the alleged disposal of ink or other wastes at disposal sites that have been subsequently identified as requiring remediation. Additional information about these matters can be found in Item 3, Legal Proceedings, in this Form 10-K. The company does not believe that these matters will have a material impact on its financial position or results of operations.

Raw materials U.S. & U.K.: Newsprint, which is the basic raw material used to publish newspapers, has been and may continue to be subject to significant price changes from time to time. During 2008, the company's total newsprint consumption was 885,000 metric tons, including the portion of newsprint consumed at joint operating agencies, consumption by USA WEEKEND, USA TODAY tonnage consumed at non-Gannett print sites and consumption by Newsquest. Newsprint consumption was 16% lower than in 2007. The company purchases newsprint from 15 domestic and global suppliers.

In 2008, newsprint supplies were adequate. The company has and continues to moderate newsprint consumption and expense through press web-width reductions and the use of lighter basis weight paper. The company believes that available sources of newsprint, together with present inventories, will continue to be adequate to supply the needs of its newspapers.

The average cost per ton of newsprint consumed in 2008 rose 9% compared to 2007. Newsprint prices in the U.S. peaked early in the fourth quarter of 2008 and then began to decline. In 2009, newsprint prices will rise in the U.K. but these increases will be more than offset by declining prices in the U.S. and further reductions in consumption.

Publishing/United Kingdom

Newsquest publishes 17 daily paid-for newspapers and more than 200 weekly newspapers, magazines and trade publications in the U.K., as well as a wide range of niche products. Newsquest operates its publishing activities around regional centers to maximize the use of management, finance, printing and personnel resources. This approach enables the group to offer readers and advertisers a range of attractive products across the market. The clustering of titles and, usually, the publication of a free newspaper alongside a paid-for newspaper, allows cross-selling of advertising among newspapers serving the same or contiguous markets, thus satisfying the needs of its advertisers and audiences. Newsquest's policy is to produce free and paid-for newspapers with an attractive level of quality local editorial content. Newsquest also distributes a substantial volume of advertising leaflets in the communities it serves.

Newsquest newspapers operate in competitive markets. Their principal competitors include other regional and national newspaper and magazine publishers, other advertising media such as broadcast and billboard, Internet-based news and other information and communication businesses.

Newsquest's revenues for 2008 were approximately \$988 million. In local currency, revenues declined 14%, reflecting the recessionary economy. As with U.S. newspapers, advertising, including ad revenue from online Web sites affiliated with the publications, is the largest component of revenue, comprising approximately 74%. Circulation revenue represents 14% of revenues and printing activities account for much of the remainder. In the markets in which Newsquest operates, its products maintain strong recognition, and remain vibrant sources of local news.

At the end of 2008, Newsquest had approximately 6,600 full-time and part-time employees. This represents a reduction of 18% compared to 2007, and resulted from continuous improvements in efficiency and a vigorous response to the decline in revenues. These efficiency efforts included the outsourcing of certain production roles, consolidation of back office operations, reductions in management positions, as well as the closure of loss generating products. With outsourcing to third parties and facility consolidation efforts, Newsquest was able to close three print centers during the year and a fourth press early in 2009. These press closures resulted in higher production volume on the remaining more efficient and modern presses.

Online operations: Newsquest actively seeks to maximize the value of its local media brands through digital channels. In summer 2008, Newsquest re-launched its main regional and local newspaper Web site network, adding rich local content and compelling functionality which increased the attraction and retention of audiences of its local and regional media brands.

Newsquest's November ABCe audit reported that an average of 5.12 million unique users accessed the Newsquest site network each month during the period April - June 2008, with May unique users up 18% from the May 2007 audit.

Table of Contents

The group's total online revenue rose 17% in local currency. Online banner revenues from its newspaper Web sites rose 72% from 2007, propelled by improved selling techniques and pricing. Newsquest's use of mobile communications continued to increase significantly with the introduction of innovative news alert and location-based services. Outbound mobile message volumes rose 95% from 2007 to 1.09 million.

Newsquest owns half of the online employment Web site fish4jobs.co.uk. In October 2008, fish4 was confirmed by the National Online Recruitment Audience Survey (NORAS) to be the U.K.'s biggest online job board, with 3.3 million unique users—an audience total that was 68% greater than the next largest.

In Scotland, the wholly owned s1 business underwent a major redesign of its market-leading s1jobs site, which helped it win the annual NORAS award for the U.K.'s best regional recruitment site for the sixth year running. A new developer section on s1homes contributed to 28% revenue growth over 2007. An s1local platform has also been built to provide news, information and classified content for small towns throughout Scotland.

Digital operations Publishing and Broadcasting

Gannett Digital's mission is to provide our connected audience with the most interactive, real time news and information delivered to any digital device. Our goal from the beginning is to engage our local communities in a way that creates conversations and empowers our community members to connect and share common interests.

Our advertisers leverage Gannett's strong marketing services platform to gain access to our wide audience in order to effectively brand and market their products. As part of our strategy to provide the most efficient and effective marketing services for advertisers and publishers, Gannett is committed to providing a comprehensive set of Internet marketing solutions. In 2008, we rolled out one of the most comprehensive ad serving platforms across all Gannett newspaper and broadcast Web sites. This common platform, in partnership with AdTech, will allow our sales reps the ability to service the needs of local advertisers while at the same time offer national brands the ability to target defined audience groups. Furthermore, with the recent upgrade to our ad serving systems, we have been able to streamline our operational process and leverage a single analytics team that delivers comprehensive business metrics to all of our Web properties.

Gannett Digital is responsible for leveraging all of the company's diverse assets to build out the largest local online audience based on geographic, demographic and behavioral interests. In January 2009, Gannett's total online U.S. Internet audience was 27.1 million unique visitors, reaching about 16.1% of the Internet audience, as measured by Nielsen//Net Ratings. Segmenting this audience based on many targeting criteria has attracted a number of national advertisers.

In 2008, we rolled out a consistent user interface for all of our newspaper and broadcast sites to represent our enormous local content assets. This new, cleaner design has made it easier for our consumers to find the information they are looking for while offering advertisers a more consistent and impactful ad placement.

In order to bring sight, sound and motion to our Web sites, we deployed a consistent video player across our network of sites. This new dimension has offered our local community newspapers the ability to offer Web-based broadcast programming that engages our communities and builds a more engaging experience for our audience.

To tap into the growing video on the Web business, in 2008 we invested in Mogulus, the provider of a live broadcast platform on the Internet. Web users can use the Mogulus browser-based Studio application to create live, scheduled and on-demand Internet television to broadcast anywhere on the Web through a single player widget. With Mogulus, Web users can broadcast live from a mobile phone; use a customizable flash player with integrated chat; and develop a branded channel page on Mogulus.com that incorporates interactive chat.

We also invested in COZI, a free Web service that helps families manage busy schedules, track shopping and to-do lists, organize household chores, stay in communication and share memories—all in one place. COZI's family calendar software is made available to users that visit our Web sites.

Metromix offers a one-stop local entertainment guide on where to go and what to do, from popular restaurants and bars, to the latest in music, movies, and entertainment. This unique and innovative platform has been deployed across 28 Gannett newspaper and broadcast sites and is already attracting over 2.2 million unique visitors each month.

Our originally developed local Mom's sites were enhanced in 2008 and were rebranded into MomsLikeMe. This national brand provides opportunities for larger national advertisers to market to influential moms in local communities. Through the use of Ripple6's technology platform, we were able to enhance the local mom's experience

and grow this community beyond geographic boundaries.

As we continue to innovate and build our digital footprint on the Web, Gannett continues to invest in the next digital medium, mobile. In 2008, we successfully rolled out mobile Web sites for USA TODAY, broadcast and local newspaper properties. The recently launched USA TODAY application for the iPhone is among the most popular free iPhone applications, ranking as high as No. 4 in downloaded applications recently. USA TODAY is also available on Kindle. The USA TODAY mobile crossword, Sudoku and full featured iPhone applications offer Gannett a new and growing distribution and revenue stream. In connection with our 4INFO investment, we also offer national advertisers the opportunity to market to their consumer through an integrated marketing plan that combines USA TODAY print, mobile and text messaging.

Going forward, Gannett Digital will continue to invest in operations to remain competitive and efficient, and build out and refine sales efforts by focusing digital sales plans around solutions and multi-product and multi-platform offerings. By leveraging content and audience assets and combining them with technology platforms, Gannett hopes to create the next generation of online display advertising.

As part of our strategy to socialize our communities and offer advertisers the ability to connect with our audience, we acquired Ripple6 late in 2008. Ripple6 is a leading provider of social media technology, analytics and insight services. Its clients include leading national consumer products companies.

Digital segment

Beginning with 2008, a new digital business segment was reported, which includes CareerBuilder and ShopLocal from the dates of their full consolidation, as well as PointRoll, Planet Discover, Schedule Star and Ripple6 (from the date of its acquisition on Nov. 13, 2008). Prior period results for PointRoll, Planet Discover and Schedule Star have been reclassified from the publishing segment to the new digi-

Table of Contents

tal segment. At the end of 2008, the digital segment had approximately 2,500 full-time and part-time employees. On Sept. 3, 2008, the company increased its ownership in CareerBuilder to 50.8% from 40.8%, obtaining a controlling interest, and therefore, the results of CareerBuilder beginning in September are now fully consolidated. On June 30, 2008, the company increased its ownership in ShopLocal to 100% from 42.5%, and from that date the results of ShopLocal are now fully consolidated. Prior to these increased investments, the company's equity share of CareerBuilder and ShopLocal results were reported as equity earnings. Subsequent to the CareerBuilder acquisition, the company reflects a minority interest charge on its Statements of Income (Loss) related to the other partners ownership interest.

CareerBuilder is the No. 1 employment Web site in North America and is rapidly expanding internationally. Currently CareerBuilder operates in 15 countries outside the U.S., including the U.K., France, Spain, Germany, India and Greece, and is looking to expand global operations further in 2009. CareerBuilder revenue sources primarily include job postings and related products sold to employers. Most of the revenues are generated by its own sales force but substantial revenues are also earned through up-sell of employment advertising placed with CareerBuilder's owners affiliated newspapers.

CareerBuilder's other minority interest owners include The McClatchy Company, Tribune Company and Microsoft, with whom CareerBuilder has a long-term strategic marketing agreement. CareerBuilder is headquartered in Chicago, Ill., and at the end of 2008, it had approximately 2,000 full-time and part-time employees.

ShopLocal is the leader in multi-channel shopping and advertising services, and offers a complete suite of innovative solutions that connect advertisers and consumers online and in-store. ShopLocal's industry-leading SmartProduct business solutions (SmartCircular, SmartMedia, SmartDelivery and SmartCatalog) enable more than 100 of the nation's top retailers, including Target, Best Buy, Home Depot, CVS and Sears, to deliver highly interactive, targeted and localized promotions to shoppers via the Internet, mobile phones and any other digital environment. ShopLocal is headquartered in Chicago, Ill., and is now operated together with PointRoll.

PointRoll enables advertisers, agencies and publishers to create engaging advertising that connects with consumers by creating an interactive online environment that generates conversation. Powering approximately 50% of all rich media campaigns online, PointRoll empowers clients to deliver and measure interactive advertising while pushing the creative envelope. PointRoll works with more than 1,000 advertisers and the technology is accepted by thousands of online publishers. PointRoll is headquartered in Conshohocken, Pa., and maintains offices across the U.S., the U.K. and Canada.

Planet Discover provides hosted search and advertising services that allow clients to offer consumers robust local information through search. Its innovative technology enables clients to provide specialized, private-label search functionality that gives users a simple-to-use interface for finding all the local information they need, and gives advertisers valuable exposure to local consumers at that critical time when purchases are considered. Planet Discover is headquartered in Fort Mitchell, Ky.

Schedule Star LLC is the No. 1 scheduling solution for high school athletic directors that accurately generates and updates school's schedules, scores, stats, and game directions. It can alert parents and fans to game changes or cancellations, and is the engine that drives the HighSchoolSports.net network. HighSchoolSports.net, an online network of thousands of high school sites in communities of all sizes, is a national and hyper-local platform for advertisers. Schedule Star is headquartered in Wheeling, W.Va.

Ripple6 is a leading provider of social media services. Using the Ripple6 platform, publishers can offer their users advanced social networking capabilities, while generating incremental revenue through Ripple6's proprietary social marketing innovations. Ripple Analytics will also help publishers better understand how their users interact within social networks by offering a true word of mouth measurement and mapping capability. Ripple6 also offers unique opportunities to advertisers and marketers. Among the innovations are offerings that make it possible for marketers to effectively engage in online social networks. Ripple6 is headquartered in New York, N.Y.

Broadcasting

At the end of 2008, the company's broadcasting division, headquartered in McLean, Va., included 23 television stations in markets with a total of more than 20.8 million households covering 18% of the U.S. population. The broadcasting division also includes Captivate Network.

At the end of 2008, the broadcasting division had approximately 2,700 full-time and part-time employees, approximately 10% fewer than at the end of 2007, reflecting efficiency and consolidation efforts. Broadcasting revenues accounted for approximately 11% of the company's reported operating revenues in 2008, 2007 and 2006. The principal sources of the company's television revenues are: 1) local advertising focusing on the immediate geographic area of the stations; 2) national advertising; 3) retransmission of our television signals on satellite and cable networks; 4) advertising on the stations' Web sites; and 5) payments by advertisers to television stations for other services, such as the production of advertising material. The advertising revenues derived from a station's local news programs make up a significant part of its total revenues. Captivate derives its revenue principally from national advertising on video screens in elevators of office buildings and select hotel lobbies. As of year-end, Captivate had over 8,800 video screens located in 25 major cities across North America.

Advertising rates charged by a television station are based on the ability of a station to deliver a specific audience to an advertiser. The larger a station's ratings in any particular daypart, the more leverage a station has in asking for a price advantage. As the market fluctuates with supply and demand, so does the station's pricing. Almost all national advertising is placed through independent advertising representatives. Local advertising time is sold by each station's own sales force.

Generally, a network provides programs to its affiliated television stations and sells on its own behalf commercial advertising announcements for certain of the available ad spots within the network programs.

The company broadcasts local newscasts in High Definition (HD) in eight cities: Denver, Washington, D.C., St. Louis, Atlanta, Cleveland, Minneapolis, Phoenix and Tampa. These telecasts have been well received given the dramatic increase in sales of HD televisions.

Table of Contents

For all of its stations, the company is party to network affiliation agreements as well as cable and satellite carriage agreements. The company's three ABC affiliates have agreements which expire on Feb. 28, 2014. The agreements for the company's six CBS affiliates expire on Dec. 31, 2015. The company's 12 NBC-affiliated stations have agreements that expire on Jan. 1, 2017. The company's two MyNetworkTV-affiliated stations have agreements that expire in 2011. During 2008, the company also entered into retransmission consent agreements with virtually all of the cable companies in its television markets including four of the largest cable operators in the U.S., pursuant to which the company's stations will be carried for period of at least three years, thus providing the company with significant and steady revenue streams of approximately \$50 million of cash annually. Incremental costs associated with this revenue are minimal and therefore nearly all of these revenues will contribute directly to operating income.

The company also is a party to agreements with direct broadcast satellite providers under which the signals of certain of its stations are provided to satellite subscribers in their markets, one of which expires in May 2009 and the other in 2010.

Federal law requires all full-power television broadcast stations to stop broadcasting in analog format this year, and convert to an all-digital format. Congress mandated the digital television (DTV) transition, in part, because all-digital broadcasting will free up frequencies for public safety communications. The company has been well prepared for the DTV conversion. The broadcast division activated a comprehensive consumer education plan beginning in the fall of 2007 and has increased those efforts as the transition date has approached. In February 2009, Congress passed legislation that requires all full-power stations to convert to all-digital operation by June 12, 2009. This new transition date, which was extended from Feb. 17, 2009, is intended to permit additional time for consumers to obtain converter boxes and otherwise prepare for the transition. The legislation also permits stations to convert to all-digital operation as early as Feb. 17, 2009, in certain circumstances. The company anticipates that it will convert to all digital operations on June 12, 2009, although it may convert earlier in certain markets.

The transition to DTV also may provide the company with opportunities to program additional television channels in its markets (so-called multicast channels that are made possible by increased efficiencies associated with DTV transmissions). The company also is exploring the potential for Mobile DTV service to viewers, another nascent service that may be made possible by the DTV transition.

Programming and production: The costs of locally produced and purchased syndicated programming are a significant portion of television operating expenses. Syndicated programming costs are determined based upon largely uncontrollable market factors, including demand from the independent and affiliated stations within the market. In recent years, the company's television stations have emphasized their locally produced news and entertainment programming in an effort to provide programs that distinguish the stations from the competition, to increase locally responsible programming, and to better control costs.

As part of its local news strategy for 2008, the company's television stations implemented the Information Center concept which was already in place for our local U.S. publishing sites. This resulted in more focus on 24/7 coverage for dissemination on station-affiliated Web sites as well as in traditional broadcast mode. In addition, the company's television station Information Centers also produce content for local Metromix entertainment Web sites and parenting/social networking Web sites under the MomsLikeMe.com national umbrella.

The broadcast division successfully completed our Gannett Graphics Group (G3) project in 2008. G3's mission is to create high quality work once, and then share that content across the division. G3 provides daily and long-term graphic support for all of our television stations using high-end animation and 3-D storytelling graphics. As part of the project, a new server-based graphics system was licensed to allow all our information center employees to generate graphics from their desktop computers. The result is more capacity for graphics, at a higher median quality than before, at a reduced overall cost.

The broadcast division has established hubbing centers for each of its three network affiliate groups for master control monitoring. The majority of our ABC and CBS stations are live in the master control hub centers, and the majority of our NBC stations will be complete in first quarter of 2009. The ABC and NBC hub is located in Jacksonville, and the CBS hub is in Greensboro. Operational efficiencies and cost reductions will be realized from these centers in 2009.

Competition: In each of its broadcasting markets, the company's stations and affiliated Web sites compete for revenues with other network-affiliated and independent television and radio broadcasters and with other advertising media, such

as cable television, newspapers, magazines, direct mail, outdoor advertising and Internet media. The stations also compete in the emerging local electronic media space, which includes Internet or Internet-enabled devices, handheld wireless devices such as mobile phones and iPods and digital spectrum opportunities associated with digital television (DTV). The company's broadcasting stations compete principally on the basis of their audience share, advertising rates and audience composition.

Local news and information is highly important to a station's success, and there is a growing emphasis on other forms of programming that relate to the local community. Network and syndicated programming constitute the majority of all other programming broadcast on the company's television stations, and the company's competitive position is directly affected by viewer acceptance of this programming. Other sources of present and potential competition for the company's broadcasting properties include pay cable, home video and audio recorders and players, direct broadcast satellite, Internet-distributed video offerings, low-power television, video offerings (both wireline and wireless) of telephone companies as well as developing video services.

Regulation: The company's television stations are operated under the authority of the Federal Communications Commission (FCC), the Communications Act of 1934, as amended (Communications Act), and the rules and policies of the FCC (FCC Regulations).

Television broadcast licenses are granted for periods of eight years. They are renewable upon application to the FCC and usually are renewed except in rare cases in which a petition to deny, a complaint or an adverse finding as to the licensee's qualifications results in loss of the license. The company believes it is in substantial compliance with all applicable provisions of the Communications Act and FCC Regulations. All of the company's stations have converted to digital television operations in accordance with applicable FCC regulations. Nine of the company's stations filed for FCC license renewals in 2004,

Table of Contents

eight did so in 2005, another five in 2006 and the remaining station filed on Feb. 1, 2007. As of February 2009, 18 of the 23 applications were granted and the company expects the remaining five pending renewals to be granted in the ordinary course.

FCC Regulations also prohibit concentrations of broadcasting control and regulate network and local programming practices. FCC Regulations governing multiple ownership limit, or in some cases prohibit, the common ownership or control of most communications media serving common market areas (for example, television and radio; television and daily newspapers; or radio and daily newspapers). In addition, the Communications Act includes a national ownership cap under which one company is permitted to serve no more than 39% of all U.S. television households. (The company's 23 television stations currently reach 18% of U.S. television households.) FCC rules permit common ownership of two television stations in the same market in certain circumstances provided that at least one of the commonly owned stations is not among the market's top four rated stations at the time of acquisition. It is under this standard that the company acquired additional television stations in Jacksonville, Fla., Denver, Colo., and Atlanta, Ga. On Dec. 18, 2007, the FCC revised its ownership regulations by adopting a modified cross-ownership rule. In adopting this new rule, the FCC granted a waiver authorizing the company's continued ownership of both KPNX-TV and The Arizona Republic in Phoenix, Ariz. The new rule may be of limited value in permitting expanded ownership opportunities because it contains presumptions that (i) common ownership of a television station and a daily newspaper may be permitted in the top 20 television markets only if the television station is not one of the top four rated stations, and (ii) in all other television markets, common ownership of a newspaper and television station in the same market is not in the public interest. (Most of the company's stations are rated number one or two in their markets.) Applicants for proposed combinations that are presumed not to be in the public interest will be required to satisfy specified criteria to rebut the presumption against common ownership, including demonstrating (i) the level of concentration in the designated market area, (ii) a significant increase in the amount of local news after the transaction, (iii) the existence of separate editorial staffs; (iv) the financial condition of either property if a newspaper is financially troubled; and (v) the new owner's commitment to invest in newsroom operations. The FCC did not revise any other aspect of the FCC ownership rules. The FCC decision is subject to agency reconsideration as well as review by a federal appeals court. The appellate process could take up to two years.

Other FCC Regulations also have been proposed to be amended by the agency, including rules and policies concerning the specific amount and type of public-interest programming required to be carried by broadcast stations to satisfy their license obligations and requirements concerning the disclosure of such programming efforts.

Employee Relations

At the end of 2008, the company and its subsidiaries had approximately 41,500 full-time and part-time employees including 2,000 for CareerBuilder. Headcount reductions were made as part of multiple efficiency and consolidation efforts taken in response to recessions in the U.S. and U.K. economies and declining revenues, particularly in the company's publishing businesses.

Approximately 14% of those employed by the company and its subsidiaries in the U.S. are represented by labor unions. They are represented by 83 local bargaining units, most of which are affiliated with one of seven international unions under collective bargaining agreements. These agreements conform generally with the pattern of labor agreements in the publishing and broadcasting industries. The company does not engage in industrywide or companywide bargaining. The company's U.K. subsidiaries bargain with two unions over working practices, wages and health and safety issues only.

The company provides competitive group life and medical insurance programs for full-time domestic employees at each location. The company pays a substantial portion of these costs and employees contribute the balance.

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

The company has a 401(k) Savings Plan, which is available to most domestic non-represented employees and unionized employees who have bargained participation in the plan in conjunction with the Gannett Retirement Plan freeze noted below.

In June 2008, the Board of Directors 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 were 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 had their benefits frozen as of Aug. 1, 2008. Participants whose Gannett Retirement Plan and, if applicable, SERP benefits were frozen will have their frozen benefits periodically increased by a cost of living adjustment until benefits commence. Effective Aug. 1, 2008, most participants whose benefits were frozen under the Gannett Retirement Plan and, if applicable, the SERP, 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. The company will also make additional employer contributions to the 401(k) Plan on behalf of certain long service 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.

Newsquest employees have local staff councils for consultation and communication with local Newsquest management. Newsquest has provided the majority of its employees with the option to participate in a retirement plan that incorporates life insurance.

A key initiative for the company is its Leadership and Diversity program that focuses on finding, developing and retaining the best and the brightest employees and a diverse workforce that reflects the communities Gannett serves.

Environmental Initiatives

During 2008, the company expanded and enhanced green initiatives at company headquarters in McLean, Va., and around the company. These included recycling waste paper and plastics, using recycled materials, reducing energy consumption and using environmentally safe products. Also, several Gannett Broadcast and Newspaper Web sites maintain green news sites to report environmental news and provide tips to consumers.

Table of Contents**MARKETS WE SERVE
DAILY NEWSPAPERS AND AFFILIATED ONLINE SITES**

| State Territory | City | Newspaper/Online site | Morning | Circulation Afternoon | Sunday | Founded |
|----------------------------|----------------|---|----------------|----------------------------------|---------------|----------------|
| Alabama | Montgomery | Montgomery Advertiser <i>www.montgomeryadvertiser.com</i> | 41,564 | | 48,892 | 1829 |
| Arizona | Phoenix | The Arizona Republic <i>www.azcentral.com</i> | 384,446 | | 486,686 | 1890 |
| | Tucson | Tucson Citizen <i>www.tucsoncitizen.com</i> | | 20,485 | | 1870 |
| Arkansas | Mountain Home | The Baxter Bulletin <i>www.baxterbulletin.com</i> | 10,646 | | | 1901 |
| California | Palm Springs | The Desert Sun <i>www.mydesert.com</i> | 47,090 | | 50,598 | 1927 |
| | Salinas | The Salinas Californian <i>www.thecalifornian.com</i> | 14,510 | | | 1871 |
| | Tulare | Tulare Advance-Register <i>www.tulareadvanceregister.com</i> | 5,935 | | | 1882 |
| | Visalia | Visalia Times-Delta <i>www.visaliatimesdelta.com</i> | 19,073 | | | 1859 |
| Colorado | Fort Collins | Fort Collins Coloradoan <i>www.coloradoan.com</i> | 25,289 | | 29,089 | 1873 |
| Delaware | Wilmington | The News Journal <i>www.delawareonline.com</i> | 103,273 | | 120,224 | 1871 |
| Florida | Brevard County | FLORIDA TODAY <i>www.floridatoday.com</i> | 72,161 | | 86,577 | 1966 |
| | Fort Myers | The News-Press <i>www.news-press.com</i> | 78,701 | | 96,356 | 1884 |
| | Pensacola | Pensacola News Journal <i>www.pnj.com</i> | 53,332 | | 66,574 | 1889 |
| | Tallahassee | Tallahassee Democrat <i>www.tallahassee.com</i> | 48,298 | | 59,211 | 1905 |
| Guam | Hagatna | Pacific Daily News <i>www.guampdn.com</i> | 19,285 | | 18,151 | 1944 |
| Hawaii | Honolulu | The Honolulu Advertiser <i>www.honoluluadvertiser.com</i> | 134,697 | | 143,036 | 1856 |
| Indiana | Indianapolis | The Indianapolis Star <i>www.indystar.com</i> | 240,823 | | 319,728 | 1903 |
| | Lafayette | Journal and Courier | 33,338 | | 39,471 | 1829 |

Edgar Filing: GANNETT CO INC /DE/ - Form 10-K

| | | | | | |
|-----------|------------|---|---------|---------|------|
| | Muncie | <i>www.jconline.com</i> The Star Press | 29,444 | 31,607 | 1899 |
| | Richmond | <i>www.thestarpress.com</i> Palladium-Item | 14,443 | 18,564 | 1831 |
| | | <i>www.pal-item.com</i> | | | |
| Iowa | Des Moines | The Des Moines Register | 135,267 | 218,893 | 1849 |
| | | <i>www.desmoinesregister.com</i> | | | |
| | Iowa City | Iowa City Press-Citizen | 12,968 | | 1860 |
| | | <i>www.press-citizen.com</i> | | | |
| Kentucky | Louisville | The Courier-Journal | 196,083 | 253,092 | 1868 |
| | | <i>www.courier-journal.com</i> | | | |
| Louisiana | Alexandria | Alexandria Daily Town Talk | 29,521 | 33,141 | 1883 |
| | | <i>www.thetowntalk.com</i> | | | |
| | Lafayette | The Daily Advertiser | 39,202 | 48,637 | 1865 |
| | | <i>www.theadvertiser.com</i> | | | |
| | Monroe | The News-Star | 31,513 | 35,549 | 1890 |
| | | <i>www.thenewsstar.com</i> | | | |
| | Opelousas | Daily World | 8,512 | 9,741 | 1939 |
| | | <i>www.dailyworld.com</i> | | | |
| | Shreveport | The Times | 49,060 | 60,752 | 1871 |
| | | <i>www.shreveporttimes.com</i> | | | |

Table of Contents**DAILY NEWSPAPERS AND AFFILIATED ONLINE SITES**

| State Territory | City | Newspaper/Online site | Circulation | | | Founded |
|--------------------|----------------------|---|-------------|-----------|---------|---------|
| | | | Morning | Afternoon | Sunday | |
| Maryland | Salisbury | The Daily Times <i>www.delmarvanow.com</i> | 22,574 | | 26,376 | 1900 |
| Michigan | Battle Creek | Battle Creek Enquirer <i>www.battlecreekenquirer.com</i> | 19,805 | | 26,070 | 1900 |
| | Detroit | Detroit Free Press <i>www.freep.com</i> | 324,095 | | 599,931 | 1832 |
| | Lansing | Lansing State Journal <i>www.lansingstatejournal.com</i> | 57,426 | | 75,227 | 1855 |
| | Livingston County | Daily Press & Argus <i>www.livingstondaily.com</i> | 12,805 | | 15,863 | 1843 |
| | Port Huron | Times Herald <i>www.thetimesherald.com</i> | 24,104 | | 32,628 | 1900 |
| Minnesota | St. Cloud | St. Cloud Times <i>www.sctimes.com</i> | 25,376 | | 35,176 | 1861 |
| Mississippi | Hattiesburg | Hattiesburg American <i>www.hattiesburgamerican.com</i> | | 16,526 | 19,754 | 1897 |
| | Jackson | The Clarion-Ledger <i>www.clarionledger.com</i> | 79,470 | | 91,933 | 1837 |
| Missouri | Springfield | Springfield News-Leader <i>www.news-leader.com</i> | 52,355 | | 74,978 | 1893 |
| Montana | Great Falls | Great Falls Tribune <i>www.greatfallstribune.com</i> | 30,067 | | 32,450 | 1885 |
| Nevada | Reno | Reno Gazette-Journal <i>www.rgj.com</i> | 54,261 | | 64,197 | 1870 |
| New Jersey | Asbury Park | Asbury Park Press <i>www.app.com</i> | 133,263 | | 178,120 | 1879 |
| | Bridgewater | Courier News <i>www.mycentraljersey.com</i> | 27,372 | | 29,737 | 1884 |
| | Cherry Hill | Courier-Post <i>www.courierpostonline.com</i> | 62,675 | | 75,469 | 1875 |
| | East Brunswick | Home News Tribune <i>www.mycentraljersey.com</i> | 46,073 | | 51,865 | 1879 |
| | Morristown | Daily Record <i>www.dailyrecord.com</i> | 32,077 | | 34,204 | 1900 |
| | Vineland | The Daily Journal <i>www.thedailyjournal.com</i> | 16,570 | | | 1864 |

Edgar Filing: GANNETT CO INC /DE/ - Form 10-K

| | | | | | |
|----------------|-----------------------|---|---------|---------|------|
| New York | Binghamton | Press & Sun-Bulletin <i>www.pressconnects.com</i> | 46,702 | 59,051 | 1904 |
| | Elmira | Star-Gazette <i>www.stargazette.com</i> | 23,113 | 31,388 | 1828 |
| | Ithaca | The Ithaca Journal <i>www.theithacajournal.com</i> | 14,853 | | 1815 |
| | Poughkeepsie | Poughkeepsie Journal <i>www.poughkeepsiejournal.com</i> | 34,101 | 41,885 | 1785 |
| | Rochester | Rochester Democrat and Chronicle <i>www.democratandchronicle.com</i> | 144,722 | 196,231 | 1833 |
| | Westchester County | The Journal News <i>www.lohud.com</i> | 103,294 | 123,243 | 1829 |
| North Carolina | Asheville | Asheville Citizen-Times <i>www.citizen-times.com</i> | 48,298 | 55,851 | 1870 |

Table of Contents**DAILY NEWSPAPERS AND AFFILIATED ONLINE SITES**

| State Territory | City | Newspaper/Online site | Circulation | | | Founded |
|--------------------|--------------|---|-------------|-----------|---------|---------|
| | | | Morning | Afternoon | Sunday | |
| Ohio | Bucyrus | Telegraph-Forum <i>www.bucyrustelegraphforum.com</i> | | 5,492 | | 1923 |
| | Chillicothe | Chillicothe Gazette <i>www.chillicothegazette.com</i> | | 12,556 | 13,143 | 1800 |
| | Cincinnati | The Cincinnati Enquirer <i>www.cincinnati.com</i> | 199,318 | | 275,484 | 1841 |
| | Coshocton | Coshocton Tribune <i>www.coshoctontribune.com</i> | | 5,663 | 6,184 | 1842 |
| | Fremont | The News-Messenger <i>www.thenews-messenger.com</i> | | 10,367 | | 1856 |
| | Lancaster | Lancaster Eagle-Gazette <i>www.lancastereaglegazette.com</i> | | 11,404 | 12,384 | 1807 |
| | Mansfield | News Journal <i>www.mansfieldnewsjournal.com</i> | | 26,572 | 33,376 | 1885 |
| | Marion | The Marion Star <i>www.marionstar.com</i> | | 11,137 | 11,489 | 1880 |
| | Newark | The Advocate <i>www.newarkadvocate.com</i> | | 17,056 | 18,882 | 1820 |
| | Port Clinton | News Herald <i>www.portclintonnewsheald.com</i> | | | 4,437 | 1864 |
| | Zanesville | Times Recorder <i>www.zanesvilletimesrecorder.com</i> | 16,684 | | 17,209 | 1852 |
| Oregon | Salem | Statesman Journal <i>www.statesmanjournal.com</i> | 44,975 | | 50,958 | 1851 |
| South Carolina | Greenville | The Greenville News <i>www.greenvilleonline.com</i> | 75,416 | | 105,412 | 1874 |
| South Dakota | Sioux Falls | Argus Leader <i>www.argusleader.com</i> | 45,066 | | 63,413 | 1881 |
| Tennessee | Clarksville | The Leaf-Chronicle <i>www.theleafchronicle.com</i> | 19,532 | | 21,724 | 1808 |
| | Jackson | The Jackson Sun <i>www.jacksonsun.com</i> | 29,726 | | 35,567 | 1848 |
| | Murfreesboro | The Daily News Journal <i>www.dnj.com</i> | 13,900 | | 17,665 | 1848 |
| | Nashville | The Tennessean <i>www.tennessean.com</i> | 154,361 | | 212,298 | 1812 |
| Utah | St. George | The Spectrum <i>www.thespectrum.com</i> | 21,513 | | 23,042 | 1963 |

| | | | | | |
|-----------|---------------------|---|-----------|------------------|------|
| Vermont | Burlington | The Burlington Free Press <i>www.burlingtonfreepress.com</i> | 38,596 | 46,217 | 1827 |
| Virginia | McLean | USA TODAY <i>www.usatoday.com</i> | 2,255,295 | | 1982 |
| | Staunton | The Daily News Leader <i>www.newsleader.com</i> | 16,855 | 18,631 | 1904 |
| Wisconsin | Appleton | The Post-Crescent <i>www.postcrescent.com</i> | 50,320 | 63,086 | 1853 |
| | Fond du Lac | The Reporter <i>www.fdlreporter.com</i> | 13,989 | 16,438 | 1870 |
| | Green Bay | Green Bay Press-Gazette <i>www.greenbaypressgazette.com</i> | 53,020 | 75,068 | 1915 |
| | Manitowoc | Herald Times Reporter <i>www.htrnews.com</i> | 13,314 | 14,280 | 1898 |
| | Marshfield | Marshfield News-Herald <i>www.marshfieldnewsheald.com</i> | 11,004 | | 1927 |
| | Oshkosh | Oshkosh Northwestern <i>www.thenorthwestern.com</i> | 19,509 | 23,036 | 1868 |
| | Sheboygan | The Sheboygan Press <i>www.sheboyganpress.com</i> | 19,190 | 23,053 | 1907 |
| | Stevens Point | Stevens Point Journal <i>www.stevenspointjournal.com</i> | 10,772 | | 1873 |
| | Wausau | Central Wisconsin Sunday Wausau Daily Herald <i>www.wausaudailyherald.com</i> | 20,296 | 22,699 26,149 | 1903 |
| | Wisconsin Rapids | The Daily Tribune <i>www.wisconsinrapidstribune.com</i> | 10,409 | | 1914 |

Table of Contents**DAILY PAID-FOR NEWSPAPERS AND AFFILIATED ONLINE SITES/NEWSQUEST PLC**

| City | Newspaper/Online site | Circulation | | Founded |
|-------------|--|---------------|----------|---------|
| | | Monday-Friday | Saturday | |
| Basildon | Echo <i>www.echo-news.co.uk</i> | 34,692 | | 1969 |
| Blackburn | Lancashire Telegraph <i>www.lancashiretelegraph.co.uk</i> | 30,353 | 26,890 | 1886 |
| Bolton | The Bolton News <i>www.theboltonnews.co.uk</i> | 29,757 | 24,441 | 1867 |
| Bournemouth | Daily Echo <i>www.bournemouthecho.co.uk</i> | 31,538 | 34,670 | 1900 |
| Bradford | Telegraph & Argus <i>www.thetelegraphandargus.co.uk</i> | 36,199 | 32,673 | 1868 |
| Brighton | The Argus <i>www.theargus.co.uk</i> | 31,684 | 31,792 | 1880 |
| Colchester | The Gazette <i>www.gazette-news.co.uk</i> | 21,194 | | 1970 |
| Darlington | The Northern Echo <i>www.thenorthernecho.co.uk</i> | 50,873 | 48,297 | 1870 |
| Glasgow | Evening Times <i>www.eveningtimes.co.uk</i> | 78,960 | 42,387 | 1876 |
| Glasgow | The Herald <i>www.theherald.co.uk</i> | 66,192* | | 1783 |
| Newport | South Wales Argus <i>www.southwalesargus.co.uk</i> | 28,716 | 25,944 | 1892 |
| Oxford | Oxford Mail <i>www.oxfordmail.co.uk</i> | 24,892 | 22,663 | 1928 |
| Southampton | Southern Daily Echo <i>www.dailyecho.co.uk</i> | 37,835 | 44,363 | 1888 |
| Swindon | Swindon Advertiser <i>www.swindonadvertiser.co.uk</i> | 22,325 | 19,479 | 1854 |
| Weymouth | Dorset Echo <i>www.dorsetecho.co.uk</i> | 18,503 | 19,650 | 1921 |

| | | | | |
|-----------|--|--------|--------|------|
| Worcester | Worcester News <i>www.worcesternews.co.uk</i> | 17,755 | 16,707 | 1937 |
| York | The Press <i>www.thepress.co.uk</i> | 32,991 | 32,204 | 1882 |

* Monday-Saturday
inclusive

Circulation figures are according to ABC results from Jan.-June 2008.

Non-daily publications: Essex, London, Midlands, North East, North West, South Coast, South East, South and East Wales, South West, Yorkshire

GANNETT DIGITAL

CareerBuilder.: *www.careerbuilder.com*

Headquarters: Chicago, Ill.

Sales offices: Atlanta, Ga., Boston, Mass.; Seattle, Wash., Chicago, Ill.; Cincinnati, Ohio; Dallas, Texas; Denver, Colo.; Detroit, Mich.; Edison, N.J.; Houston, Texas; Irvine, Calif.; Long Island, N.Y.; Los Angeles; McLean, Va.; Minneapolis, Minn.; Nashville, Tenn.; New York, N.Y.; Orlando, Fla.; Overland Park, Kan.; Philadelphia, Pa.; Phoenix, Ariz.; San Mateo, Calif.; Washington D.C.

International offices: Belgium; Canada; France; Germany; Greece; India; Ireland; Italy; Netherlands; Norway; Romania; Spain; Sweden; Switzerland; United Kingdom

PointRoll, Inc.: *www.pointroll.com*

Headquarters: Conshohocken, Pa.

Sales offices: Atlanta, Ga.; Chicago, Ill.; Detroit, Mich.; London, England; Los Angeles, Calif.; New York, N.Y.; San Francisco, Calif.; Toronto, Canada; Washington, D.C.

Planet Discover: *www.planetdiscover.com*

Headquarters: Fort Mitchell, Ky.

Sales offices: Fort Mitchell, Ky.; Cedar Rapids, Iowa

Ripple 6: *www.ripple6.com*

Headquarters: New York, N.Y.

Sales offices: New York, N.Y.; Chicago, Ill.

Schedule Star: *www.highschoolsports.net*

Headquarters: Wheeling, W.Va.

Sales offices: Seattle, Wash.; Chicago, Ill.; Los Angeles Calif.; New York, N.Y.

ShopLocal: *www.shoplocal.com*

Headquarters: Chicago, Ill.

Sales offices: Chicago, Ill.; Seattle, Wash.

Table of Contents**TELEVISION STATIONS AND AFFILIATED ONLINE SITES**

| State | City | Station/Online site | Channel/Network | Weekly Audience(a) | Founded (b) |
|----------------------|----------------------|--|------------------------|---------------------------|--------------------|
| Arizona | Flagstaff | KNAZ-TV | Channel 2/NBC | | 1970 |
| | Phoenix | KPNX-TV <i>www.azcentral.com/12news</i> | Channel 12/NBC | 1,282,000 | 1953 |
| Arkansas | Little Rock | KTHV-TV <i>www.todaysthv.com</i> | Channel 11/CBS | 463,000 | 1955 |
| California | Sacramento | KXTV-TV <i>www.news10.net</i> | Channel 10/ABC | 1,026,000 | 1955 |
| Colorado | Denver | KTVD-TV <i>www.my20denver.com</i> | Channel 20/MyNetworkTV | 668,000 | 1988 |
| | | KUSA-TV <i>www.9news.com</i> | Channel 9/NBC | 1,215,000 | 1952 |
| District of Columbia | Washington | WUSA-TV <i>www.wusa9.com</i> | Channel 9/CBS | 1,799,000 | 1949 |
| Florida | Jacksonville | WJXX-TV | Channel 25/ABC | 477,000 | 1989 |
| | | WTLV-TV <i>www.firstcoastnews.com</i> | Channel 12/NBC | 536,000 | 1957 |
| | Tampa-St. Petersburg | WTSP-TV <i>www.tampabays10.com</i> | Channel 10/CBS | 1,309,000 | 1965 |
| Georgia | Atlanta | WATL-TV <i>www.myatltv.com</i> | Channel 36/MyNetworkTV | 1,230,000 | 1954 |
| | | WXIA-TV <i>www.11alive.com</i> | Channel 11/NBC | 1,719,000 | 1948 |
| | Macon | WMAZ-TV <i>www.13wmaz.com</i> | Channel 13/CBS | 208,000 | 1953 |
| Maine | Bangor | WLBZ-TV <i>www.wlbz2.com</i> | Channel 2/NBC | 108,000 | 1954 |
| | Portland | WCSH-TV <i>www.wcsh6.com</i> | Channel 6/NBC | 361,000 | 1953 |
| Michigan | Grand Rapids | WZZM-TV <i>www.wzzm13.com</i> | Channel 13/ABC | 415,000 | 1962 |
| Minnesota | Minneapolis-St. Paul | KARE-TV <i>www.kare11.com</i> | Channel 11/NBC | 1,404,000 | 1953 |
| Missouri | St. Louis | KSDK-TV <i>www.ksdk.com</i> | Channel 5/NBC | 1,138,000 | 1947 |

Edgar Filing: GANNETT CO INC /DE/ - Form 10-K

| | | | | | |
|----------------|------------|------------------------------------|----------------|-----------|------|
| New York | Buffalo | WGRZ-TV <i>www.wgrz.com</i> | Channel 2/NBC | 546,000 | 1954 |
| North Carolina | Greensboro | WFMY-TV <i>www.digtriad.com</i> | Channel 2/CBS | 600,000 | 1949 |
| Ohio | Cleveland | WKYC-TV <i>www.wkyc.com</i> | Channel 3/NBC | 1,247,000 | 1948 |
| South Carolina | Columbia | WLTX-TV <i>www.wltx.com</i> | Channel 19/CBS | 296,000 | 1953 |
| Tennessee | Knoxville | WBIR-TV <i>www.wbir.com</i> | Channel 10/NBC | 497,000 | 1956 |

Captivate Network: *www.captivatenetwork.com*

Headquarters: Chelmsford, Mass.

Advertising offices: Chicago, Ill.; Los Angeles, Calif.; New York, N.Y.; San Francisco, Calif.; Toronto, Canada.

(a) Weekly audience is number of TV households reached, according to the November 2008 Nielsen book.

(b) Audience numbers fall below minimum reporting standards.

Table of Contents

USA TODAY: *www.usatoday.com*

Headquarters and editorial offices: McLean, Va.

Print sites: Arlington, Texas; Atlanta, Ga.; Batavia, N.Y.; Brevard County, Fla.; Chandler, Ariz.; Columbia, S.C.; Fort Collins, Colo.; Fort Lauderdale, Fla.; Hattiesburg, Miss.; Houston, Texas; Kankakee, Ill.; Las Vegas, Nev.; Lawrence, Kan.; Marin County, Calif.; Milwaukee, Wis.; Minneapolis, Minn.; Nashville, Tenn.; Newark, Ohio; Norwood, Mass.; Olympia, Wash.; Raleigh, N.C.; Rockaway, N.J.; St. Louis, Mo.; Salisbury, N.C.; Salt Lake City, Utah; San Bernardino, Calif.; Springfield, Va.; Sterling Heights, Mich.; Tampa, Fla.; Warrendale, Pa.; White Plains, N.Y.; Wilmington, Del.

International print sites: Frankfurt, Germany; Gosselies, Belgium; Hong Kong; London, England

Advertising offices: Atlanta, Ga.; Chicago, Ill.; Dallas, Texas; Detroit, Mich.; London, England; Los Angeles, Calif.; McLean, Va.; New York, N.Y.; San Francisco, Calif.

USA TODAY SPORTS WEEKLY

Editorial offices: McLean, Va.

Advertising offices: McLean, Va.; New York, N.Y.

USATODAY.com

Headquarters and editorial offices: McLean, Va.

Advertising offices: Atlanta, Ga.; Chicago, Ill.; Dallas, Texas; Detroit, Mich.; Los Angeles, Calif.; McLean, Va.; New York, N.Y.; San Francisco, Calif.

USA WEEKEND: *www.usaweekend.com*

Headquarters and editorial offices: McLean, Va.

Advertising offices: Chicago, Ill.; Detroit, Mich.; Los Angeles, Calif.; New York, N.Y.; San Francisco, Calif.

Clipper Magazine: *www.clippermagazine.com; www.couponclipper.com*

Headquarters: Mountville, Pa.

Gannett Healthcare Group: *www.gannethg.com; www.Nurse.com; www.TodayInPT.com; www.TodayInOt.com; www.PearlsReview.com*

Headquarters: Falls Church, Va.

Regional offices: San Jose, Calif.; Hoffman Estates, Ill.; Westbury, N.Y.; Dallas, Texas

Publications: Nursing Spectrum, NurseWeek, Today in PT, Today in OT

Times News Group, Inc. (Army Times Publishing Co.)

Headquarters: Springfield, Va.

Publications: Army Times: *www.armytimes.com*, Navy Times: *www.navytimes.com*, Marine Corps Times: *www.marinetimes.com*, Air Force Times: *www.airforcetimes.com*, Federal Times: *www.federaltimes.com*, Defense News: *www.defensenews.com*, Armed Forces Journal: *www.armedforcesjournal.com*, C4ISR Journal: *www.c4isrjournal.com*, Training and Simulation Journal: *www.tsjonline.com*

Gannett Media Technologies International: *www.gmti.com*: Cincinnati, Ohio; Norfolk, Va.; Tempe, Ariz.

ContentOne/Gannett News Service

Headquarters: McLean, Va.

Bureaus: Washington, D.C.; Albany, N.Y.; Baton Rouge, La.; Trenton, N.J.; Sacramento, Calif.; Tallahassee, Fla.

Non-daily publications

Weekly, semi-weekly, monthly or bimonthly publications in Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Guam, Hawaii, Indiana, Iowa, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Wisconsin

Gannett Media Sales Group: McLean, Va.

Gannett Offset: *www.gannettoffset.com*

Headquarters: Springfield, Va.

Offset sites: Atlanta, Ga.; Minneapolis, Minn.; Norwood, Mass.; St. Louis, Mo.; Springfield, Va.

Gannett Direct Marketing Services, Inc.: *www.gdms.com*

Headquarters: Louisville, Ky.

Gannett Satellite Information Network: McLean, Va.

National Web Sites:

www.MomsLikeMe.com;
www.HighSchoolSports.net

***GANNETT ON THE NET:** News and information about Gannett is available on our Web site, www.gannett.com. In addition to news and other information about our company, we provide access through this site to our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after we file or furnish them electronically to the Securities and Exchange Commission (SEC). Certifications by Gannett's Chief Executive Officer and Chief Financial Officer are included as exhibits to the company's SEC reports (including the company's Form 10-K filed in 2008).*

We also provide access on this Web site to our Principles of Corporate Governance, the charters of our Audit, Digital Technology, Executive Compensation and Nominating and Public Responsibility Committees and other important governance documents and policies, including our Ethics and Inside Trading Policies. Copies of all of these corporate governance documents are available to any shareholder upon written request made to our Secretary at our headquarters address. In addition, we will disclose on this Web site changes to, or waivers of, our corporate Ethics Policy.

Table of Contents**ITEM 1A. RISK FACTORS**

In addition to the other information contained or incorporated by reference into this Form 10-K, prospective investors should consider carefully the following risk factors before investing in our securities. The risks described below may not be the only risks we face. Additional risks that we do not yet perceive or that we currently believe are immaterial may also adversely affect our business and the trading price of our securities.

Deterioration in economic conditions in the markets we serve in the U.S. and the U.K. may further depress demand for our products and services

Our operating results depend on the relative strength of the economy in our principal newspaper, digital and television markets as well as the strength or weakness of national and regional economic factors. Recessionary conditions in the U.S. and U.K. have had a significant adverse impact on the company's businesses. Continuing or a deepening recession in the U.S. or U.K. economy could significantly affect all key advertising revenue categories.

Competition from alternative forms of media may impair our ability to grow or maintain revenue levels in core and new businesses

Advertising produces the predominant share of our publishing, broadcasting and affiliated Web site revenues as well as Digital segment revenues. With the continued development of alternative forms of media, particularly those based on the Internet, our businesses face increased competition. Alternative media sources also affect our ability to generate circulation revenues and television audience. This competition could make it difficult for us to grow or maintain our broadcasting, print advertising and circulation revenues, which we believe will challenge us to expand the contributions of our online and other digital businesses.

Further declines in the company's credit ratings and continued volatility in the U.S. credit markets could significantly impact the company's ability to obtain new financing to fund its operations and strategic initiatives or to refinance its existing debt at reasonable rates as it matures

At the end of 2008, the company had approximately \$3.8 billion in long-term debt, of which approximately \$2.2 billion was in the form of borrowings under bank credit facilities and the balance was in the form of unsecured public notes. This debt matures in part in 2009, 2011 and 2012. While the company's cash flow permits us to lower the amount of this debt before it matures, a significant portion of it may need to be refinanced. Access to the capital markets for longer-term financing is currently restricted due to the unprecedented and ongoing turmoil in the capital markets. At the end of 2008, the company had approximately \$1.2 billion of additional borrowing capacity under its revolving credit facilities, providing near-term liquidity to fund its needs and to repay debt maturing in 2009 and beyond.

Volatility in U.S. and U.K. financial markets directly affects the value of our pension plan assets

Because of volatility and sharp declines in global financial markets, the company's pension plan asset values declined significantly in 2008 and the company's principal U.S. retirement plan, the Gannett Retirement Plan, is underfunded. These 2008 investment losses will result in higher pension costs in 2009. Depending on various factors, including future investment returns, discount rates and potential pension legislative changes, the company may be required to make up this underfunding with contributions in future years although no contributions are required in 2009.

Foreign exchange variability could adversely affect our consolidated operating results

Weakening of the British pound-to-U.S. dollar exchange rate could diminish Newsquest's earnings contribution to consolidated results. Newsquest results for 2008 were translated to U.S. dollars at the average rate of 1.86. For the first 45 days of 2009, the average exchange rate was approximately 1.45, or 26% lower than the comparable period in 2008. CareerBuilder, with expanding overseas operations, also has foreign exchange risk but to a significantly lesser degree.

Changes in regulatory environment could encumber or impede our efforts to improve operating results

Our publishing and broadcasting operations are subject to government regulation. Changing regulations, particularly FCC regulations which affect our television stations, may result in increased costs and adversely impact our future profitability. FCC regulations required us to construct digital television stations in all of our television markets, despite the fact that the new digital stations are unlikely to produce significant additional revenue. Congress established June 12, 2009, as the date by which each television station will be required to return one of the two channels currently assigned to it and operate as a digital facility exclusively. All of the company's stations have

converted to digital television; however, we cannot predict how the transition will affect our broadcast results. In addition, our television stations are required to possess television broadcast licenses from the FCC; when granted, these licenses are generally granted for a period of eight years. Under certain circumstances the FCC is not required to renew any license and could decline to renew our license applications that are currently pending in 2009.

The degree of success of our investment and acquisition strategy may significantly impact our ability to expand overall profitability

We intend to continue efforts to identify and complete strategic investments, partnerships and business acquisitions. These efforts may not prove successful. Strategic investments and partnerships with other companies expose us to the risk that we may not be able to control the operations of our investee or partnership, which could decrease the amount of benefits we reap from a particular relationship. The company is also exposed to the risk that its partners in strategic investments and infrastructure may encounter financial difficulties which could lead to disruption of investee or partnership activities.

Acquisitions of other businesses may be difficult to integrate with our existing operations, could require an inefficiently high amount of attention from our senior management, might require us to incur additional debt or divert our capital from more profitable expenditures, and might result in other unanticipated problems and liabilities.

Table of Contents

The value of our intangible assets may become further impaired, depending upon future operating results

Goodwill and other intangible assets were approximately \$3.5 billion as of Dec. 28, 2008, representing approximately 44% of our total assets. We periodically evaluate our goodwill and other intangible assets to determine whether all or a portion of their carrying values may no longer be recoverable, in which case a charge to earnings may be necessary, as occurred in both 2007 and 2008 (see Notes 3 and 4 to the Consolidated Financial Statements). Any future evaluations requiring an asset impairment charge for goodwill or other intangible assets would adversely affect future reported results of operations and shareholders' equity, although such charges would not affect our operations or cash flow.

The collectability of accounts receivable under current adverse economic conditions could deteriorate to a greater extent than provided for in the company's financial statements and in its projections of future results

Recessionary conditions in the U.S. and U.K. have increased the company's exposure to losses resulting from the potential bankruptcy of its advertising customers. The company's accounts receivable are stated at net estimated realizable value and its allowance for doubtful accounts has been determined based on several factors, including receivable agings, significant individual credit risk accounts and historical experience. If such collectability estimates prove inaccurate, adjustments to future operating results could occur.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Publishing/United States

Generally, the company owns the plants that house all aspects of the publication process. In the case of USA TODAY, at Dec. 28, 2008, 18 non-Gannett printers were used to print the newspaper in U.S. markets where there are no company publishing sites with appropriate facilities. Four non-Gannett printers in foreign countries are used to print USA TODAY International. USA WEEKEND, Clipper Magazine and Gannett Healthcare Group are also printed under contracts with commercial printing companies. Many of the company's newspapers have outside news bureaus and sales offices, which generally are leased. In several markets, two or more of the company's newspapers share combined facilities; and in certain locations, facilities are shared with other newspaper properties. The company's publishing properties have rail siding facilities or access to main roads for newsprint delivery purposes and are conveniently located for distribution purposes.

During the past five years, new or substantial additions or remodeling of existing facilities have been completed or are at some stage of construction at 15 of the company's publishing operations. Gannett continues to make investments in renovations where necessary for operating efficiency.

During 2008, the company consolidated certain of its U.S. publishing facilities to achieve savings and efficiencies. The company's facilities are adequate for present operations. A listing of publishing centers and key properties may be found on pages 14-16.

Publishing/United Kingdom

Newsquest owns certain of the plants where its newspapers are produced and leases other facilities. Newsquest headquarters is in Weybridge, Surrey. Additions to Newsquest's printing capacity and color capabilities have been made since Gannett acquired Newsquest in 1999. During 2008, Newsquest also consolidated certain of its facilities to achieve savings and efficiencies. All of Newsquest's properties are adequate for present purposes. A listing of Newsquest publishing centers and key properties may be found on page 17.

Digital

Generally, the company's digital businesses lease their facilities. This includes facilities for executive offices, sales offices and data centers. The company's facilities are adequate for present operations. The company also believes that suitable additional or alternative space, including those under lease options, will be available at commercially reasonable terms for future expansion. A listing of key digital facilities can be found on page 17.

Broadcasting

The company's broadcasting facilities are adequately equipped with the necessary television broadcasting equipment. The company owns or leases transmitter facilities in 29 locations. A listing of television stations can be found on page 18.

As a result of our duopoly acquisition in Atlanta, the acquired facility was enlarged to accommodate the staff and technical facilities for both stations. This project was completed in 2008. The company's former television station facility was sold. All of the company's stations have converted to digital television operations in accordance with applicable FCC regulations. The company's broadcasting facilities are adequate for present purposes.

Corporate facilities

The company's headquarters and USA TODAY are located in McLean, Va. The company also owns data and network operations centers in nearby Maryland and in Phoenix, Ariz. Headquarters facilities are adequate for present operations.

Table of Contents

ITEM 3. LEGAL PROCEEDINGS

Information regarding legal proceedings may be found in Note 12 of the Notes to Consolidated Financial Statements.

Environmental

Some of the company's newspaper subsidiaries have been identified as potentially responsible parties for cleanup of contaminated sites as a result of their alleged disposal of ink or other wastes at disposal sites that have been subsequently identified as requiring remediation. In five such matters, the company's liability could exceed \$100,000. Poughkeepsie Newspapers is required by a consent order with the United States Environmental Protection Agency (U.S. EPA) to fund a portion of the remediation costs at the Hertel Landfill site in Plattekill, N.Y. Poughkeepsie Newspapers has paid and expensed its share of the initial clean up but remains liable for a share of follow-up testing and potential further remediation at the site. Such remaining liability is not expected to be material.

In September 2003, the U.S. EPA notified Multimedia, Inc., a wholly owned Gannett subsidiary, that the company is considered a de minimis potentially responsible party for costs associated with the Operating Industries, Inc. Superfund Site in Monterey, Calif. Based on the most recent information from the U.S. EPA, Multimedia, Inc. expects to settle this matter for a minor amount.

In conjunction with the sale of property in Norwich, Conn., in May 2006, Gannett Satellite Information Network, Inc. (GANSAT) submitted a Transfer of Establishment form to the Connecticut Department of Environmental Protection. Because there is evidence of soil and groundwater contamination at the property, GANSAT will conduct a site investigation, and, if necessary, remediation, in accordance with the requirements of the Connecticut Transfer Act. The site investigation cost is not expected to be material. The cost of remediation, if any, will not be known until the conclusion of the site investigation.

In December 2004, the U.S. Forest Service advised by letter that it considers Shiny Rock Mining Corporation to be legally responsible for a release of hazardous substances at a closed mine site in Oregon. Shiny Rock Mining Corporation is a former Gannett subsidiary that donated the property at issue to Friends of Opal Creek (Friends) in 1992. Gannett tendered this matter to Friends pursuant to an indemnification agreement, and Friends and the Forest Service entered into a Consent Agreement to conduct the site investigation. Friends has been funding the investigation by using proceeds from an insurance policy, now expired. In December 2008, Friends notified Gannett that it may not have sufficient resources to fund its indemnification responsibilities if site costs exceed the proceeds available under the insurance policy. Whether Gannett will be required to fund further site work and how much that might cost depends on whether the additional site investigation and/or remediation will be required, both unknown at this time. In July 2007, suit was filed in the Superior Court of New Jersey by third-party plaintiffs against the company as successor to a former subsidiary seeking to recover cleanup costs associated with the former Burlington Environmental Management Services, Inc. landfill. The suit, *NJDEP, et al. v Almo Anti-Pollution Services*, demands cleanup costs from the company on the theory that wastewater legally discharged by two print sites to a municipally owned wastewater treatment plant contained pollutants that allegedly ended up in sewage sludge deposited by the treatment plant at the landfill. The company believes the complaint does not state a valid claim against it and is currently engaging in mediation regarding this dispute.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

Table of Contents**PART II****ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Gannett Co., Inc. shares are traded on the New York Stock Exchange with the symbol GCI.

Information regarding outstanding shares, shareholders and dividends may be found on pages 1, 3 and 38 of this Form 10-K.

Gannett Common stock prices

High-low range by fiscal quarters based on NYSE-composite closing prices.

| Year | Quarter | Low | High |
|-------------|----------------|------------|-------------|
| 1998 | First | \$ 57.25 | \$ 69.94 |
| | Second | \$ 65.13 | \$ 74.69 |
| | Third | \$ 55.81 | \$ 73.56 |
| | Fourth | \$ 48.94 | \$ 68.06 |
| 1999 | First | \$ 61.81 | \$ 70.25 |
| | Second | \$ 61.81 | \$ 75.44 |
| | Third | \$ 66.81 | \$ 76.94 |
| | Fourth | \$ 68.81 | \$ 79.31 |
| 2000 | First | \$ 61.75 | \$ 83.25 |
| | Second | \$ 59.25 | \$ 72.13 |
| | Third | \$ 49.25 | \$ 60.06 |
| | Fourth | \$ 48.69 | \$ 63.06 |
| 2001 | First | \$ 56.50 | \$ 67.74 |
| | Second | \$ 59.58 | \$ 69.38 |
| | Third | \$ 55.55 | \$ 69.11 |
| | Fourth | \$ 58.55 | \$ 71.10 |
| 2002 | First | \$ 65.03 | \$ 77.85 |
| | Second | \$ 71.50 | \$ 79.87 |
| | Third | \$ 63.39 | \$ 77.70 |
| | Fourth | \$ 66.62 | \$ 79.20 |
| 2003 | First | \$ 67.68 | \$ 75.10 |
| | Second | \$ 70.43 | \$ 79.70 |
| | Third | \$ 75.86 | \$ 79.18 |
| | Fourth | \$ 77.56 | \$ 88.93 |
| 2004 | First | \$ 84.50 | \$ 90.01 |
| | Second | \$ 84.95 | \$ 91.00 |
| | Third | \$ 79.56 | \$ 86.78 |
| | Fourth | \$ 78.99 | \$ 85.62 |
| 2005 | First | \$ 78.43 | \$ 82.41 |
| | Second | \$ 71.13 | \$ 80.00 |
| | Third | \$ 66.25 | \$ 74.80 |
| | Fourth | \$ 59.19 | \$ 68.62 |

| | | | | | |
|-------------|--------|----|-------|----|-------|
| 2006 | First | \$ | 58.81 | \$ | 64.80 |
| | Second | \$ | 53.22 | \$ | 60.92 |
| | Third | \$ | 51.67 | \$ | 57.15 |
| | Fourth | \$ | 55.92 | \$ | 61.25 |
| 2007 | First | \$ | 55.76 | \$ | 63.11 |
| | Second | \$ | 54.12 | \$ | 59.79 |
| | Third | \$ | 43.70 | \$ | 55.40 |
| | Fourth | \$ | 35.30 | \$ | 45.85 |
| 2008 | First | \$ | 28.43 | \$ | 39.00 |
| | Second | \$ | 21.79 | \$ | 30.75 |
| | Third | \$ | 15.96 | \$ | 21.67 |
| | Fourth | \$ | 6.09 | \$ | 17.05 |
| 2009 | First | \$ | 3.70 | \$ | 9.30* |

* Through
February 20,
2009

Purchases of Equity Securities

There were no repurchases of common stock in the last half of 2008. The approximate dollar value of shares that may yet be purchased under the program is \$808,936,610. While there is no expiration date for the repurchase program, the Board of Directors reviews the authorization of the program annually and did so in October 2008.

Table of Contents**Comparison of shareholder return**

The following graph compares the performance of the company's common stock during the period Dec. 28, 2003, to Dec. 28, 2008, with the S&P 500 Index, and a Peer Group Index selected by the company.

The company has established an index of peer group companies because of changes in 2007 to the S&P 500 Publishing Index. At the end of 2006, the S&P 500 Publishing Index included Gannett Co., Inc., Dow Jones & Co., Inc., The McGraw-Hill Companies, Meredith Corporation, The New York Times Company and Tribune Company. During 2007, Dow Jones was purchased by News Corp. and Tribune Company was taken private, and both companies therefore were removed from the S&P 500 Publishing Index. The Washington Post Company, which holds substantial non-publishing/broadcast interests, was added to the S&P 500 Publishing Index.

Because of these changes, the company believes the S&P 500 Publishing Index no longer comprises a representative group of peer companies. The company therefore selected a Peer Group which it believes to be more representative based upon the strong publishing/broadcasting orientation of the companies selected. This Peer Group is comprised of Gannett Co., Inc., A.H. Belo Corp., The E.W. Scripps Company, Gatehouse Media, Inc., Journal Communications, Inc., Journal Register Company, Lee Enterprises, Inc., The McClatchy Company, Media General, Inc. and The New York Times Company.

The S&P 500 Index includes 500 U.S. companies in the industrial, utilities and financial sectors and is weighted by market capitalization.

The graph depicts the results of investing \$100 in the company's common stock, the S&P 500 Index and the Peer Group Index at closing on Dec. 28, 2003. It assumes that dividends were reinvested quarterly with respect to the company's common stock, daily with respect to the S&P 500 Index and monthly with respect to the Peer Group.

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-------------------|------|--------|--------|--------|--------|-------|
| Gannett Co., Inc. | 100 | 92.77 | 69.90 | 71.22 | 47.36 | 10.78 |
| S&P 500 Index | 100 | 110.88 | 116.33 | 134.70 | 142.10 | 89.53 |
| Peer Group | 100 | 94.54 | 74.68 | 72.14 | 50.34 | 12.22 |

ITEM 6. SELECTED FINANCIAL DATA

Selected financial data for the years 2004 through 2008 is contained under the heading "Selected Financial Data" on page 67 and is derived from the company's audited financial statements for those years. Certain reclassifications have been made to previously reported financial data to reflect the creation of a new digital segment, as more fully discussed in Note 1 to the Consolidated Financial Statements.

The information contained in the "Selected Financial Data" is not necessarily indicative of the results of operations to be expected for future years, and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 and the consolidated financial statements and related notes thereto included in Item 8 of this Form 10-K.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**Executive Summary**

Gannett Co., Inc. is a leading international news and information company operating primarily in the United States and the United Kingdom (U.K.). Approximately 85% of 2008 consolidated revenues are from domestic operations including Guam, and approximately 15% are from foreign operations primarily in the U.K.

The company's goal is to be the leading source of news and information in the markets we serve, and be customer centric by delivering quality products and results for our readers, viewers, advertisers and other customers. We believe that well-managed newspapers, television stations, Internet products, magazine/ specialty publications and programming efforts will maximize profits for our shareholders. To that end, our strategy has the following elements:

Become the digital destination for local news and information in all our markets.

Create new business opportunities in the digital space through internal innovation, acquisitions or affiliations.

The company established a new Digital segment in 2008.

Maintain strong financial discipline throughout our operations.

Maximize existing resources through efforts to enhance revenues and control or reduce costs. For businesses that do not fit with our long-term strategic goals, a reallocation of resources will be undertaken.

Strengthen the foundation of the company by finding, developing and retaining the best and brightest employees through a robust Leadership and Diversity program.

We implement our strategy and manage our operations through three business segments: publishing, digital and broadcasting (television). The publishing segment includes the operations of 102 daily newspapers in the U.S. and U.K., nearly 850 non-daily local publications in the United States and Guam and more than 200 such titles in the U.K. Our 85 U.S. daily newspapers, including USA TODAY, the nation's largest-selling daily newspaper, with an average circulation of approximately 2.3 million, have a combined

Table of Contents

daily average paid circulation of 6.6 million, which is the nation's largest newspaper group in terms of circulation. Together with the 17 daily paid-for newspapers our Newsquest division publishes in the U.K., the total average daily circulation of our 102 domestic and U.K. daily newspapers was approximately 7.2 million for 2008. All of our daily newspapers also operate Web sites which are tightly integrated with publishing operations. Our newspapers also have strategic business relationships with online affiliates including CareerBuilder, Classified Ventures, ShopLocal.com, Topix and Metromix LLC.

The publishing segment also includes commercial printing; newswire; marketing and data services operations. Beginning with the third qua