

GANNETT CO INC /DE/
Form 10-K
February 24, 2010

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 27, 2009

**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
Common Stock, par value \$1.00 per share

Name of Each Exchange on Which Registered
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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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 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 26, 2009, was \$874,868,691. The registrant has no non-voting common equity.

As of January 31, 2010, 237,356,592 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 May 4, 2010, is incorporated by reference in Part III to the extent described therein.

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2009 FORM 10-K**

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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 237 million outstanding shares of common stock are held by approximately 8,800 shareholders of record in all 50 states and several foreign countries. The company has approximately 35,000 employees including 1,600 employees for CareerBuilder, LLC. Its headquarters are in McLean, VA, near Washington, DC.

Gannett is an international media and marketing solutions company. The company provides consumers with the information they want and connects them to their communities of interest through multiple platforms including the Internet, mobile, newspapers, magazines and TV stations. Gannett helps businesses grow by providing marketing solutions that reach and engage their customers across the company's diverse platforms. Gannett is an Internet leader with hundreds of newspaper and TV web sites, reaching 27.3 million unique users monthly; CareerBuilder.com, the nation's top employment site; USA TODAY.com; 80 local MomsLikeMe.com sites; PointRoll, an industry leader in rich media advertising solutions; and ShopLocal, a leader in multichannel shopping and advertising services. Gannett publishes 83 daily U.S. newspapers, including USA TODAY, the nation's largest-selling daily print newspaper, and more than 650 magazines and other non-dailies including USA WEEKEND. The company also operates 23 television stations in 19 U.S. markets and Captivate, which operates video screens in office elevators in key urban markets.

Gannett subsidiary Newsquest is the United Kingdom's second largest regional newspaper company with 17 daily paid-for titles, more than 200 weekly newspapers, magazines and trade publications, and a network of web sites.

In broadcasting, the company's 23 television stations in 19 U.S. markets with a total market reach of more than 20.9 million households cover 18.2% 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 on 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 2010 was 27.3 million unique visitors, reaching about 13% of the Internet audience, as measured by comScore Media Metrix.

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 group of fantasy sports content web sites; COZI Group, which owns family organization software; and Livestream (formerly Mogulus), an Internet broadcasting service provider.

In late 2007, Metromix LLC was created, which is a digital joint venture focusing on a common model for local online entertainment sites, and then scaling 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 are being 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 the company's news and information businesses, or that take it into new markets with new audiences.

Improve the company's core publishing and television operations through transformation of the company's newsrooms into Information Centers. The Information Center concept has enhanced the company's appeal to more customers in the markets that are served, 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 the company's audiences. While the company's focus is on customer centricity, Information Center initiatives also fulfill the company's responsibilities under the First Amendment.

Continue the development and enhancement of the ContentOne initiative, through which it expects to fundamentally change the way content is gathered, shared and sold. ContentOne's focus is to reduce duplication of effort in developing and gathering content and enhancing the sharing of content across the company. A key objective is to view content as a product, with usefulness and value beyond its inclusion in the company's newspapers, television broadcasts and web sites. ContentOne builds on the Information Center initiative by creating a national focal point that will serve all of the company's businesses.

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

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Maximize the use and deployment of resources throughout the company. In 2009, 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 the company's markets. In this regard, the company has consolidated numerous production facilities and established centralized accounting, credit and collection functions which now serve nearly all domestic business operations. These efforts have achieved cost efficiencies and permitted improved local focus on content and revenue-producing activities and these efforts will continue to be aggressively pursued in 2010.

Employ a customer-centric approach to developing and selling integrated marketing campaigns through a newly created national, cross-divisional sales organization called CustomerOne Solutions.

Maintain the company's strong financial discipline and capital structure, preserving its flexibility to make acquisitions, investments and affiliations. The company generated more than \$850 million of cash flow from operating activities in 2009, in the face of a very difficult economy. As a result, during 2009 the company's long-term debt was reduced by \$755 million and at the end of the year the company's senior leverage ratio was 2.63 times, well within the limit of 3.5 times designated by the company's only financial covenant. The company also successfully refinanced approximately \$760 million of its long term debt with new issuances, greatly improving and extending its debt maturity profile.

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 of 2008, the company began reporting the new Digital business segment, which includes CareerBuilder and ShopLocal results from the dates of their full consolidation, on Sept. 3, 2008 and June 30, 2008, respectively, as well as PointRoll, Planet Discover, Schedule Star and Ripple6 (from the date of its acquisition in November 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 are reported in the publishing and broadcast segments. Financial information for each of the company's reportable segments can be found in the company's 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 83 U.S. daily newspapers have a combined daily paid circulation of approximately 5.7 million. They include USA TODAY, the nation's largest-selling daily print newspaper, with a circulation of approximately 1.9 million. All U.S. daily newspapers operate tightly integrated and robust online sites. The company operates a diverse business portfolio, established through acquisitions and internal development. Some examples of this diversification are:

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

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

ShopLocal, a leader in multichannel shopping and advertising services.

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

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 digital ad sales network formed with three other top media companies.

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 650 local newspapers with an aggregate circulation reach of 23 million.

Clipper Magazine, a direct mail advertising magazine that publishes more than 560 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 reaches approximately 728,000 or about 30% of the registered nurses in the U.S. Gannett Healthcare Group also publishes Today in OT and Today in PT periodicals, and operates Pearls Review, a nursing certification and education web site.

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

Newspaper partnerships: The company owns a 19.49% interest in California Newspapers Partnership, which includes 19 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.

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Joint operating agencies: The company's newspaper subsidiary in Detroit participates in a joint operating agency. The 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. Through May 2009, the company also published the Tucson Citizen through the Tucson joint operating agency in which the company held a 50% interest. The company's share of results for its share of the Tucson operations were accounted for under the equity method, and are reported as a net amount in Equity income (loss) in unconsolidated investee, net. Because of challenges facing the publishing industry, combined with the difficult economy, particularly in the Tucson area, the company ceased publication of the Citizen on May 16, 2009. The company retained its online site and 50% partnership interest in the joint operating agency, which provides service to the remaining non-Gannett newspaper 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.

Strategic investments: In February 2009, the company purchased a minority interest in Homefinder. Homefinder is a leading national online marketplace connecting homebuyers, sellers and real estate professionals.

In November 2008, the company acquired Ripple6, Inc., a leading provider of social media services for publishers and other users. Ripple6 currently powers Gannett's MomsLikeMe.com site, which is in 80 local markets across the country and has more than one million moms visiting each month.

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

In July 2008, the company purchased a minority stake in Livestream (formerly Mogulus, LLC), a company that provides Internet broadcasting services.

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 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 group of affiliated sites.

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

On Dec. 31, 2007, the company acquired X.com, Inc. (BNQT.com). X.com, Inc. operates a digital media group of affiliated sites covering eight different action sports including surfing, snowboarding and skateboarding. X.com is affiliated with the USA TODAY Sports brand.

In 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.

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.

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.

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 these acquisitions and investments, the company has established 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 13.0 million readers every weekday and 12.8 million readers every Sunday providing critical news and information from their customers' neighborhoods and around the globe. All of the company's local domestic daily newspapers also operate fully integrated affiliated web sites, and USA TODAY operates USATODAY.com.

At the end of 2009, the company operated 83 U.S. daily newspapers, including USA TODAY, and about 650 non-daily local publications in 31 states and Guam. The U.S. Community Publishing (USCP) division and USA TODAY are headquartered in McLean, VA. At the end of 2009, U.S. Community Publishing had approximately 24,700 full- and part-time employees.

The company's local newspapers are managed through its U.S. Community Publishing division. These newspapers are positioned in major, mid-size and small markets; this geographical diversity is a core strength of the company.

Gannett publishes in major markets such as Phoenix, AZ; Indianapolis, IN; Cincinnati, OH; Des Moines, IA; Nashville, TN; Asbury Park, NJ; Louisville, KY; Westchester, NY; and Rochester, NY.

Mid-sized markets are represented by Poughkeepsie, NY; Salem, OR; Fort Myers, FL; Appleton, WI; Palm Springs, CA; Montgomery, AL; and Greenville, SC.

St. George, UT; Fort Collins, CO; Sheboygan, WI; Iowa City, IA; and Ithaca, NY, are examples of 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 transmitted via satellite to offset printing plants around the country. It is printed at

Gannett plants in 14 U.S. markets and commercially at offset plants, not owned by Gannett, in 18 other U.S. markets.

In 2009, USATODAY.com continued to launch in-depth communities, adding nine new vertical sites to community sites that produce over 17 million page-views per month and focus on users' conversations and preferences.

USATODAY.com remains one of the most popular newspaper sites on the web with more than 56 million visits per month at the end of 2009.

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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 2009, Gannett News Service 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 (GMTI) 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 create deep reach into their communities through newspapers, web sites, mobile content and niche/custom publications.

At a meeting of top editors in 2009, five key content priorities were outlined for journalists across the U.S. Community Publishing Division to promote growth in audience aggregation. The five priorities include:

- Enhance watchdog journalism, especially daily work.
- Reposition web sites as the primary medium for breaking news and social networking.
- Reposition daily newspapers to focus on depth, analysis and context.
- Create superior Sunday editions of newspapers.
- Enhance local sites' position as community leaders.

A cross-discipline task force studied the changing needs of readers and advertisers to determine priorities that would preserve the distinct value of different mediums.

Digital journalism innovation remained a priority in 2009. The news department created a presentation to showcase how Gannett journalists use new technologies and tools to deliver watchdog journalism to digital readers. It was presented at several industry conferences throughout 2009. A new digital news executive position was created and filled to promote experimentation and innovation in digital journalism.

The company's domestic daily newspapers received Gannett's wire service in 2009 and subscribe to the Associated Press. Some newspapers use supplemental news services and syndicated features. The ContentOne initiative helped to efficiently distribute content between sites and maximize the use of Gannett content.

The company operates news bureaus in Washington, DC; Chicago, IL; New York, NY; Los Angeles, CA; San Francisco, CA; and four state capitals—Albany, NY; Baton Rouge, LA; Trenton, NJ; and Tallahassee, FL.

In 2009, Gannett newspapers and journalists received national recognition for excellent work.

The Detroit Free Press won a 2009 Pulitzer Prize in Local Reporting for lead reporters Jim Schaefer's and M.L. Elrick's investigation into Detroit Mayor Kwame Kilpatrick's abuses of office. The Detroit Free Press also won the George Polk Award for Local Reporting and the Worth Bingham Prize for Investigative Journalism for the Kilpatrick story. Jerry Mitchell, an investigative reporter for The Clarion-Ledger at Jackson, MS, was awarded a \$500,000 John D. and Catherine T. MacArthur Foundation grant for 2009. These awards, often called "genius grants," honor people who have contributed to the betterment of their communities. Mitchell also was awarded a new McGill Medal for Journalistic Courage from the University of Georgia for his longstanding commitment to investigating unsolved civil rights killings.

Ken Stickney, managing editor of The News-Star in Monroe, LA, won the 2008 ASNE Distinguished Writing Award for Editorial Writing.

The News-Press at Fort Myers, FL, won an APME Online Convergence award for the best use of its print and online products.

Gannett sites were recognized in the annual Online News Association awards competition:

- The Courier-Journal at Louisville, KY, finalist, multimedia feature presentation.
- The Desert Sun at Palm Springs, CA, finalist, breaking news.
- Military Times, winner, specialty site journalism.

Among the national honors won by USA TODAY's Blake Morrison and Brad Heath for "The Smokestack Effect: Toxic Air and America's Schools" were the following: Casey Media for Meritorious Journalism from Journalism Center on Children & Families; Grantham Prize for Excellence in Reporting on the Environment; National Awards for Education Reporting from the Education Writers Association; the Kevin Carmody Award for Outstanding Investigative Reporting from the Society of Environmental Journalism; the Philip Meyer Journalism Award from the

National Institute for Computer-Assisted Reporting; American Legion's Fourth Estate Award; and John B. Oakes Award from The Journalism School at Columbia University.

Christopher M. Hawley, Latin American correspondent for USA TODAY and The Arizona Republic, received a 2009 Gold Medal Maria Moors Cabot Prize for Outstanding Reporting on Latin America and the Caribbean.

The Indianapolis Star captured one of five silver medals given in the Society for News Design's Best of Multimedia Competition.

Karen Magnuson of the Rochester Democrat and Chronicle won the Robert G. McGruder Award for Diversity Leadership.

Gannett Information Centers swept the APME Awards First Amendment category. Winners included: The Courier-Journal at Louisville, Rochester (NY) Democrat and Chronicle and the Press-Citizen of Iowa City.

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 remains focused on an audience aggregation strategy. The company considers the reach and coverage of multiple products in their communities and measures the frequency with which consumers interact with each Gannett product.

Results from 2009 studies indicate that many Gannett publications are reaching more people more often. For example, in Indianapolis, the combination of all Gannett products reach 79% of the adult population, an average of 5.4 times a week for 5.3 million total impressions each week – a 5% increase since 2007.

The company has gathered audience aggregation data for 51 Gannett markets and will continue to add more data in 2010. Aggregated audience data allows advertising sales staff to provide detailed information to advertisers about how best to reach their potential customers and the most effective product combination and frequency. This approach enables the company to increase its total advertising revenue potential while maximizing advertiser effectiveness. Six key advertiser segments were identified and performance within each segment is measured in every study. Through digital

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growth and the development of ancillary products, Gannett newspapers have maintained their high reach, reaching approximately 70% or more of adults in each of the six segments. The ad sales staff is continually trained on how to best execute an audience-based selling strategy.

Scarborough Research measures 81 of the nation's top markets. In its report on market penetration, the number of adults in a community who access a publication and its related web site, showed that 8 out of 10 adults in the Rochester, NY, 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 integrated audience penetration. 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 top in combined newspaper and web site penetration. These markets are industry leaders because they understand and aggressively pursue different audiences for different platforms — true audience aggregation.

In addition to the audience-based initiative, the company continues to measure customer attitudes, behaviors and opinions to better understand its customers' web site use patterns and to use focus groups with audiences and advertisers to better determine their needs. In 2009, a research group in the company launched an ongoing longitudinal study to measure audience and sentiment of consumers in key markets.

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 the company's 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 \$1.70 to \$3.80 a week for daily newspapers and \$0.85 to \$3.40 a copy for Sunday newspapers. Price increases for certain elements of local circulation volume were initiated at 35 newspapers in 2009.

In 2009, an automatic consumer e-mail response process was developed, allowing newspapers to provide confirmation to subscriber inquiries, orders and concerns. There are three predominant ways for consumers to communicate with the newspaper: speak with a customer service representative; enter information into the IVR (interactive voice response) phone system; or access ICON (the customer service Internet site). When customers choose the IVR or ICON, they often follow up with a live call to a customer service representative to confirm their transaction. The automatic confirmation e-mail process eases the customer's concerns and reduces the call volume. This new process also gives customer service representatives a way to collect more e-mail addresses, as customers will receive an e-mail confirmation when there is an e-mail address on their account. As a result, the percent of subscribers with e-mail addresses on their accounts grew from 34% in January 2009 to 44% in December 2009. Confirmation e-mails to subscribers grew by 60%, from an average of nearly 30,000 per week in January to nearly 48,000 per week in December.

The company is moving aggressively forward with the development, testing and product launch of E-editions. E-editions are generally exact replicas of print editions with the benefit of interactivity and electronic navigation. During 2009, the company began successfully offering E-edition subscription service for USA TODAY and for the Detroit Free Press. In addition, nearly all U.S. Community Publishing sites have developed E-editions which are in the final test stage and are being prepared as a primary product offering in these markets.

At many of these locations, E-edition prototypes have already been used during times when print delivery problems have occurred because of weather difficulties. Customers who register a missed delivery and have an e-mail address on their account are automatically sent an e-mail apology along with a link and temporary access to the E-edition. When sites know in advance that delivery is going to be significantly delayed due to bad weather conditions a mass e-mail is sent to all subscribers with an e-mail address on account that notifies them about the likely delay and includes a link with a temporary pass to the E-edition. E-editions have also been used for Newspapers in Education (NIE) purposes. Community interest and response to development of E-editions have been very favorable.

At the end of 2009, 67 of the company's domestic daily newspapers, including USA TODAY, were published in the morning, and 16 were published in the evening. For local U.S. newspapers, excluding USA TODAY, morning circulation accounts for 96% of total daily volume, while evening circulation accounts for 4%.

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 is

available in many markets. Approximately 51% 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: The company's 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, real estate/rentals and 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 the company's 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.

The company's audience aggregation strategy gives Gannett the ability to deliver specific audiences that advertisers want. Although some advertisers want mass reach, many want to target niche audiences by demographics, geography, consumer buying habits or customer behavior. Whether it is mass reach or a niche audience, the company's approach is to identify an advertiser's desired customers and develop advertising schedules that combine products within the company's portfolio and best reach the desired audience with the appropriate frequency. In 2009, the company expanded the use of online reader panels for measuring advertising recall and effective-

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ness in large markets. The reader panels in 13 markets include nearly 24,000 opt-in respondents who provide valuable feedback regarding the return on investment (ROI) and effectiveness of more than 2,100 advertisements and 1,000 news articles. Reader panels are also used to identify consumer sentiment and trends. This capability allowed the company to provide deeper insights for its advertisers and ROI metrics that are in high-demand from customers.

The company's audience-based sales efforts have been directed at all levels of advertisers, from small, 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 company priority is to restructure its sales organizations to match the needs of customers while creating additional efficiencies to lower the cost of sale. The company's newspapers redesigned their sales teams around three general groups of customers: strategic national, key local and small local controllable accounts. The structure aligns sales and support resources to customers' needs and provides efficient service and affordable packages to smaller accounts and customized, innovative solutions to larger, more market driven clients. The structure also includes digital specialists who expand the company's online share in the local market for retail and classified verticals, Cars.com, Homefinder.com and CareerBuilder.com and product specialists in the company's larger markets who focus on growing niche advertisers in non-daily publications.

To better serve top local customers and win more market share, the company is creating Regional Client Solutions Groups. Functioning much like local ad agencies, the groups will develop highly designed creative campaigns to give customers a competitive edge in the marketplace.

The national newspaper ad sales team is responsible for large national retail accounts. These resources give national customers one point of contact for all Gannett markets, enable the company to have more strategic conversations, allow the company to respond better to customers' needs, and permit local newspaper sales personnel to focus on advertisers in their markets.

This national team works with the national sales resources for Digital, Broadcast and USA TODAY, and together, they become CustomerOne, a team that can create multi-market, multi-platform solutions for national advertisers scalable across the country.

Digital operations: The company's local newspaper web sites achieved significant growth in audience reach in 2009, as page views were up 4%, and visitors rose 9% as measured internally. In 2010, in coordination with the Digital division, the company's web sites will be redesigned to create a more relevant and enjoyable experience for users, drive audience growth, and establish unique marketing opportunities for advertisers.

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 the company's local publishing businesses and other diversified businesses.

Online platform and infrastructure improvements were made throughout 2008 that now allow Gannett to sell its advertising inventory as a network. In 2009, the company initiated sales efforts to more effectively monetize network inventory; these efforts will continue in 2010.

The overriding objective of the company's online strategy at Gannett newspapers is to provide compelling content that best serves its customers. A key reason customers turn to a Gannett newspaper's online site is to find local news and information. The credibility of the local newspaper, a known and trusted information source, extends to the newspaper's web site and thus differentiates the web site from other Internet sites. This factor allows Gannett newspapers to compete successfully as Internet information providers.

A second objective in the company's 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 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 those 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 the company's print publications.

Online business activities also include efforts to register users of Gannett web sites to obtain ZIP code, age and gender. This information allows the company to better understand the customer needs and provide better-defined groups for advertisers.

This strategy served Gannett well in the development of the company's 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 significant improvements to online operations and results in 2009.

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 the company's market strategy for 2009. The company publishes 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 the company's 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.

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In 2009, Gannett began publishing specialty publications across several markets to take advantage of market opportunities. The First-Time Homebuyers Guide, pegged to the federal government's home-buyer tax credits, was a glossy booklet with uniform editorial content and local advertising. It was mailed to about 250,000 renters across 38 newspaper markets. The publication was created jointly by U.S. Community Publishing and ContentOne.

Production: Product quality and efficiency improvements continue in several areas as improved technology has resulted in greater speed and accuracy. That trend will continue in 2010 and further consolidation of job functions across multiple newspaper sites is expected.

In 2007, two Gannett Regional Toning Centers were established to enhance print quality of the photos for the majority of its newspapers. This operation was expanded in 2009 with a commercial contract with another large publisher to process their images and the company looks to further expand on this revenue opportunity in 2010.

Also in 2009, the scope of these two centers was expanded as the company began the consolidation of advertising production for the division in two Gannett Production Centers, which will be completed in early 2011. These centers, in Des Moines and Indianapolis, will allow Gannett to stay competitive as the objective is to maintain high quality and service for advertisers while improving efficiencies.

Eighty-two domestic daily newspapers are printed by the offset process, and one is printed using the letterpress process. This single remaining site will be converted in 2010 to offset in a Berliner format. At the end of 2009, the majority of U.S. Community Publishing operations had converted their presses to a 44-inch web. Additional conversions to the 44-inch web will continue in 2010. Also in 2009, 88% of the company's newsprint tonnage ordered was 45 gram newsprint and 6% was 43 gram, with testing planned of the lighter-weight for additional sites. The remainder of other newsprint weights used by the company is principally for commercial printing operations. Production of 51% of the company's newspapers is now out-sourced or insourced and they are printed by commercial printers or other Gannett and non-Gannett newspapers.

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 in the same city, in select larger markets, there are competitors. Most of the company's newspapers compete with other newspapers published in suburban areas, nearby cities and towns, free-distribution and paid-advertising publications (such as weeklies), and 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, is increasing. Through internal development programs, acquisitions and partnerships, the company's efforts to explore new opportunities in news, information and communications business and audience generation will keep expanding. 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, increasing its purchases of newsprint containing recycled content from 42,000 metric tons in 1989 to 324,798 metric tons in 2009. During 2009, 69% of the company's domestic newsprint purchases contained recycled content, with an average recycled content of 47%.

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 2009, the company's total newsprint consumption was 610,000 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 31% lower than in 2008. The company purchases newsprint from 15 domestic and global suppliers.

In 2009, 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 2009 declined 4% compared to 2008. Lower domestic prices in 2009 were driven by a downturn in global demand for newsprint. In 2010, the company expects moderate price recovery in the U.S. but price declines in the UK. Overall, the company expects favorable newsprint price comparisons to continue at least through the early part of 2010.

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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's 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.

In 2009, Newsquest exited one of its commercial printing units, Southernprint. Excluding this unit, revenues for 2009 were approximately \$563 million, down 26% on last year in local currency, reflecting the recessionary economy. All revenue categories declined in 2009, with advertising sales declining 32% in local currency. As with U.S. newspapers, advertising, including ad revenue from online web sites affiliated with the publications, is the largest component of Newsquest's revenue, comprising approximately 74%. Circulation represented 20% of revenue. Although experiencing declining volumes, audited copy sales for Newsquest's daily paid for titles outperformed major competitor groups in the first half of the year (the most recent period for which audited data was available). Printing for third-party newspaper publishers accounts for most of the remainder of revenue.

While the main focus in 2009 has been cost reduction which included the closure of a number of titles and editions that were not contributing to earnings, Newsquest's specialist magazine unit launched two new products: Pensions Insight and Fighting Fit, magazines that complement its existing product portfolio. In addition, Newsquest is in the second round of consortia bidding for participation in the trials of the U.K. government's independently funded news consortium (IFNC) plan to replace ITV's regional television news operation.

Significant restructuring in response to the economic downturn saw the number of full-time and part-time employees at Newsquest reduced to 5,100 at year end, a decrease of 23% compared to 2008. Cost reduction initiatives included the consolidation of a number of back-office functions, particularly in finance and pre-press and a continuation of outsourcing non-core activities. Newsquest also implemented a voluntary furlough program in 2009. Other initiatives included further outsourcing of printing to third parties combined with facility consolidation. Newsquest closed an additional two press sites in Sussex and York in 2009. These closures resulted in the number of active press halls reducing to six, down from 11 at the start of 2008. These press closures resulted in higher production volume on the remaining more efficient and modern presses. During 2009, all ongoing press sites implemented web-width reduction projects, reducing web widths by 5.3%.

Total costs finished 23% below 2008 in local currency.

Digital operations: Newsquest actively seeks to maximize the value of its local media brands through digital channels. Newsquest's most recent data indicated that an average of 5.9 million unique users accessed the Newsquest site network each month during the period July – December 2009.

The group's total online revenue declined by 20% in local currency, reflecting recessionary conditions. Online banner revenues from its newspaper web sites rose 27% from 2008, 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.

Newsquest owns half of the online employment web site fish4jobs.co.uk. In October 2009, fish4 celebrated its 10th anniversary by being confirmed by the National Online Recruitment Audience Survey (NORAS) to be the U.K.'s biggest online job board, with 3.2 million unique users – an audience total that was 1.2 million users greater than the next largest.

A challenging employment market in Scotland faced the wholly owned s1 job site business launched in 2001. However, s1 remains a strong brand and has been voted the best regional job site for the past six years in the annual NORAS awards.

Digital operations Publishing and Broadcasting

Gannett Digital's mission is to provide its connected audience with the most interactive, real time news and information delivered to any digital device. The company's goal is to engage its local communities in a way that creates conversations and empowers its community members to connect and share common interests. The company's advertisers leverage Gannett's strong marketing services platform to gain access to Gannett's wide, diverse audience in order to effectively brand and market their products.

The audience Gannett aggregates across the company's 100 plus newspaper and broadcast online properties, combined with the unified ad serving platform implemented in 2008, enables it to create a large online ad network. In January 2010, Gannett's total online U.S. Internet audience was 27.3 million unique visitors, reaching about 13% of the Internet audience, as measured by comScore Media Metrix. In prior years, the national sales team was primarily focused on selling Gannett's premium brands (i.e. USA TODAY, MomsLikeMe.com, HighSchoolSports.net). Given the scale across the company's entire network, its strategy in 2010 will extend its value proposition beyond those premium brands to audience segments through both contextual and behavioral targeting.

In order to drive audience growth, in 2010 the company will begin a major redesign of the company's core newspaper and broadcast web sites that will not only create a more relevant and enjoyable experience for users, but also establish an infrastructure that will allow for constant updates. This will allow the company to be more nimble in making future changes to its sites to benefit both users and advertisers. The redesign project will add appropriate social and contextual tools to create better experiences for users and will establish unique advertising opportunities that will deliver better engagement and enable stronger connections between advertisers and consumers.

In 2009, the company continued to see benefits from the rollout of the unified advertising serving platform, including the establishment of more comprehensive analytics and reporting. The company was also able to more effectively monetize unsold inventory.

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During 2009, the company continued to execute on the company's vertical strategy of growing niche audiences. The MomsLikeMe.com network showed strong growth in 2009; unique visitors, as measured by comScore, grew from 592,000 in December 2008 to 736,000 in December 2009. Beyond growing Gannett's audience, the company made significant progress attracting premier national advertisers, such as Procter and Gamble, Unilever and Target, to the MomsLikeMe.com brand. In combination with Ripple6, which powers the MomsLikeMe.com sites, the company is able to offer innovative marketing solutions, such as Brand Communities and Social Insights programs, that allow for unique opportunities for marketers to interact directly with moms. This provides a compelling value proposition beyond traditional banner advertising as a way to effectively monetize social media.

Video, both on-demand and live, remained a focus during 2009. The company successfully transitioned to a new video platform, Brightcove, which offers increased monetization capabilities, a better user experience and a more streamlined process for the company's publishers. Gannett's newspaper and broadcast properties leveraged Livestream (formerly Mogulus) to deliver compelling live video for users, including over 2 million minutes of local election night coverage in Asbury Park, New Jersey and a live birth through the Twin Cities MomsLikeMe.com site. As video represents a key growth area in the online marketplace, in 2010 the company will remain focused on both video content development and monetization.

As Gannett continues to innovate and build its digital footprint on the web, it continues to invest in the next digital medium, mobile. Mobile traffic across all of Gannett's properties, as measured by advertising impressions through ADTECH, increased over 200% year over year in December 2009 to 78 million impressions. USA TODAY launched an application for Android in March and a new iPhone travel application, AutoPilot, in October. Combined with the USA TODAY iPhone application launched in 2008, total application downloads have reached over 2.8 million as of Dec. 31, 2009. At the company's local newspaper and broadcast markets, mobile advertising sales (text and display), were a bright spot in 2009. Gannett's text messaging program, in collaboration with 4INFO and TextCaster, is now live in 95 markets and in December 2009 there were approximately 6.2 million messages sent (up 88.5% year over year) to 224,000 subscribers (up 109.5%).

Going forward, Gannett Digital will continue to invest in operations to remain competitive and efficient, and, as noted above, will build out and refine the company's sales efforts to drive revenue growth. By leveraging impressive content and audience assets and combining them with technology platforms, Gannett intends to create the next generation of online advertising.

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 in November 2008). Prior period results for PointRoll, Planet Discover and Schedule Star have been reclassified from the publishing segment to the new digital segment. At the end of 2009, the digital segment had approximately 2,100 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 2008 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 noncontrolling 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 web sites in 18 countries outside the U.S., including the U.K., France, Spain, Germany, India and Greece, and is looking to expand global operations further in 2010. 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 sales of employment advertising placed with CareerBuilder's owners affiliated newspapers.

CareerBuilder's minority owners include The McClatchy Company, Tribune Company and Microsoft, with whom CareerBuilder has a long-term strategic marketing agreement. CareerBuilder is headquartered in Chicago, IL, and at

the end of 2009, it had approximately 1,600 full-time and part-time employees.

ShopLocal, the retail division of PointRoll and leader in multi-channel shopping services, connects retailers with shoppers through innovative, effective and measurable marketing solutions, enabling over 100 of the nation's top retailers to deliver highly interactive, targeted and engaging localized promotions to shoppers through online circulars, display advertising, search, social media, digital out of home and mobile. The result is highly effective communications that deliver the right message, to the right person, at the right time. Pioneering the use of the Internet for driving in-store sales with online circulars, ShopLocal has spent the past decade developing digital marketing solutions and building a powerful publisher network that connects one-to-one with shoppers. ShopLocal's leading client base includes Target, Best Buy, Home Depot, CVS, Albertsons and Sears. ShopLocal is headquartered in Chicago, IL, and is now operated together with PointRoll. Its revenues and operating profit improved significantly in 2009.

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PointRoll is the leading provider of digital marketing services and technology. PointRoll enables effective digital marketing by delivering the art and science of consumer engagement, allowing advertisers, agencies and publishers to create, deliver and measure interactive and action-inspiring online rich media display, video, mobile, social, and search campaigns. PointRoll provides the creative tools, insights and analytics, distributed content, and expertise marketers need to effectively engage consumers, make an impression, and convert them into buyers and brand supporters. Powering more than 50% of all rich media campaigns online, PointRoll works with over 1,000 advertisers, thousands of online publishers and serves over 110 billion ad impressions each year. Founded in April 2000, PointRoll has been instrumental in the evolution of digital engagement and has evolved beyond the expandable banner ad to offer marketers the ability to find consumers wherever they are across any digital platform and deliver a relevant brand or direct response experience, dramatically improving ad effectiveness while gaining actionable insights. Recent innovations include dynamic ad creation solution AdControl, creative tool AdArchitect, HD video ads, mobile rich media ads and several other best-of-breed technologies. PointRoll is headquartered in Conshohocken, PA, and maintains offices across the U.S. and Canada. PointRoll's revenue and operating profit also improved significantly in 2009.

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 departments and has expanded HighSchoolSports.net into a top prep sports media brand. HighSchoolSports.net's hyper-local focus, with a home page for over 16,000 U.S. high schools, has attracted national brand marketers by connecting them with a highly engaged audience of teens and moms, and integrating custom solutions with unique features like mobile game alerts, and content like the 10-episode video reality series called *The Ride*, and Massey Ratings computer team rankings. Schedule Star is headquartered in Wheeling, WV.

Ripple6 is a provider of social media technology and services, providing both highly customized and out-of-the-box solutions. The company delivers these as software-as-a-service (SaaS) and generates revenue via fees for the creation, customization, hosting and management of its platform solution. Unique to Ripple6 is its patent-pending community syndication technology that provides brands with a social marketing hub to listen and engage with consumers and can connect all of their social marketing efforts across multiple web sites and social networks. In 2009, Ripple6 bolstered its Social Analytics technology in order to provide deeper community insights, and added a new turnkey community product, Ripple6 On-Demand. These new products provide clients with streamlined deployment of Ripple6 solutions while reducing implementation costs. In 2010, the company will be scaling the offering of these solutions to major national brands and advertisers. Ripple6 is headquartered in New York, NY.

Competition: For CareerBuilder, the market for online recruitment solutions is highly competitive with a multitude of online and offline competitors. Competitors include other employment related websites, general classified advertising websites, professional networking and social networking websites, traditional media companies, Internet portals, search engines and blogs. The barriers for entry into the online recruitment market are relatively low and new competitors continue to emerge. Recent trends include the rising popularity of professional and social media networking websites which have gained traction with employer advertisers. The number of niche job boards targeting specific industry verticals has also continued to increase. CareerBuilder's ability to maintain its existing customer base and generate new customers depends to a significant degree on the quality of its services, pricing and reputation among customers and potential customers.

For PointRoll, the market for rich media advertising technology solutions is highly competitive with a dozen or so main competitors. Competitors include divisions of larger public media and technology companies, and several earlier-stage independent rich media, dynamic ad and video advertising technology specialists. In addition, significant venture capital investment dollars are currently being invested in the broader advertising technology market. The barriers to entry in the rich media market are moderate. Recent trends include the entry of dynamic ad generation specialists, the move towards automated creative design tools, and the shift of video content online with associated

in-stream advertising opportunities. Increasingly, marketers and their agencies are looking for advertising technology providers that can scale across media platforms, including rich media, video and mobile. PointRoll's ability to maintain and grow its customer base and revenue depends largely on its continued product innovation, level of service quality, depth of marketing analytics and ultimately the effectiveness of its rich media advertising and resulting customer satisfaction.

For ShopLocal, the market for digital store promotions is highly competitive and evolving as digital media transforms marketing programs. ShopLocal competitors in the online circular space are also numerous. Recent trends include the increasingly rapid consumer media shift to digital formats and the growth in research-online-buy-offline shopping behavior. These are driving an evolution and eventual transformation of marketing for the store which creates potential challenges from traditional as well as new competitors. The barriers to entry in the space are moderate. ShopLocal's ability to retain and grow its client base and revenue depends largely on expansion of the types of promotions managed, innovation in distribution methods and continued high-quality service.

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Regulation and Legislation (for digital segment businesses and digital operations associated with publishing and broadcasting businesses): The U.S. Congress has passed legislation that regulates certain aspects of the Internet, including content, copyright infringement, user privacy, advertising and promotional activities, taxation, access charges, liability for third-party activities and jurisdiction. In addition, federal, state, local and foreign governmental organizations have enacted and also are considering other legislative and regulatory proposals that would regulate the Internet. Areas of potential regulation include, but are not limited to, libel, electronic contracting, pricing, quality of products and services and intellectual property ownership. With regard to PointRoll and ShopLocal, there also are legislative and regulatory proposals that would regulate the Internet related to behavioral advertising, which specifically refers to the use of user behavioral data for the creation and delivery of more relevant, targeted Internet advertisements. While PointRoll and ShopLocal leverage certain aspects of user behavioral data in their solutions, the companies abide by all privacy laws and regulations applicable to their businesses.

Broadcasting

At the end of 2009, the company's broadcasting division, headquartered in McLean, VA, included 23 television stations in markets with a total of more than 20.9 million households covering 18.2% of the U.S. population. The broadcasting division also includes Captivate Network.

At the end of 2009, the broadcasting division had approximately 2,500 full-time and part-time employees, approximately 8% fewer than at the end of 2008, reflecting efficiency and consolidation efforts. Broadcasting revenues accounted for approximately 11% of the company's reported operating revenues in 2009, 2008 and 2007.

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 the company's 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 9,100 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 day part, 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's television stations produce local programming such as news, sports, and entertainment programming.

The company broadcasts local newscasts in High Definition (HD) in 10 cities: Denver, CO; Washington, DC; St. Louis, MO; Atlanta, GA; Cleveland, OH; Minneapolis, MN; Phoenix, AZ; Tampa, FL; Sacramento, CA; and Jacksonville, FL. These telecasts have been well received given the dramatic increase in sales of HD televisions. 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 October 2011.

In 2009, the company finalized a retransmission agreement with one direct broadcast satellite provider. Virtually all cable company, telephone company and satellite company retransmission deals were completed in 2008 and 2009. All are multi-year agreements that provide the company with significant and steady revenue streams in excess of \$60 million of cash annually. There are no incremental costs associated with this revenue and therefore all of these revenues contribute directly to operating income. In 2010 the company has one retransmission agreement with a direct broadcast satellite provider that will expire, and it has finalized renewals of agreements with two major telecommunication providers.

Federal law required all full-power television broadcast stations to stop broadcasting in analog format and convert to an all-digital format on June 12, 2009. Congress mandated the digital television (DTV) transition, in part, because all-digital broadcasting will free up frequencies for public safety communications. The company was well prepared for the DTV conversion. The broadcast division activated a comprehensive consumer education plan beginning in the fall of 2007. The educational campaign worked well and the transition was a success. The company converted all its full-power television stations to all-digital operation in compliance with the federal deadline.

The transition to DTV has provided 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 very active in exploring ways to provide a Mobile DTV service to viewers, including a commercial trial, another service that is made possible due to the DTV transition. There continue to be great advances in the Mobile DTV area. For example, already 30 local broadcast stations are on the air including WUSA, Gannett's station in Washington DC. A recent consumer interest survey demonstrates strong consumer demand for Mobile DTV with 90% of respondents expressing a strong interest in this new service. Gannett continues to be committed to bringing this important service to its local communities.

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.

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The company's television stations continue to refine their Information Centers with an emphasis on using new technologies that allow more journalists to be actively involved in the news gathering and disseminating processes. The stations have aggressively trained the rapidly growing number of Multi-Media Journalists (MMJs), which has led to more enterprise content and a more streamlined workflow. The unique, local entertainment content for the company's local Metromix web sites has led to some special television programming associated with that content and helps the company reach a more diverse demographic. The properties have also expanded the parenting information and social networking capabilities of MomsLikeMe.com and streamed the live birth of a baby on the site. The broadcast division achieved quality improvements and efficiencies by centralizing the graphics production through the Gannett Graphics Group (G3). Broadcasting is now developing information technology tools to enable the sharing of weather information and music across the group. The stations are also moving toward an updated newsroom workflow solution that allows them to share content seamlessly throughout the entire company. ContentOne has become an integral part of the day to day operations of the stations. The Broadcast Division is working closely with USA TODAY and U.S. Community Publishing to share content on all platforms and reduce the amount of repetition in the news-gathering processes. The divisions have worked together on breaking news, investigative reporting, severe weather situations, political conventions and elections, sports and many other day to day stories in order to enhance and differentiate coverage that affect Gannett's customers locally, nationally and internationally.

The Broadcast Division has established hubbing centers for each of its three network affiliate groups for master control monitoring. The majority of its ABC, CBS and NBC stations are live in the master control hub centers. The ABC and NBC hub is located in Jacksonville, FL, and the CBS hub is in Greensboro, NC. Operational efficiencies and cost reductions were realized from these centers in 2009.

Broadcasting stations, too, were recognized with several national awards, including KARE-TV at Minneapolis-St. Paul, WGRZ-TV at Buffalo, NY, and KSDK-TV in St. Louis, MO. They were presented with National Edward R. Murrow Awards honoring outstanding achievements in electronic journalism from the Radio Television Digital News Association for a variety of locally produced work.

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 wire line 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, eight did so in 2005, another five in 2006 and the remaining station filed on Feb. 1, 2007. As of February 2010, 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 18.2% 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, FL, Denver, CO, 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, AZ. 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

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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. In addition, the FCC has commenced a new review of its ownership rules, and this review may result in additional rule modifications. This review process is expected to continue throughout 2010 and is likely to be followed by court appeals.

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.

Employees

At the end of 2009, the company and its subsidiaries had approximately 35,000 full-time and part-time employees including 1,600 for CareerBuilder. Headcount reductions were made in 2009 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 13% of those employed by the company and its subsidiaries in the U.S. are represented by labor unions. They are represented by 78 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 increased 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 also makes 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 2009 the company continued to expand and enhance green initiatives. In addition to continuing the 2008 efforts of recycling, waste paper and plastics, using recycled materials, reducing energy consumption, using environmentally safe products and maintaining green news sites to report environmental news and provide tips to consumers, there was a companywide effort to save energy. The Ener-G-Smart campaign focused on encouraging

employees to save energy in the workplace in the following ways:

Turn off unneeded lights. Use outside window light and desk lamps where possible. Replace incandescent bulbs with fluorescent bulbs where possible.

Remove personal portable heaters and refrigerators.

Use shared network printers instead of personal printers, and reduce paper printing when possible.

Adjust power settings on computers to put monitor on sleep mode after five minutes of inactivity and set the computer on standby after thirty minutes of inactivity.

Shut doors to the outside to keep in heat/air conditioning.

These efforts have been successful and to date the company has achieved significant reductions in energy savings. The Gannett/USA TODAY Corporate headquarters alone saved 20% in electricity usage in 2009 versus 2007.

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DAILY NEWSPAPERS AND AFFILIATED ONLINE SITES**

State Territory	City	Newspaper/Online site	Circulation			Founded
			Morning	Afternoon	Sunday	
Alabama	Montgomery	Montgomery Advertiser <i>www.montgomeryadvertiser.com</i>	36,009		44,354	1829
Arizona	Phoenix	The Arizona Republic <i>www.azcentral.com</i>	347,060		487,311	1890
Arkansas	Mountain Home	The Baxter Bulletin <i>www.baxterbulletin.com</i>	9,961			1901
California	Palm Springs	The Desert Sun <i>www.mydesert.com</i>	42,128		46,835	1927
	Salinas	The Salinas Californian <i>www.thecalifornian.com</i>	11,906			1871
	Visalia	Visalia Times-Delta/Tulare Advance-Register <i>www.visaliatimesdelta.com</i> <i>www.tulareadvanceregister.com</i>	21,597			1859
Colorado	Fort Collins	Fort Collins Coloradoan <i>www.coloradoan.com</i>	23,098		27,062	1873
Delaware	Wilmington	The News Journal <i>www.delawareonline.com</i>	93,121		113,368	1871
Florida	Brevard County	FLORIDA TODAY <i>www.floridatoday.com</i>	66,217		84,972	1966
	Fort Myers	The News-Press <i>www.news-press.com</i>	70,887		90,417	1884
	Pensacola	Pensacola News Journal <i>www.pnj.com</i>	45,261		59,961	1889
	Tallahassee	Tallahassee Democrat <i>www.tallahassee.com</i>	41,420		51,148	1905
Guam	Hagatna	Pacific Daily News <i>www.guampdn.com</i>	18,809		17,337	1944
Hawaii	Honolulu	The Honolulu Advertiser <i>www.honoluluadvertiser.com</i>	117,122		127,731	1856
Indiana	Indianapolis	The Indianapolis Star <i>www.indystar.com</i>	201,914		296,942	1903
	Lafayette	Journal and Courier <i>www.jconline.com</i>	29,527		37,002	1829
	Muncie	The Star Press <i>www.thestarpress.com</i>	25,181		29,485	1899
	Richmond	Palladium-Item <i>www.pal-item.com</i>	11,974		16,678	1831
Iowa	Des Moines	The Des Moines Register <i>www.desmoinesregister.com</i>	119,355		206,205	1849
	Iowa City	Iowa City Press-Citizen <i>www.press-citizen.com</i>	11,357			1860
Kentucky	Louisville	The Courier-Journal <i>www.courier-journal.com</i>	182,326		241,756	1868
Louisiana	Alexandria	Alexandria Daily Town Talk	24,531		29,241	1883

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Lafayette	<i>www.thetowntalk.com</i> The Daily Advertiser <i>www.theadvertiser.com</i>	33,313	43,392	1865
Monroe	The News-Star <i>www.thenewsstar.com</i>	29,195	31,343	1890
Opelousas	Daily World <i>www.dailyworld.com</i>	6,678	8,004	1939
Shreveport	The Times <i>www.shreveporttimes.com</i>	44,576	56,531	1871

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State Territory	City	Newspaper/Online site	Circulation			Founded
			Morning	Afternoon	Sunday	
Maryland	Salisbury	The Daily Times <i>www.delmarvanow.com</i>	19,107		23,790	1900
Michigan	Battle Creek	Battle Creek Enquirer <i>www.battlecreekenquirer.com</i>	17,112		24,040	1900
	Detroit	Detroit Free Press <i>www.freep.com</i>	288,957		552,736	1832
	Lansing	Lansing State Journal <i>www.lansingstatejournal.com</i>	47,966		68,448	1855
	Livingston County	Daily Press & Argus <i>www.livingstondaily.com</i>	12,452		16,062	1843
	Port Huron	Times Herald <i>www.thetimesherald.com</i>	19,284		29,700	1900
Minnesota	St. Cloud	St. Cloud Times <i>www.sctimes.com</i>	23,129		32,683	1861
Mississippi	Hattiesburg	Hattiesburg American <i>www.hattiesburgamerican.com</i>		14,241	17,368	1897
	Jackson	The Clarion-Ledger <i>www.clarionledger.com</i>	68,208		81,356	1837
Missouri	Springfield	Springfield News-Leader <i>www.news-leader.com</i>	44,801		70,015	1893
Montana	Great Falls	Great Falls Tribune <i>www.greatfallstribune.com</i>	28,436		30,946	1885
Nevada	Reno	Reno Gazette-Journal <i>www.rgj.com</i>	46,607		55,385	1870
New Jersey	Asbury Park	Asbury Park Press <i>www.app.com</i>	119,701		166,289	1879
	Bridgewater	Courier News <i>www.mycentraljersey.com</i>	20,493		24,318	1884
	Cherry Hill	Courier-Post <i>www.courierpostonline.com</i>	54,160		67,889	1875
	East Brunswick	Home News Tribune <i>www.mycentraljersey.com</i>	38,519		45,365	1879
	Morristown	Daily Record <i>www.dailyrecord.com</i>	25,765		28,649	1900
	Vineland	The Daily Journal <i>www.thedailyjournal.com</i>	14,848			1864
New York	Binghamton	Press & Sun-Bulletin <i>www.pressconnects.com</i>	40,626		55,341	1904
	Elmira	Star-Gazette <i>www.stargazette.com</i>	18,939		27,911	1828
	Ithaca	The Ithaca Journal <i>www.theithacajournal.com</i>	12,955			1815
	Poughkeepsie	Poughkeepsie Journal <i>www.poughkeepsiejournal.com</i>	29,928		38,908	1785
	Rochester		129,621		184,379	1833

		Rochester Democrat and Chronicle <i>www.democratandchronicle.com</i>			
	Westchester County	The Journal News <i>www.lohud.com</i>	88,907	109,958	1829
North Carolina	Asheville	Asheville Citizen-Times <i>www.citizen-times.com</i>	38,144	52,449	1870

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State Territory	City	Newspaper/Online site	Circulation			Founded
			Morning	Afternoon	Sunday	
Ohio	Bucyrus	Telegraph-Forum <i>www.bucyrustelegraphforum.com</i>		4,658		1923
	Chillicothe	Chillicothe Gazette <i>www.chillicothegazette.com</i>		10,531	11,916	1800
	Cincinnati	The Cincinnati Enquirer <i>www.cincinnati.com</i>	173,798		262,225	1841
	Coshocton	Coshocton Tribune <i>www.coshoctontribune.com</i>		4,918	5,676	1842
	Fremont	The News-Messenger <i>www.thenews-messenger.com</i>		8,336		1856
	Lancaster	Lancaster Eagle-Gazette <i>www.lancastereaglegazette.com</i>		9,640	10,893	1807
	Mansfield	News Journal <i>www.mansfieldnewsjournal.com</i>		21,980	29,760	1885
	Marion	The Marion Star <i>www.marionstar.com</i>		9,132	10,315	1880
	Newark	The Advocate <i>www.newarkadvocate.com</i>		14,282	16,737	1820
	Port Clinton	News Herald <i>www.portclintonnewsheald.com</i>		3,716		1864
Ohio	Zanesville	Times Recorder <i>www.zanesvilletimesrecorder.com</i>	14,716		15,952	1852
	Salem	Statesman Journal <i>www.statesmanjournal.com</i>	40,023		47,374	1851
South Carolina	Greenville	The Greenville News <i>www.greenvilleonline.com</i>	64,543		101,252	1874
South Dakota	Sioux Falls	Argus Leader <i>www.argusleader.com</i>	38,341		57,357	1881
Tennessee	Clarksville	The Leaf-Chronicle <i>www.theleafchronicle.com</i>	17,158		20,157	1808
	Jackson	The Jackson Sun <i>www.jacksonsun.com</i>	25,261		32,835	1848
	Murfreesboro	The Daily News Journal <i>www.dnj.com</i>	12,925		16,806	1848
	Nashville	The Tennessean <i>www.tennessean.com</i>	137,323		201,166	1812
Utah	St. George	The Spectrum <i>www.thespectrum.com</i>	19,878		23,589	1963
Vermont	Burlington	The Burlington Free Press <i>www.burlingtonfreepress.com</i>	33,734		42,226	1827
Virginia	McLean	USA TODAY <i>www.usatoday.com</i>	1,904,362			1982
	Staunton	The Daily News Leader <i>www.newsleader.com</i>	15,547		17,674	1904
Wisconsin	Appleton	The Post-Crescent	43,808		58,339	1853

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Fond du Lac	<i>www.postcrescent.com</i> The Reporter	12,002	14,818	1870
	<i>www.fdlreporter.com</i>			
Green Bay	Green Bay Press-Gazette	47,070	69,718	1915
	<i>www.greenbaypressgazette.com</i>			
Manitowoc	Herald Times Reporter	11,790	13,322	1898
	<i>www.htrnews.com</i>			
Marshfield	Marshfield News-Herald	9,532		1927
	<i>www.marshfieldnews herald.com</i>			
Oshkosh	Oshkosh Northwestern	16,628	21,310	1868
	<i>www.thenorthwestern.com</i>			
Sheboygan	The Sheboygan Press	16,285	20,251	1907
	<i>www.sheboyganpress.com</i>			
Stevens Point	Stevens Point Journal	9,235		1873
	<i>www.stevenspointjournal.com</i>			
	Central Wisconsin Sunday		19,229	
Wausau	Wausau Daily Herald	17,914	24,382	1903
	<i>www.wausaudailyherald.com</i>			
Wisconsin Rapids	The Daily Tribune	9,140		1914
	<i>www.wisconsinrapidstribune.com</i>			

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City	Newspaper/Online site	Circulation		Founded
		Monday-Friday	Saturday	
Basildon	Echo <i>www.echo-news.co.uk</i>	33,854		1969
Blackburn	Lancashire Telegraph <i>www.lancashiretelegraph.co.uk</i>	27,932	25,300	1886
Bolton	The Bolton News <i>www.theboltonnews.co.uk</i>	26,800	22,497	1867
Bournemouth	Daily Echo <i>www.bournemouthecho.co.uk</i>	29,116	32,325	1900
Bradford	Telegraph & Argus <i>www.thetelegraphandargus.co.uk</i>	32,386	29,917	1868
Brighton	The Argus <i>www.theargus.co.uk</i>	29,299	27,579	1880
Colchester	The Gazette <i>www.gazette-news.co.uk</i>	19,656		1970
Darlington	The Northern Echo <i>www.thenorthernecho.co.uk</i>	47,074	45,113	1870
Glasgow	Evening Times <i>www.eveningtimes.co.uk</i>	69,293	37,007	1876
Glasgow	The Herald <i>www.theherald.co.uk</i>	58,359	63,223	1783
Newport	South Wales Argus <i>www.southwalesargus.co.uk</i>	27,182	24,156	1892
Oxford	Oxford Mail <i>www.oxfordmail.co.uk</i>	23,064	21,717	1928
Southampton	Southern Daily Echo <i>www.dailyecho.co.uk</i>	35,088	40,725	1888
Swindon	Swindon Advertiser <i>www.swindonadvertiser.co.uk</i>	21,037	18,810	1854
Weymouth	Dorset Echo <i>www.dorsetecho.co.uk</i>	18,230	19,763	1921
Worcester	Worcester News <i>www.worcesternews.co.uk</i>	16,138	15,213	1937
York	The Press <i>www.thepress.co.uk</i>	30,772	30,479	1882

Circulation figures are according to ABC results from Jan.-June 2009.

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, IL

Sales offices: Atlanta, GA; Boston, MA; Seattle, WA; Chicago, IL; Cincinnati, OH; Dallas, TX; Denver, CO; Detroit, MI; Edison, NJ; Houston, TX; Irvine, CA; Long Island, NY; Los Angeles; McLean, VA; Minneapolis, MN; Nashville, TN; New York, NY; Orlando, FL; Overland Park, KS; Philadelphia, PA; Phoenix, AZ; San Mateo, CA; Washington, DC

International offices: Belgium; Canada; China; France; Germany; Greece; India; Italy; Netherlands; Spain; Sweden; United Kingdom

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

Headquarters: Conshohocken, PA

Sales offices: Atlanta, GA; Chicago, IL; Detroit, MI; Los Angeles, CA; New York, NY; San Francisco, CA

Planet Discover: *www.planetdiscover.com*

Headquarters and sales office: Fort Mitchell, KY

Technology office: Cedar Rapids, IA

Ripple 6: *www.ripple6.com*

Headquarters: New York, NY

Sales office: New York, NY

Schedule Star: *www.highschoolsports.net*

Headquarters: Wheeling, WV

ShopLocal: *www.shoplocal.com*

Headquarters: Chicago, IL

Sales office: Chicago, IL

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State	City	Station/Online site	Channel/Network	Weekly Audience(a)	Founded
Arizona	Flagstaff	KNAZ-TV	Channel 2/NBC	(b)	1970
	Phoenix	KPNX-TV <i>www.azcentral.com/12news</i>	Channel 12/NBC	1,258,000	1953
Arkansas	Little Rock	KTHV-TV <i>www.todaysthv.com</i>	Channel 11/CBS	420,000	1955
California	Sacramento	KXTV-TV <i>www.news10.net</i>	Channel 10/ABC	875,000	1955
Colorado	Denver	KTVD-TV <i>www.my20denver.com</i>	Channel 20/MyNetworkTV	792,000	1988
		KUSA-TV <i>www.9news.com</i>	Channel 9/NBC	1,212,000	1952
District of Columbia	Washington	WUSA-TV <i>www.wusa9.com</i>	Channel 9/CBS	1,766,000	1949
Florida	Jacksonville	WJXX-TV	Channel 25/ABC	472,000	1989
		WTLV-TV <i>www.firstcoastnews.com</i>	Channel 12/NBC	529,000	1957
	Tampa-St. Petersburg	WTSP-TV <i>www.tampabay10.com</i>	Channel 10/CBS	1,283,000	1965
Georgia	Atlanta	WATL-TV <i>www.myatltv.com</i>	Channel 36/MyNetworkTV	1,108,000	1954
		WXIA-TV <i>www.11alive.com</i>	Channel 11/NBC	1,613,000	1948
	Macon	WMAZ-TV <i>www.13wmaz.com</i>	Channel 13/CBS	197,000	1953
Maine	Bangor	WLBZ-TV <i>www.wlbz2.com</i>	Channel 2/NBC	100,000	1954
	Portland	WCSH-TV <i>www.wcsh6.com</i>	Channel 6/NBC	341,000	1953
Michigan	Grand Rapids	WZZM-TV <i>www.wzzm13.com</i>	Channel 13/ABC	396,000	1962
Minnesota	Minneapolis-St. Paul	KARE-TV <i>www.kare11.com</i>	Channel 11/NBC	1,375,000	1953
Missouri	St. Louis	KSDK-TV <i>www.ksdk.com</i>	Channel 5/NBC	1,035,000	1947
New York	Buffalo	WGRZ-TV <i>www.wgrz.com</i>	Channel 2/NBC	519,000	1954
North Carolina	Greensboro	WFMY-TV <i>www.digtriad.com</i>	Channel 2/CBS	595,000	1949
Ohio	Cleveland	WKYC-TV <i>www.wkyc.com</i>	Channel 3/NBC	1,171,000	1948
South Carolina	Columbia	WLTX-TV	Channel 19/CBS	287,000	1953

Tennessee	Knoxville	<i>www.wltx.com</i> WBIR-TV	Channel 10/NBC	478,000	1956
		<i>www.wbir.com</i>			

Captivate Network: *www.captivatenetwork.com*

Headquarters: Chelmsford, MA

Advertising offices: Chicago, IL; Los Angeles, CA; New York, NY; San Francisco, CA; Toronto, Canada.

- (a) Weekly audience is number of TV households reached, according to the November 2009 Nielsen book.
- (b) Audience numbers fall below minimum reporting standards.

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USA TODAY: *www.usatoday.com*

Headquarters and editorial offices: McLean, VA

Print sites: Atlanta, GA; Batavia, NY; Brevard County, FL; Chandler, AZ; Columbia, SC; Denver, CO; Fort Lauderdale, FL; Hattiesburg, MS; Houston, TX; Indianapolis, Ind; Kankakee, IL; Las Vegas, NV; Lawrence, KS; Marin County, CA; Milwaukee, WI; Minneapolis, MN; Nashville, TN; Newark, OH; Norwood, MA; Olympia, WA; Plano, TX; Raleigh, NC; Rockaway, NJ; St. Louis, MO; Salisbury, NC; Salt Lake City, UT; San Bernardino, CA; Springfield, VA; Sterling Heights, MI; Tampa, FL; Warrendale, PA; Wilmington, DE

Advertising offices: Atlanta, GA; Chicago, IL; Dallas, TX; Detroit, MI; Los Angeles, CA; McLean, VA; New York, NY; San Francisco, CA

USATODAY.com

Headquarters and editorial offices: McLean, VA

Advertising offices: Atlanta, GA; Chicago, IL; Dallas, TX; Detroit, MI; Los Angeles, CA; McLean, VA; New York, NY; San Francisco, CA

USA WEEKEND: *www.usaweekend.com*

Headquarters and editorial offices: McLean, VA

Advertising offices: Chicago, IL; Detroit, MI; Los Angeles, CA; New York, NY; San Francisco, CA

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

Headquarters: Mountville, PA

Gannett Healthcare Group: *www.gannethg.com; www.getcedirect.com; www.Nurse.com; www.TodayinPT.com; www.TodayinOt.com; www.PearlsReview.com*

Headquarters: Falls Church, VA

Regional offices: Dallas, TX; Hoffman Estates, IL; San Jose, CA

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

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

Headquarters: Springfield, VA

Regional office: Los Angeles, CA

Publications: Army Times: *www.armytimes.com*, Navy Times: *www.navytimes.com*, Marine Corps Times: *www.marinecorpstimes.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*, Military Times EDGE: *www.militarytimesedge.com*

Gannett Media Technologies International: *www.gmti.com*: Cincinnati, OH; Norfolk, VA; Tempe, AZ

ContentOne

Headquarters: McLean, VA

Bureau: Washington, DC

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; Hattiesburg, MS; Minneapolis, MN; Norwood, MA; 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 its web site, www.gannett.com. In addition to news and other information about Gannett, the company provides access through this site to its annual report on Form 10-K, its quarterly reports on Form 10-Q, its current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after the company files or furnish them electronically to the Securities and Exchange Commission (SEC). Certification 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 2009).*

Gannett also provides access on this web site to its Principles of Corporate Governance, the charters of its Audit, Digital Technology, Executive Compensation and Nominating and Public Responsibility Committees and other important governance documents and policies, including its Ethics and Inside Trading Policies. Copies of all of these corporate governance documents are available to any shareholder upon written request made to the company's Secretary at our headquarters address. In addition, the company will disclose on this web site changes to, or waivers of, its 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 UK 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 may face increased competition. Alternative media sources may also affect our ability to generate circulation revenues and television audience. This competition may 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 2009, the company had approximately \$3.1 billion in long-term debt, of which approximately \$1.6 billion was in the form of borrowings under bank credit facilities and the balance was in the form of unsecured notes. This debt matures in part beginning in 2011 with remaining maturities in 2012-2017. While the company's cash flow is expected to be sufficient to pay amounts when due, if operating results deteriorate significantly, a significant portion of its maturities may need to be refinanced. Access to the capital markets may at times be affected by conditions in the economy. However, the company did access the capital markets in October 2009 with \$500 million of unsecured borrowings. At the end of 2009, the company had approximately \$1.35 billion of additional borrowing capacity under its revolving credit facilities, providing near-term liquidity to fund its needs and to repay debt maturing through March 2012.

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

Because of volatility in the global financial markets, the company's pension plan asset values declined significantly in 2008. While asset returns were strongly positive in 2009, the company's principal U.S. retirement plan, the Gannett Retirement Plan, is underfunded by \$437 million. 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 until 2011.

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 2009 were translated to U.S. dollars at the average rate of 1.56. For the first 45 days of 2010, the average exchange rate was approximately 1.60, or 10% higher than the comparable period in 2009. 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. For example, 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. 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 2010.

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

We will 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.

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

Goodwill and other intangible assets were approximately \$3.4 billion as of Dec. 27, 2009, representing approximately 48% 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 2007, 2008 and 2009 (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 difficult 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 many of the plants that house all aspects of the publication process. Certain U.S. Community Publishing operations have outsourced printing to non-Gannett newspapers or commercial printers. In the case of USA TODAY, at Dec. 27, 2009, 19 non-Gannett printers were used to print the newspaper in U.S. markets where there are no company publishing sites with appropriate facilities. Non-Gannett printers in six foreign countries publish and distribute an international edition of USA TODAY under a royalty agreement. 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 12 of the company's publishing operations. Gannett continues to make investments in renovations where necessary for operational efficiency.

During 2009, the company continued its efforts to consolidate 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 16-18.

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 2009, Newsquest consolidated certain of its facilities to achieve savings and efficiencies. Certain Newsquest operations have outsourced printing to non-Newsquest newspaper companies. All of Newsquest's properties are adequate for present purposes. A listing of Newsquest publishing centers and key properties may be found on page 19.

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 19.

Broadcasting

The company's broadcasting facilities are adequately equipped with the necessary television broadcasting equipment. The company owns or leases transmitter facilities in 23 locations. 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. A listing of television stations can be found on page 20.

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, AZ. Headquarters facilities are adequate for present operations.

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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 that involve a governmental authority as a party, the company's liability could exceed \$100,000.

Poughkeepsie Newspapers is required by a consent order with the US EPA to fund a portion of the remediation costs at the Hertel Landfill site in Plattekill, NY. 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 US 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, CA. Based on the most recent information from the US EPA, Multimedia, Inc. expects to settle this matter for a minor amount.

In conjunction with the sale of property in Norwich, CT, in May 2007, Gannett Satellite Information Network, Inc. (GANSAT) submitted a Transfer of Establishment form to the Connecticut Department of Environmental Protection (CDEP). 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 US 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 a 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 additional site investigation and/or remediation will be required, both unknown at this time.

Gannett Suburban Newspapers has been identified as a PRP along with approximately 200 other governmental and private entities at the Ellis Road Superfund site in Jacksonville, FL. Pursuant to an Administrative Order on Consent entered into in 1989, Gannett and other PRPs paid for certain cleanup actions at the site. Gannett was allocated approximately 0.06% of the cost of that cleanup, resulting in a payment of \$3,250. In 2009, EPA determined that additional investigation and cleanup of the Ellis Road Site is required. Because EPA has not yet disclosed the scope and cost of any additional cleanup, Gannett is unable to reasonably estimate its potential liability with respect to this matter; however, Gannett expects such liability will be nominal.

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 44 of this Form 10-K. Information about debt securities sold in private transactions may be found on page 41 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
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			