



SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 28, 2004

OR

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

Commission file number 1-6961

**GANNETT CO., INC.**

(Exact name of registrant as specified in charter)

**Delaware**

(State or Other Jurisdiction of Incorporation or Organization of Registrant)

**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.

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The total number of shares of the registrant's Common Stock, \$1.00 par value, as of April 27, 2004, was 272,491,823.

## PART I. FINANCIAL INFORMATION

### Items 1 and 2. Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations

#### MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS

##### Operating Summary

Earnings per diluted share, on a generally accepted accounting principles ("GAAP") basis, were \$1.00 for the first quarter of 2004 versus 93 cents for the same period last year. For the first three months of 2004, net income rose 10% to \$274.4 million and operating income increased 8% to \$445.8 million. Operating revenues were \$1.73 billion for the first quarter, an 11% increase over the same period last year.

##### Newspaper Results

Reported newspaper publishing revenues advanced \$166.2 million or 12% for the first three months of 2004 reflecting higher advertising, circulation sales, and commercial printing and other revenues. The increases reflect the impact of recently acquired businesses, revenue improvement at most of the company's newspaper properties and a higher foreign exchange rate for UK operations.

Recent acquisitions affecting comparisons include NurseWeek, acquired in February 2004, Clipper Magazine ("Clipper"), acquired on October 31, 2003, the publishing businesses of Scottish Media Group plc ("SMG"), purchased in April 2003, and the establishment of the Texas-New Mexico Newspapers Partnership ("Texas-New Mexico") in March 2003.

Newspaper operating revenues are derived principally from advertising and circulation sales, which accounted for 74% and 20%, respectively, of total newspaper revenues for the first quarter 2004. Ad revenues also include amounts derived from advertising placed with online operations associated with the company's newspapers. Other publishing revenues are mainly from commercial printing businesses, earnings from the company's 50% owned joint operating agencies in Detroit and Tucson and earnings from its 19.49% equity interest in the California Newspapers Partnership. The table below presents these components of reported revenues for the first quarter of 2004 and 2003.

Newspaper operating revenues, in thousands of dollars

First Quarter	<u>2004</u>	<u>2003</u>	<u>% Change</u>
Newspaper advertising	\$ 1,156,011	\$ 1,006,047	15
Newspaper circulation	312,389	302,431	3
Commercial printing and other	91,826	85,591	7
Total	<u>\$ 1,560,226</u>	<u>\$ 1,394,069</u>	<u>12</u>

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

Advertising revenues, in thousands of dollars

First Quarter	<u>2004</u>	<u>2003</u>	<u>% Change</u>
Local	\$ 477,190	\$ 419,542	14
National	184,348	162,648	13
Classified	494,473	423,857	17
Total ad revenue	<u>\$ 1,156,011</u>	<u>\$ 1,006,047</u>	<u>15</u>

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

performance by permitting comparisons with prior period historical data. Likewise, the company uses this same pro forma data in its external reporting of key financial results and benchmarks.

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

Advertising revenues, in thousands of dollars (pro forma)

First Quarter	<u>2004</u>	<u>2003</u>	<u>% Change</u>
Local	\$ 478,968	\$ 451,877	6
National	184,223	166,744	10
Classified	<u>494,716</u>	<u>439,357</u>	<u>13</u>
Total ad revenue	<u>\$ 1,157,907</u>	<u>\$ 1,057,978</u>	<u>9</u>

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

First Quarter	<u>2004</u>	<u>2003</u>	<u>% Change</u>
Local	8,665	8,652	0
National	1,048	928	13
Classified	<u>14,196</u>	<u>13,632</u>	<u>4</u>
Total Run-of-Press linage	<u>23,909</u>	<u>23,212</u>	<u>3</u>
Preprint distribution	<u>2,642</u>	<u>2,568</u>	<u>3</u>

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

First Quarter	<u>2004</u>	<u>2003</u>
Pro forma ad revenues	\$ 1,157,907	\$ 1,057,978
Add: Effect of dispositions	1,122	2,314
Less: Effect of acquisitions	<u>(3,018)</u>	<u>(54,245)</u>
As reported ad revenues	<u>\$ 1,156,011</u>	<u>\$ 1,006,047</u>

For the first three months of 2004, reported and pro forma local advertising revenues rose 14% and 6%, respectively, with pro forma linage even with last year. In the U.S., local ad revenue increased in all principal newspaper products including the daily and non-daily newspapers, preprints, and online operations. Local ad revenues increased in the furniture, entertainment, financial and telecommunications categories however, ad revenues in the department stores and consumer electronics categories declined from last year. The performance of the company's small and medium-sized advertisers in its domestic newspapers outpaced the revenue performance of its largest advertisers.

Reported and pro forma national advertising revenues advanced 13% and 10%, respectively for the first quarter on a 13% pro forma volume increase. At USA TODAY, advertising revenues increased 10% for the quarter and March was particularly strong with ad revenue growth of 25%. Solid increases in the retail, entertainment and telecom segments more than offset declines in the automotive and technology categories.

Reported and pro forma classified ad revenues gained 17% and 13%, respectively with pro forma linage up 4% with improvement in all classified categories. Classified revenue improvements were driven by strength in the employment, automotive, and real estate categories. Employment ad revenues advanced 17% over the first quarter of 2003. Real estate ad revenues and automotive ad revenues increased 11% and 6%, respectively. Online revenue growth was very strong.

Circulation revenues, as reported, rose 3% for the first quarter, while pro forma circulation revenues increased almost 1%. Pro forma net paid daily circulation for the company's newspapers, excluding USA TODAY, declined

2% in the first quarter. Sunday net paid circulation was also down 2% from the same period last year. USA TODAY reported an average daily paid circulation of 2,277,785 in the ABC Publisher's Statement for the 26 weeks ended March 28, 2004, a 1% increase over the comparable period a year earlier.

For the first three months of 2004, reported newspaper operating expenses rose \$136.4 million or 13% reflecting the impact of recent acquisitions, increased newsprint expenses, higher insurance and medical costs, and a higher foreign exchange rate for Newsquest operations. Expenses associated with non-daily products increased as a result of the overall growth in these products. Depreciation expense also increased primarily as a result of recent acquisitions and a higher foreign exchange rate for UK operations. Newsprint expense rose 13% reflecting an 11% increase in prices and a 2% increase in consumption. The increase in newsprint consumption was driven by the SMG and Texas-New Mexico transactions.

Operating income for the quarter rose \$29.8 million or 8% reflecting strong revenue growth partially offset by increased newsprint, insurance and medical costs. Most of the company's newspaper properties reported higher operating income for the quarter.

### **Broadcasting Results**

In the first quarter, broadcasting revenues advanced \$11.3 million or 7% benefiting from the Super Bowl carried by the company's six CBS stations, political spending and strength in the national advertising automotive, telecommunications and financial categories. For the first quarter of 2004, national revenues gained 6% and local revenues rose 9%. Broadcasting operating expenses increased 5% due to higher advertising sales costs and higher insurance and medical costs. Operating income was up \$6.2 million or 10% in the first quarter. For the remainder of 2004, broadcasting revenues and earnings are expected to continue to improve over 2003 results primarily because of higher ad spending from political campaigns, the "Friends" finale in May on the company's thirteen NBC stations and the Summer Olympics also on NBC.

### **Operating Cash Flow**

The company's consolidated operating cash flow, defined as operating income plus depreciation and amortization of intangible assets, increased \$40.2 million or 9% to \$507.2 million for the first quarter of 2004, reflecting improved newspaper and broadcasting segment results. All references to "operating cash flow" are to a non-GAAP financial measure. Management believes that use of this measure allows investors and management to measure, analyze and compare the cash resources generated from its business segment operations in a meaningful and consistent manner. The focus on operating cash flow is appropriate given the consistent and generally predictable strength of cash flow generation by newspaper and broadcasting operations, and the short period of time it takes to convert new orders to cash. A reconciliation of these non-GAAP amounts to the company's operating income, which the company believes is the most directly comparable financial measure calculated and presented in accordance with GAAP on the company's consolidated statements of income, is presented in Note 10 "Business Segment Information" of the Notes to Condensed Consolidated Financial Statements.

### **Non-Operating Income and Expense / Provision for Income Taxes**

The company's interest expense declined \$4.3 million or 12%, reflecting lower debt levels and lower short-term interest rates. The daily average outstanding balance of commercial paper was \$1.87 billion during the first quarter of 2004 and \$2.54 billion during the first quarter of 2003. The weighted average interest rate on commercial paper was 1.04% and 1.29% for the first quarter of 2004 and 2003, respectively.

Because the company has \$1.82 billion in commercial paper obligations at March 28, 2004 that have relatively short-term maturity dates, the company is subject to significant changes in the amount of interest expense it might incur. Assuming the current level of commercial paper borrowings, a 1/2% increase or decrease in the average interest rate for commercial paper would result in an increase or decrease in annual interest expense of \$9.1 million, respectively.

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

The company's effective income tax rate was 34.2% for the first quarters of 2004 and 2003, respectively.

## Net Income

Net income for the first quarter advanced \$24.6 million or 10% and earnings per diluted share increased to \$1.00 from 93 cents, a 7.5% increase. The weighted average number of diluted shares outstanding for the first quarter of 2004 totaled 275,507,000, compared to 270,059,000 for the first quarter of 2003. The increase in diluted shares outstanding is due in part to the overall increase in the market price of the company's stock and stock options exercised. Exhibit 11 of this Form 10-Q presents the weighted average number of basic and diluted shares outstanding and the earnings per share for each period.

## Liquidity, Capital Resources, and Statements of Cash Flows

The company's cash flow from operating activities was \$392.1 million for the first three months of 2004, reflecting solid newspaper and broadcasting results partially offset by a \$50 million contribution to the Gannett Retirement Plan. Cash flow from operating activities was \$402.1 million for the first quarter of 2003.

Cash used by the company for investing activities totaled \$164.2 million for the three months ended March 28, 2004 primarily reflecting capital spending of \$58.7 million, and \$109.4 million for acquisitions of businesses.

Cash used by the company for financing activities totaled \$220.1 million, reflecting the pay down of long term debt of \$115.5 million, the payment of the fourth quarter 2003 dividend of \$68.0 million, the repurchase of 1.0 million shares of the company's stock for \$86.5 million (see further discussion below) partially offset by proceeds from the exercise of stock options totaling \$49.9 million. The company's regular quarterly dividend of \$0.25 per share, which was declared in the first quarter of 2004, totaled \$68.4 million and was paid on April 1, 2004.

In February 2004, the company announced the reactivation of its existing share repurchase program that was last utilized in February 2000. Under the program, the company has authority to repurchase up to \$291 million of the company's common stock. The shares will be repurchased at management's discretion, either in the open market or in privately negotiated block transactions. The decision to buy back will depend on price, availability and other corporate developments. Purchases will occur from time to time and no maximum purchase price has been set. During the first quarter of 2004, the company purchased approximately 1 million shares of its common stock for \$86.5 million. For more information on the share repurchase program, refer to Item 2 of Part II of this Form 10-Q.

Working capital declined \$89.6 million from the end of 2003 reflecting lower receivables due to seasonal trends in revenues and higher taxes payable primarily due to the timing of estimated U.S. Federal and State tax payments.

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

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

The company's foreign currency translation adjustment, included in accumulated other comprehensive income and reported as part of shareholders' equity, totaled \$424.9 million at the end of the first quarter versus \$352.3 million at the end of 2003. The increase reflects a strengthening of Sterling against the U.S. dollar. Newsquest's assets and liabilities at March 28, 2004 were translated from Sterling to U.S. dollars at an exchange rate of \$1.82 versus \$1.78 at the end of 2003. Newsquest's financial results were translated at an average rate of \$1.84 for the first quarter of 2004 versus \$1.60 for the first quarter of 2003.

The company is exposed to foreign exchange rate risk due to its operations in the United Kingdom, for which Sterling is the functional currency, which is then translated into U.S. dollars. Translation gains or losses affecting the Condensed Consolidated Statements of Income have not been significant in the past. If the price of Sterling against the U.S. dollar had been 10% more or less than the actual price, reported net income for the first three months of 2004 would have increased or decreased approximately 2%, respectively.

The company has a 13.5% general partnership interest in Ponderay Newsprint Company. The company, on a several basis, is a guarantor of 13.5% of the principal and interest on a term loan held by Ponderay that totals \$93 million at March 28, 2004.

## **Other Matters**

On April 2, 2004, the company acquired the assets of Captivate Network, Inc., a national news and entertainment network that delivers quality programming and full motion video advertising to more than 1.4 million consumers and business professionals each day. Captivate is seen in a distraction-free viewing environment, on wireless digital video screens in the elevators of premier office towers across North America.

## **Certain Factors Affecting Forward-Looking Statements**

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

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

**CONDENSED CONSOLIDATED BALANCE SHEETS****Gannett Co., Inc. and Subsidiaries**

Unaudited, in thousands of dollars

	<u>Mar. 28, 2004</u>	<u>Dec. 28, 2003</u>
<b>ASSETS</b>		
<i>Current assets</i>		
Cash and cash equivalents	\$ 75,738	\$ 67,188
Trade receivables, less allowance (2004 - \$43,857; 2003 - \$41,530)	855,379	907,619
Inventories	128,303	115,924
Prepaid expenses and other receivables	144,576	132,530
<i>Total current assets</i>	<u>1,203,996</u>	<u>1,223,261</u>
<i>Property, plant and equipment</i>		
Cost	4,744,081	4,687,898
Less accumulated depreciation	(2,060,717)	(2,005,630)
<i>Net property, plant and equipment</i>	<u>2,683,364</u>	<u>2,682,268</u>
<i>Intangible and other assets</i>		
Goodwill and indefinite-lived intangible assets	9,782,875	9,601,767
Other intangible assets, less accumulated amortization	123,745	108,736
Investments and other assets	1,135,299	1,090,207
<i>Total intangible and other assets</i>	<u>11,041,919</u>	<u>10,800,710</u>
<b>Total assets</b>	<u>\$ 14,929,279</u>	<u>\$ 14,706,239</u>

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



**CONDENSED CONSOLIDATED BALANCE SHEETS****Gannett Co., Inc. and Subsidiaries**

Unaudited, in thousands of dollars

	<u>Mar. 28, 2004</u>	<u>Dec. 28, 2003</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<i>Current liabilities</i>		
Accounts payable and current portion of film contracts payable	\$ 300,186	\$ 352,822
Compensation, interest and other accruals	289,167	277,594
Dividends payable	68,448	68,143
Income taxes	203,158	101,663
Deferred income	171,221	161,615
<i>Total current liabilities</i>	<u>1,032,180</u>	<u>961,837</u>
Deferred income taxes	758,707	743,975
Long-term debt	3,718,997	3,834,511
Postretirement medical and life insurance liabilities	334,809	337,989
Other long-term liabilities	363,057	312,507
<i>Total liabilities</i>	<u>6,207,750</u>	<u>6,190,819</u>
<i>Minority interests in consolidated subsidiaries</i>	<u>93,637</u>	<u>92,439</u>
<i>Shareholders' equity</i>		
Preferred stock of \$1 par value per share. Authorized: 2,000,000 shares; Issued: none		
Common stock of \$1 par value per share. Authorized: 800,000,000 shares; Issued: 324,420,732 shares	324,421	324,421
Additional paid-in-capital	503,750	471,581
Retained earnings	9,650,845	9,444,791
Accumulated other comprehensive income	391,878	319,305
	<u>10,870,894</u>	<u>10,560,098</u>
Less treasury stock, 52,188,277 shares and 52,003,686 shares, respectively, at cost	(2,243,002)	(2,137,117)
<i>Total shareholders' equity</i>	<u>8,627,892</u>	<u>8,422,981</u>
<b>Total liabilities, minority interests and shareholders' equity</b>	<u>\$ 14,929,279</u>	<u>\$ 14,706,239</u>

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

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

**Gannett Co., Inc. and Subsidiaries**

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

	Thirteen weeks ended		% Inc
	Mar. 28, 2004	Mar. 30, 2003	(Dec)
<b>Net Operating Revenues:</b>			
Newspaper advertising	\$ 1,156,011	\$ 1,006,047	14.9
Newspaper circulation	312,389	302,431	3.3
Broadcasting	169,458	158,176	7.1
Other	91,826	85,591	7.3
<b>Total</b>	<u>1,729,684</u>	<u>1,552,245</u>	<u>11.4</u>
<b>Operating Expenses:</b>			
Cost of sales and operating expenses, exclusive of depreciation	939,448	836,622	12.3
Selling, general and administrative expenses, exclusive of depreciation	283,030	248,571	13.9
Depreciation	58,974	54,229	8.7
Amortization of intangible assets	2,383	1,830	30.2
<b>Total</b>	<u>1,283,835</u>	<u>1,141,252</u>	<u>12.5</u>
<b>Operating income</b>	<u>445,849</u>	<u>410,993</u>	<u>8.5</u>
<b>Non-operating income (expense):</b>			
Interest expense	(31,791)	(36,109)	(12.0)
Other	2,850	4,852	(41.3)
<b>Total</b>	<u>(28,941)</u>	<u>(31,257)</u>	<u>(7.4)</u>
<b>Income before income taxes</b>	416,908	379,736	9.8
Provision for income taxes	142,500	129,900	9.7
<b>Net income</b>	<u>\$ 274,408</u>	<u>\$ 249,836</u>	<u>9.8</u>
<b>Net income per share-basic</b>	<u>\$ 1.01</u>	<u>\$ 0.93</u>	<u>8.6</u>
<b>Net income per share-diluted</b>	<u>\$ 1.00</u>	<u>\$ 0.93</u>	<u>7.5</u>
<b>Dividends per share</b>	<u>\$ 0.25</u>	<u>\$ 0.24</u>	<u>4.2</u>

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****Gannett Co., Inc. and Subsidiaries**

Unaudited, in thousands of dollars

	Thirteen weeks ended	
	Mar. 28, 2004	Mar. 30, 2003
<b><i>Cash flows from operating activities:</i></b>		
Net Income	\$ 274,408	\$ 249,836
Adjustments to reconcile net income to operating cash flows:		
Depreciation	58,974	54,229
Amortization of intangibles	2,383	1,830
Pension contributions, net of pension expense	(26,740)	29,511
Deferred income taxes	13,900	4,998
Other, net	69,127	61,697
<b><i>Net cash flow from operating activities</i></b>	<u>392,052</u>	<u>402,101</u>
<b><i>Cash flows from investing activities:</i></b>		
Purchase of property, plant and equipment	(58,702)	(43,947)
Payments for acquisitions, net of cash acquired	(109,440)	—
Payments for investments	(5,629)	(11,863)
Proceeds from investments	2,681	2,489
Proceeds from sale of certain assets	6,841	749
<b><i>Net cash used for investing activities</i></b>	<u>(164,249)</u>	<u>(52,572)</u>
<b><i>Cash flows from financing activities:</i></b>		
Net payment of long-term debt, net of debt issuance fees	(115,513)	(8,544)
Dividends paid	(68,049)	(64,269)
Cost of common shares repurchased	(86,470)	—
Proceeds from issuance of common stock upon exercise of stock options	49,927	24,346
<b><i>Net cash used for financing activities</i></b>	<u>(220,105)</u>	<u>(48,467)</u>
<b><i>Effect of currency rate change</i></b>	<u>852</u>	<u>1,612</u>
<b><i>Net increase in cash and cash equivalents</i></b>	8,550	302,674
<b><i>Balance of cash and cash equivalents at beginning of year</i></b>	67,188	90,374
<b><i>Balance of cash and cash equivalents at end of first quarter</i></b>	<u>\$ 75,738</u>	<u>\$ 393,048</u>

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

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 28, 2004

### 1. Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions for Form 10-Q and, therefore, do not include all information and footnotes which are normally included in the Form 10-K and annual report to shareholders. The financial statements covering the 13-week period ended March 28, 2004, and the comparative period of 2003, reflect all adjustments which, in the opinion of the company, are necessary for a fair statement of results for the interim periods and reflect all normal and recurring adjustments which are necessary for a fair presentation of the company's financial position, results of operations and cash flows as of the dates and for the periods presented.

### 2. Stock-based compensation

Stock-based compensation is accounted for by using the intrinsic value-based method in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB No. 25"). Under APB No. 25, because the exercise price of the company's employee stock options equals the market price of the underlying stock on the date of the grant, no compensation expense is recognized. As permitted, the company has elected to adopt the disclosure only provisions of SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure-an amendment of FASB Statement No. 123" ("SFAS No. 148").

SFAS No. 123 establishes a fair value-based method of accounting for employee stock-based compensation plans. The company has chosen to continue to report stock-based compensation in accordance with APB No. 25, and provides the following pro forma disclosure of the effects of applying the fair value method to all applicable awards granted. Had compensation cost for the company's stock options been determined based on the fair value at the grant date for those awards as permitted (but not required) under the alternative method of SFAS No. 123, the company's results of operations and related per share amounts would have been reduced to the pro forma amounts indicated below:

<i>First Quarter</i> <i>(in thousands of dollars, except per share amounts)</i>	2004	2003
<i>Net income as reported</i>	\$ 274,408	\$ 249,836
Less: Total stock-based employee compensation expense determined under fair value-based method for all awards, net of related tax effects	18,442	16,682
<i>Pro forma net income</i>	<u>\$ 255,966</u>	<u>\$ 233,154</u>
<i>Earnings per share:</i>		
Basic - as reported	<u>\$ 1.01</u>	<u>\$ 0.93</u>
Basic - pro forma	<u>\$ 0.94</u>	<u>\$ 0.87</u>
Diluted - as reported	<u>\$ 1.00</u>	<u>\$ 0.93</u>
Diluted - pro forma	<u>\$ 0.93</u>	<u>\$ 0.86</u>

### 3. Acquisitions and dispositions

On February 2, 2004, the company acquired NurseWeek, a multimedia company with print publications and an award-winning Web site focused on the recruitment, recognition and education of nurses. NurseWeek is being operated as a separate publication of Nursing Spectrum, a wholly-owned subsidiary of the company. Altogether, Nursing Spectrum operations now include 12 regional magazines with a combined distribution to more than 1 million registered nurses. The two Web sites, www.nurseweek.com and www.nursingspectrum.com, average more than 1.8 million page views per month.

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

During the first quarter of 2004, the company also purchased several small non-daily publications in the U.S.

The acquisitions of NurseWeek, the two daily newspapers in Tennessee and several non-daily publications, which had an aggregate purchase price of approximately \$109.4 million, were recorded under the purchase method of accounting. The company is in the process of obtaining valuations of recently acquired businesses, thus the allocation of the purchase price is preliminary. The 2004 acquisitions did not have a material impact on operating results for the first quarter of 2004.

On April 2, 2004, the company acquired the assets of Captivate Network, Inc., a national news and entertainment network that delivers quality programming and full motion video advertising to more than 1.4 million affluent consumers and business professionals each day. Captivate is seen in a distraction-free viewing environment, on wireless digital video screens in the elevators of premier office towers across North America.

The company has an agreement to sell its NBC affiliate in Kingman, Arizona, KMOH-TV.

### 4. Goodwill and other intangible assets

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

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

Goodwill and other intangible assets are as follows:

<i>(in thousands of dollars)</i>	Mar. 28, 2004		Dec. 28, 2003	
	Gross	Accumulated Amortization	Gross	Accumulated Amortization
Goodwill and indefinite-lived intangible assets	\$ 9,782,875	\$ -	\$ 9,601,767	\$ -
Amortizable intangible assets	\$ 145,392	\$ 21,647	\$ 128,000	\$ 19,264

Goodwill increased primarily due to the NurseWeek transaction as described in Note 3 and to a higher foreign exchange rate.

Amortization expense was \$2.4 million in the quarter ended March 28, 2004. Amortizable intangible assets, are primarily subscriber and advertiser relationships with amortization periods up to 25 years and are amortized on a straight-line basis. For each of the next five years, amortization expense relating to the identified intangibles is expected to be approximately \$10.0 million.

<i>(in thousands of dollars)</i>	Newspaper Publishing	Broadcasting	Total
<b>Goodwill and indefinite-lived intangible assets, net</b>			
<i>Balance at Dec. 28, 2003</i>	\$ 8,075,489	\$ 1,526,278	\$ 9,601,767
Acquisitions and adjustments	120,281	-	120,281
Dispositions	(6,103)	-	(6,103)
Foreign currency exchange rate changes	66,930	-	66,930
<i>Balance at Mar. 28, 2004</i>	<u>\$ 8,256,597</u>	<u>\$ 1,526,278</u>	<u>\$ 9,782,875</u>

<i>(in thousands of dollars)</i>	Newspaper Publishing	Broadcasting	Total
<b>Amortizable intangible assets, net</b>			
<i>Balance at Dec. 28, 2003</i>	\$ 108,736	\$ -	\$ 108,736
Acquisitions	5,000	-	5,000
Adjustments for previous acquisitions	12,392	-	12,392
Amortization	(2,383)	-	(2,383)
<i>Balance at Mar. 28, 2004</i>	<u>\$ 123,745</u>	<u>\$ -</u>	<u>\$ 123,745</u>

## 5. Long-term debt

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

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

At March 28, 2004, the company had a total of \$4.025 billion of credit available under three revolving credit agreements. As a result of these credit agreements, commercial paper is carried on the balance sheet as long-term debt.

Approximate annual maturities of long-term debt, assuming that the company used the \$4.025 billion credit available under the revolving credit agreements to refinance existing unsecured promissory notes on a long-term basis and assuming the company's other indebtedness was paid on its scheduled pay dates, are as follows:

<i>(in thousands of dollars)</i>	<u>Mar. 28, 2004</u>
2005	\$ -
2006	15,034
2007	1,296,644
2008	82,962
2009	1,826,150
Later years	498,207
Total	<u>\$ 3,718,997</u>

The fair value of the company's total long-term debt, determined based on quoted market prices for similar issues of debt with the same remaining maturities and similar terms, totaled \$3.88 billion at March 28, 2004.

The company has a 13.5% general partnership interest in Ponderay Newsprint Company. The company, on a several basis, is a guarantor of 13.5% of the principal and interest on a term loan held by Ponderay that totals \$93 million at March 28, 2004.

## 6. Retirement plans

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

### First quarter

(in thousands of dollars)

	2004	2003
Service cost-benefits earned during the period	\$ 23,330	\$ 18,788
Interest cost on benefit obligation	42,390	38,983
Expected return on plan assets	(53,310)	(42,525)
Amortization of transition asset	—	(17)
Amortization of prior service credit	(5,350)	(5,085)
Amortization of actuarial loss	14,570	18,007
	<u>21,630</u>	<u>28,151</u>
Pension expense for company-sponsored retirement plans	\$ 21,630	\$ 28,151
	<u>2,100</u>	<u>1,847</u>
Union and other pension cost	2,100	1,847
	<u>23,730</u>	<u>29,998</u>
Pension cost	\$ 23,730	\$ 29,998

The company made a voluntary tax deductible contribution of \$50 million to the Gannett Retirement Plan in February 2004. Subsequent to the end of the first quarter, the company also made a voluntary tax deductible contribution of \$25.6 million to its U.K. retirement plan.

## 7. Postretirement benefits other than pension

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

### First quarter

(in thousands of dollars)

	2004	2003
Service cost-benefits earned during the period	\$ 488	\$ 783
Interest cost on benefit obligation	4,138	4,939
Amortization of prior service credit	(3,100)	(2,960)
Amortization of actuarial loss	787	397
	<u>2,313</u>	<u>3,159</u>
Net periodic postretirement cost	\$ 2,313	\$ 3,159

## **8. Comprehensive income**

Comprehensive income for the company includes net income; foreign currency translation adjustments; and unrealized gains or losses on available-for-sale securities, as defined under SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities."

Comprehensive income totaled \$347.0 million for the first quarter of 2004 and \$200.1 million for the first quarter of 2003. Net income totaled \$274.4 million and other comprehensive income, which was entirely related to foreign currency translation, totaled \$72.6 million in 2004. Net income totaled \$249.8 million and other comprehensive losses, consisting primarily of foreign currency translation, totaled \$49.7 million in 2003.

## **9. Outstanding shares**

The weighted average number of common shares outstanding (basic) in the first quarter totaled 272,321,000 compared to 268,179,000 for the first quarter of 2003. The weighted average number of diluted shares outstanding in the first quarter totaled 275,507,000 compared to 270,059,000 for the first quarter of 2003.



## 10. Business segment information

(unaudited, in thousands of dollars)

	Thirteen weeks ended		% Inc (Dec)
	Mar. 28, 2004	Mar. 30, 2003	
<b>Net Operating Revenues:</b>			
Newspaper publishing	\$ 1,560,226	\$ 1,394,069	11.9
Broadcasting	169,458	158,176	7.1
<b>Total</b>	<u>\$ 1,729,684</u>	<u>\$ 1,552,245</u>	<u>11.4</u>
<b>Operating Income (net of depreciation and amortization):</b>			
Newspaper publishing	\$ 392,265	\$ 362,485	8.2
Broadcasting	70,158	63,955	9.7
Corporate	(16,574)	(15,447)	(7.3)
<b>Total</b>	<u>\$ 445,849</u>	<u>\$ 410,993</u>	<u>8.5</u>
<b>Depreciation and Amortization:</b>			
Newspaper publishing	\$ 50,538	\$ 45,582	10.9
Broadcasting	6,881	6,571	4.7
Corporate	3,938	3,906	0.8
<b>Total</b>	<u>\$ 61,357</u>	<u>\$ 56,059</u>	<u>9.5</u>
<b>Operating Cash Flow (1):</b>			
Newspaper publishing	\$ 442,803	\$ 408,067	8.5
Broadcasting	77,039	70,526	9.2
Corporate	(12,636)	(11,541)	(9.5)
<b>Total</b>	<u>\$ 507,206</u>	<u>\$ 467,052</u>	<u>8.6</u>

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

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

<b>Thirteen weeks ended Mar. 28, 2004</b> <i>(in thousands of dollars)</i>	<u><b>Newspaper Publishing</b></u>	<u><b>Broadcasting</b></u>	<u><b>Corporate</b></u>	<u><b>Consolidated Total</b></u>
<b>Operating cash flow</b>	\$ 442,803	\$ 77,039	\$ (12,636)	\$ 507,206
<b>Less:</b>				
Depreciation	(48,155)	(6,881)	(3,938)	(58,974)
Amortization	(2,383)	-	-	(2,383)
<b>Operating income</b>	<u>\$ 392,265</u>	<u>\$ 70,158</u>	<u>\$ (16,574)</u>	<u>\$ 445,849</u>
<b>Thirteen weeks ended Mar. 30, 2003</b> <i>(in thousands of dollars)</i>	<u><b>Newspaper Publishing</b></u>	<u><b>Broadcasting</b></u>	<u><b>Corporate</b></u>	<u><b>Consolidated Total</b></u>
<b>Operating cash flow</b>	\$ 408,067	\$ 70,526	\$ (11,541)	\$ 467,052
<b>Less:</b>				
Depreciation	(43,752)	(6,571)	(3,906)	(54,229)
Amortization	(1,830)	-	-	(1,830)
<b>Operating income</b>	<u>\$ 362,485</u>	<u>\$ 63,955</u>	<u>\$ (15,447)</u>	<u>\$ 410,993</u>

#### **11. Accounting pronouncements**

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act) became law in December 2003. The Act introduces a prescription drug benefit under Medicare (Medicare Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. Questions have arisen regarding whether an employer that provides postretirement prescription drug coverage (a plan) should recognize the effects of the Act on its accumulated postretirement benefit obligation and net postretirement benefit costs and, if so, when and how to account for those effects.

In response to these questions, the FASB issued FASB Staff Position 106-1 (FSP 106-1), which confirms that companies are required to account for changes in relevant laws. FSP 106-1, however, also recognized that the accounting for the federal subsidy was not explicitly addressed in the accounting literature and therefore allowed companies to defer accounting for the Act until guidance is issued. As permitted by FSP 106-1, the company has deferred accounting for the effects of the Act until the authoritative guidance is issued, which could require the company to change previously reported information.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

The company is not subject to market risk associated with derivative commodity instruments, as the company is not a party to any such instruments. The company believes that its market risk from financial instruments, such as accounts receivable, accounts payable and debt, is not material. The company is exposed to foreign exchange rate risk primarily due to its operations in the United Kingdom, for which Sterling is the functional currency, which is then translated into U.S. dollars. Translation gains or losses affecting the Condensed Consolidated Statements of Income have not been significant in the past. If the price of Sterling against the U.S. dollar had been 10% less than the actual price, reported net income for the first three months of 2003 would have decreased approximately 2%.

Because the company has \$1.82 billion in commercial paper obligations at March 28, 2004 that have relatively short-term maturity dates, the company is subject to significant changes in the amount of interest expense it might incur. Assuming the current level of commercial paper borrowings, a 1/2% increase or decrease in the average interest rate for commercial paper would result in an increase or decrease in annual interest expense of \$9.1 million, respectively.

The fair value of the company's total long-term debt, determined based on quoted market prices for similar issues of debt with the same remaining maturities and similar terms, totaled \$3.88 billion at March 28, 2004.

### **Item 4. Controls and Procedures**

Based on their evaluation, the company's Chairman, President and Chief Executive Officer and Senior Vice President and Chief Financial Officer have concluded the company's disclosure controls and procedures are effective as of March 28, 2004, to ensure that information required to be disclosed in the reports that the company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. There have been no significant changes in the company's internal controls or in other factors that have materially affected, or are reasonably likely to materially affect, the company's internal controls over financial reporting.

## PART II. OTHER INFORMATION

### Item 2. Changes in Securities and Use of Proceeds

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

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Program	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Program
(12/29/03–2/1/04)	-	N/A	-	\$290,572,896
2/2/04 – 2/29/04	74,400	\$86.42	74,400	\$284,142,947
3/1/04 – 3/28/04	933,600	\$85.73	933,600	\$204,102,617
Total 2004	1,008,000	\$85.78	1,008,000	\$204,102,617

All the shares included in the table above were repurchased as part of the repurchase program announced on February 1, 2000 authorizing \$500 million in repurchases. An additional \$500 million was authorized for the repurchase program on February 23, 2000. There is no expiration date for the repurchase program. No repurchase programs expired during the periods presented above, and management does not intend to terminate the repurchase program. There were no shares purchased other than through the company's publicly announced program.

### Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

See Exhibit Index for list of exhibits filed with this report.

(b) Form 8-K

Current Report on Form 8-K submitted February 2, 2004, in connection with disclosure of results of operations and financial condition.

#### SIGNATURES

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

GANNETT CO., INC.

Date: May 4, 2004

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

## EXHIBIT INDEX

Exhibit Number	Exhibit	Location
3-1	Second Restated Certificate of Incorporation of Gannett Co., Inc.	Incorporated by reference to Exhibit 3-1 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 26, 1993 ("1993 Form 10-K"). Amendment incorporated by reference to Exhibit 3-1 to the 1993 Form 10-K. Amendment dated May 2, 2000, incorporated by reference to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended March 26, 2000.
3-2	By-laws of Gannett Co., Inc.	Attached.
3-3	Form of Certificate of Designation, Preferences and Rights setting forth the terms of the Series A Junior Participating Preferred Stock, par value \$1.00 per share, of Gannett Co., Inc.	Incorporated by reference to Exhibit 1 to Gannett Co., Inc.'s Form 8-A filed on May 23, 1990.
4-1	Rights Agreement, dated as of May 21, 1990, between Gannett Co., Inc. and First Chicago Trust Company of New York, as Rights Agent.	Incorporated by reference to Exhibit 1 to Gannett Co., Inc.'s Form 8-A filed on May 23, 1990.
4-2	Amendment No. 1 to Rights Agreement, dated as of May 2, 2000, between Gannett Co., Inc. and Norwest Bank Minnesota, N.A., as successor rights agent to First Chicago Trust Company of New York.	Incorporated by reference to Exhibit 2 to Gannett Co., Inc.'s Form 8-A/A filed on May 2, 2000.
4-3	Form of Rights Certificate.	Incorporated by reference to Exhibit 1 to Gannett Co., Inc.'s Form 8-A filed on May 23, 1990.
4-4	Specimen Certificate for Gannett Co., Inc.'s common stock, par value \$1.00 per share.	Incorporated by reference to Exhibit 2 to Gannett Co., Inc.'s Form 8-B filed on June 14, 1972.
10-1	Revolving Credit Agreement among Gannett Co., Inc., the Several Lenders from Time to Time Parties Thereto, and Bank One, N.A., as Administrative Agent, dated as of February 27, 2004 and Effective as of March 15, 2004.	Attached.
10-2	Competitive Advance and Revolving Credit Agreement among Gannett Co., Inc., the Several Lenders from Time to Time Parties Thereto, Bank of America, N.A., as Administrative Agent and JPMorgan Chase Bank, as Syndication Agent, dated as of February 27, 2004 and Effective as of March 15, 2004.	Attached.
10-3	Gannett Co., Inc. Deferred Compensation Plan Restatement dated February 1, 2003 (reflects all amendments through February 23, 2004).*	Attached.

11	Statement Regarding Computation of Earnings Per Share	Attached.
31-1	Certification Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.	Attached.
31-2	Certification Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.	Attached.
32-1	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Attached.
32-2	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Attached.

The company agrees to furnish to the Commission, upon request, a copy of each agreement with respect to long-term debt not filed herewith in reliance upon the exemption from filing applicable to any series of debt which does not exceed 10% of the total consolidated assets of the company.

\* Asterisks identify management contracts and compensatory plans or arrangements.

BY LAWS  
OF  
GANNETT CO., INC.

as amended  
through  
February 24, 2004

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BY-LAWS  
OF  
GANNETT CO., INC.  
ARTICLE I.

Meetings of Stockholders

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

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

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

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

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

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Section 6. Quorum and Conduct of Meetings.

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

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

Section 7. Voting.

(a) At each meeting of stockholders every stockholder of record of the Corporation entitled to vote at such meeting shall be entitled to one vote for each share of stock of the Corporation registered in his name on the books of the Corporation on the record date for such meeting. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy. Such proxy shall be appointed by an instrument in writing, subscribed by such stockholder or by his attorney thereunto authorized and delivered to the secretary of the meeting, or shall otherwise be executed and transmitted as may be permissible under applicable law; provided, however, that

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no proxy shall be voted on after three years from its date unless said proxy provides for a longer period. At all meetings of the stockholders, all matters (except where other provision is made by statute, by the Certificate of Incorporation or by these By-laws) shall be decided by the vote of a majority of the stock present in person or by proxy and entitled to vote at the meeting. At each meeting of stockholders for the election of Directors, the voting for Directors need not be by ballot unless the chairman of the meeting or the holders, present in person or by proxy, of a majority of the stock of the Corporation entitled to vote at such meeting shall so determine.

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

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

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

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

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is to be held. The list shall be produced and kept at the time and place of said meeting during the whole time thereof and subject to the inspection of any stockholder who shall be present thereat. The original or duplicate stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, such list or the books of the Corporation, or to vote in person or by proxy at such meeting.

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

## ARTICLE II.

### Board of Directors

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

Section 2. Number and Terms: Except as otherwise fixed pursuant to the provisions of Article FOURTH of the Certificate of Incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of the directors of the Corporation shall be fixed from time to time by majority vote of the entire Board of Directors. The directors, other than those who may be elected by the holders of any class or series of stock having preference over the Common Stock as to dividends or upon liquidation, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as determined by the Board of Directors, one class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1986, another class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1987, and another class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1988, with the members of each class to hold office until their successors are elected and qualified. At each annual meeting of the stockholders of the Corporation, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

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

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

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

Every person who is elected a director of this Corporation shall own, directly or beneficially (beneficial ownership to be determined in accordance with the Securities Exchange Act of 1934), at least one thousand shares of the common stock of this Corporation as of the annual meeting of shareholders held in May 2003 and thereafter, at least two thousand shares of the common stock of this Corporation as of the annual meeting of shareholders held in May 2004 and thereafter, and at least three thousand shares of the common stock of this Corporation as of the annual meeting of shareholders held in May 2005 and thereafter. Shares of common stock issuable upon vesting of restricted stock units or in a director's account in the Corporation's deferred compensation plan shall be counted for purposes of this ownership requirement.

Section 4. Nominations: Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, nominations for the election of directors may be made by the Board of Directors or a committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of directors generally. However, any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as director at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than (i) with respect to an election to be held at an annual meeting of stockholders, 90 days in advance of such meeting, and (ii) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the tenth day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission, had the nominee been nominated, or intended to be nominated, by the Board of Directors; and (e) the consent of each nominee to serve as a director of the Corporation if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

Section 5. Notice of Stockholder Business: At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or

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(c) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than 90 days prior to the meeting. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (d) any material interest of the stockholder in such business. Notwithstanding anything in the By-laws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 5. The chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 5 and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

Section 6. Election: At each annual meeting of stockholders, Directors shall, except as otherwise required or provided by law or by the Certificate of Incorporation, be elected by a plurality of the votes cast at such meeting by the holders of stock entitled to vote in the election. Each Director shall hold office until his successor shall be elected and qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided, or until he shall cease to qualify.

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

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

Section 9. Newly Created Directorships and Vacancies: Except as otherwise fixed pursuant to the provisions of Article FOURTH of the Certificate of Incorporation relating to the rights of the holders of any class or series of stock having preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until

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such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

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

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

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

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

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

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

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Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

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

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

- (1) The amendment of the Certificate of Incorporation of the Corporation (except as provided under the Delaware General Corporation Law);
- (2) The amendment of the By-laws of the Corporation;
- (3) Approval or recommending to stockholders any action which must be submitted to stockholders for approval under the Delaware General Corporation Law.

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

Section 17. Indemnification.

(a) Each person (including, here and hereinafter, the heirs, executors, administrators, or estate of such person) (1) who is or was a Director or officer of the Corporation, (2) who is or was an agent or employee of the Corporation other than an officer and as to whom the Corporation has agreed to grant such

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

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

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

(d) The rights to indemnification and advance payment of expenses hereunder shall be in addition to any other right which any director, officer,

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employee, agent, or representative may have under any statute, provision of the Certificate of Incorporation, By-law, agreement, vote of stockholders or directors, or otherwise.

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

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

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

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

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

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

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

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

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

### ARTICLE III.

#### Officers

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

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

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

Without limitation of the foregoing:

- (a) **Chairman, President and Chief Executive Officer**: The Chairman, President and Chief Executive Officer shall be the chief executive officer of the Corporation and shall preside at all meetings of the Board and of the Executive Committee of the Board and at all meetings of stockholders. He shall be a director of the Corporation, and he shall be an ex officio member of all committees of the Board, except the Executive Compensation and the Audit Committees.
  - (b) **Vice Presidents**: The Board of Directors shall determine the powers and duties of the respective Vice Presidents and may, in its discretion, fix such order of seniority among the respective Vice Presidents as it may deem advisable.
  - (c) **Secretary**: The Secretary shall issue notices of all meetings of the stockholders and Directors where notices of such meetings are required by law or these By-laws and shall keep the minutes of such meetings. He shall sign such instruments and attest such documents as require his signature of attestation and affix the corporate seal thereto where appropriate.
  - (d) **Treasurer**: The Treasurer shall have custody of all funds and securities of the Corporation and shall sign all instruments and documents as require his signature.
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He shall perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors.

- (e) **Controller:** The Controller shall be in charge of the accounts of the Corporation and he shall have such powers and perform such duties as may be assigned to him by the Board of Directors.
- (f) **General Counsel:** The General Counsel shall have general control of all matters of legal import concerning the Corporation.

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

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

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

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

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

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

Section 10. **Proxies in Respect of Securities of Other Corporations:** Unless otherwise provided by resolution adopted by the Board of Directors, the Chairman of the Board, the

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

#### ARTICLE IV.

##### Shares and Their Transfer

Section 1. Certificates of Stock: Every stockholder shall be entitled to have a certificate certifying the number of shares of stock of the Corporation owned by him signed by, or in the name of, the Corporation by the Chairman of the Board, or the President and Chief Executive Officer, the Vice Chairman, or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation. Any of or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar.

Section 2. Transfers: Certificates shall be registered for transfer on the stock books of the Corporation in person or by attorney, but, except as hereinafter provided in the case of loss, destruction or mutilation of certificates, no transfer of stock shall be entered until the previous certificate, if any, given for the same shall have been surrendered and canceled.

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

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

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

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ARTICLE V.

Seal

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

ARTICLE VI.

Amendments

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

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REVOLVING CREDIT AGREEMENT

among

GANNETT CO., INC.,

The Several Lenders  
from Time to Time Parties Hereto,

and

BANK ONE, NA,  
as Administrative Agent,

Dated as of February 27, 2004

Effective Date as of March 15, 2004

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## TABLE OF CONTENTS

	Page
ARTICLE I <u>Definitions</u>	1
Section 1.1    Defined Terms	1
Section 1.2    Other Definitional Provisions	8
ARTICLE II <u>Amount and Terms of the Facilities</u>	8
Section 2.1    Revolving Credit Commitments	8
Section 2.2    Procedure for Revolving Credit Borrowing	9
Section 2.3    Termination or Reduction of Commitments	9
Section 2.4    Optional Prepayments	9
Section 2.5    Conversion and Continuation Options	9
Section 2.6    Minimum Amounts of Eurodollar Borrowings	10
Section 2.7    Repayment of Loans; Evidence of Debt	10
Section 2.8    Interest Rates and Payment Dates	11
Section 2.9    Fees	11
Section 2.10   Computation of Interest and Fees	11
Section 2.11   Inability to Determine Interest Rate	12
Section 2.12   Pro Rata Treatment and Payments	12
Section 2.13   Requirements of Law	13
Section 2.14   Taxes	14
Section 2.15   Indemnity	16
Section 2.16   Change of Lending Office	16
Section 2.17   Replacement of Lenders	16
ARTICLE III <u>Representations and Warranties</u>	17
Section 3.1    Organization; Powers	17
Section 3.2    Financial Condition; No Material Adverse Effect	17
Section 3.3    Properties	17
Section 3.4    Litigation	17
Section 3.5    No Conflicts	17
Section 3.6    Taxes	18
Section 3.7    Authorization; Enforceability	18
Section 3.8    Environmental Matters	18
Section 3.9    No Change	18
Section 3.10   Federal Regulations	18
Section 3.11   No Default	18
Section 3.12   Investment Company Act; Federal Regulations	19
ARTICLE IV <u>Conditions</u>	19
ARTICLE V <u>Affirmative Covenants</u>	19
Section 5.1    Financial Statements and Other Information	19
Section 5.2    Payment of Obligations	20

---



Section 5.3	Books and Records; Inspection Rights	20
Section 5.4	Notices of Material Events	20
Section 5.5	Existence; Conduct of Business	21
Section 5.6	Maintenance of Properties; Insurance	21
Section 5.7	Compliance with Laws	21
Section 5.8	Debt Ratings	21
 <b>ARTICLE VI <u>Negative Covenants</u></b>		 21
Section 6.1	Liens	21
Section 6.2	Fundamental Changes	22
Section 6.3	Shareholders' Equity	22
 <b>ARTICLE VII <u>Events of Default</u></b>		 22
Section 7.1	Events of Default	22
Section 7.2	Remedies	23
 <b>ARTICLE VIII <u>The Administrative Agent</u></b>		 24
Section 8.1	Appointment	24
Section 8.2	Delegation of Duties	24
Section 8.3	Exculpatory Provisions	24
Section 8.4	Reliance by Administrative Agent	24
Section 8.5	Notice of Default	25
Section 8.6	Non-Reliance on Administrative Agent and Other Lenders	25
Section 8.7	Indemnification	25
Section 8.8	Agent in Its Individual Capacity	26
Section 8.9	Successor Administrative Agent	26
 <b>ARTICLE IX <u>Miscellaneous</u></b>		 26
Section 9.1	Amendments and Waivers	26
Section 9.2	Notices	27
Section 9.3	No Waiver; Cumulative Remedies	28
Section 9.4	Survival of Representations and Warranties	28
Section 9.5	Payment of Expenses and Taxes	28
Section 9.6	Successors and Assigns; Participations and Assignments	29
Section 9.7	Adjustments; Set-off	31
Section 9.8	Counterparts	31
Section 9.9	Severability	31
Section 9.10	Integration	32
<b>Section 9.11</b>	<b>GOVERNING LAW</b>	32
Section 9.12	Submission To Jurisdiction; Waivers	32
Section 9.13	Acknowledgements	32
Section 9.14	Confidentiality	32

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## SCHEDULES

1.1 Commitments

## EXHIBITS

- A Form of Addendum
  - B Form of Assignment and Acceptance
  - C Form of Exemption Certificate
  - D Form of Opinion of Nixon Peabody LLP
  - E Form of Compliance Certificate
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REVOLVING CREDIT AGREEMENT, dated as of February 27, 2004 and effective as of March 15, 2004, among GANNETT CO., INC., a Delaware corporation (“Gannett”), the several banks and other financial institutions from time to time parties to this Agreement (the “Lenders”) and BANK ONE, NA, as administrative agent for the Lenders hereunder (in such capacity, the “Administrative Agent”).

The parties agree as follows:

ARTICLE I

Definitions

Section 1.1 Defined Terms. The following words and terms shall have the following meanings in this Agreement:

“ABR”: for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, the ABR shall be determined without regard to clause (b) of the first sentence of this definition until the circumstances giving rise to such inability no longer exist. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“ABR Loans”: Loans the rate of interest applicable to which is based upon the ABR.

“Addendum”: an instrument, substantially in the form of Exhibit A, by which a Lender becomes a party to this Agreement as of the Effective Date.

“Aggregate Commitment Percentage”: as to any Lender at any time, the percentage which such Lender’s Commitment then constitutes of the aggregate Commitments (or, at any time after the Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender’s Loans then outstanding constitutes of the aggregate principal amount of the Loans then outstanding).

“Agreement”: this Revolving Credit Agreement, as amended, supplemented or otherwise modified from time to time.

“Applicable Margin”: the appropriate rate per annum set forth in the table below:

<u>Credit Status</u>	<u>Applicable Margin</u>
Credit Status 1	18.00 Basis Points
Credit Status 2	17.00 Basis Points
Credit Status 3	21.00 Basis Points
Credit Status 4	37.50 Basis Points
Credit Status 5	45.00 Basis Points
Credit Status 6	50.00 Basis Points

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“Assignee”: as defined in Section 9.6(c).

“Assignment and Acceptance”: an Assignment and Acceptance, substantially in the form of Exhibit B.

“Available Commitment”: as to any Lender at any time, the excess, if any, of such Lender’s Commitment over such Lender’s Loans.

“Basis Point”: 1/100th of one percent.

“Board”: the Board of Governors of the Federal Reserve System, or any successor thereto.

“Borrowing”: a group of Loans of a single Type made by the Lenders on a single date and as to which a single Interest Period is in effect.

“Borrowing Date”: any Business Day specified by Gannett as a date on which Gannett requests the relevant Lenders to make Loans hereunder.

“Business Day”: each Monday, Tuesday, Wednesday, Thursday and Friday which is not a legal holiday for banks in Chicago, Illinois or the State of New York; provided, that with respect to notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

“Code”: the Internal Revenue Code of 1986, as amended from time to time.

“Commitment”: as to any Lender, the obligation of such Lender to make Loans in an aggregate principal and/or face amount not to exceed the amount set forth under the heading “Commitment” opposite such Lender’s name on Schedule 1.1 or in the Assignment and Acceptance pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof.

“Commitment Percentage”: as to any Lender at any time, the percentage which such Lender’s Commitment then constitutes of the aggregate Commitments (or, at any time after the Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender’s Loans then outstanding constitutes of the aggregate principal amount of the Loans then outstanding).

“Commitment Period”: the period from and including the Effective Date to the Termination Date.

“Commitment Utilization Percentage”: on any day, the percentage equivalent of a fraction (a) the numerator of which is the sum of the aggregate outstanding principal amount of all Loans and (b) the denominator of which is the Total Commitment (or, on any day after termination of the Commitments, the Total Commitment in effect immediately preceding such termination).

“Conduit Lender”: any special purpose corporation organized and administered by any Lender for the purpose of making Loans hereunder otherwise required to be made by such Lender and designated by such Lender in a written instrument, subject to the consent of the Administrative Agent and Gannett; provided, that the designation by any Lender of a Conduit Lender shall not relieve the

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designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 2.13, 2.14, 2.15 or 9.5 than the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender or (b) be deemed to have any Commitment hereunder.

“Contractual Obligation”: as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Credit Status”: any of Credit Status 1, Credit Status 2, Credit Status 3, Credit Status 4, Credit Status 5 or Credit Status 6. In determining whether Credit Status 1, Credit Status 2, Credit Status 3, Credit Status 4, Credit Status 5 or Credit Status 6 shall apply in any circumstance, if the applicable ratings by S&P and Moody’s differ, the higher of the two ratings will be determinative, unless the applicable ratings by S&P and Moody’s are more than one level apart, in which case the Credit Status one level below the higher rating will be determinative. In the event that Gannett’s senior unsecured long-term debt is rated by only one of S&P and Moody’s, then that single rating shall be determinative. The Borrower shall at all times maintain a senior unsecured long-term debt rating from either S&P or Moody’s.

“Credit Status 1” shall exist upon the occurrence of the higher of a rating by S&P of Gannett’s senior unsecured long-term debt of at least A+ or a rating by Moody’s of Gannett’s senior unsecured long-term debt of at least A1.

“Credit Status 2” shall exist upon the occurrence of the higher of a rating by S&P of Gannett’s senior unsecured long-term debt of at least A but lower than A+ or a rating by Moody’s of Gannett’s senior unsecured long-term debt of at least A2 but lower than A1.

“Credit Status 3” shall exist upon the occurrence of the higher of a rating by S&P of Gannett’s senior unsecured long-term debt of at least A- but lower than A or a rating by Moody’s of Gannett’s senior unsecured long-term debt of at least A3 but lower than A2.

“Credit Status 4” shall exist upon the occurrence of the higher of a rating by S&P of Gannett’s senior unsecured long-term debt of at least BBB+ but lower than A- or a rating by Moody’s of Gannett’s senior unsecured long-term debt of at least Baa1 but lower than A3.

“Credit Status 5” shall exist upon the occurrence of the higher of a rating by S&P of Gannett’s senior unsecured long-term debt of at least BBB but lower than BBB+ or a rating by Moody’s of Gannett’s senior unsecured long-term debt of at least Baa2 but lower than Baa1.

“Credit Status 6” shall exist upon the occurrence of the higher of a rating by S&P of Gannett’s senior unsecured long-term debt of lower than BBB or a rating by Moody’s of Gannett’s senior unsecured long-term debt of lower than Baa2.

“Default”: any of the events specified in Section 7.1, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

“Dollars” and “\$”: dollars in lawful currency of the United States of America.

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“Effective Date”: the date identified by Gannett in a written notice to the Administrative Agent, which date shall be at least one Business Day after receipt by the Administrative Agent of such notice and shall, in any case, occur no later than March 15, 2004.

“Environmental Laws”: any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

“Eurocurrency Reserve Requirements”: for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D of the Board) maintained by a member bank of such System.

“Eurodollar Base Rate”: with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the Telerate screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on Page 3750 of the Dow Jones Markets screen (or otherwise on such screen), the “Eurodollar Base Rate” shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered Dollar deposits at or about 11:00 A.M., Chicago, Illinois time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

“Eurodollar Borrowing”: a Borrowing comprised of Eurodollar Loans.

“Eurodollar Loan”: any Loan bearing interest at a rate determined by reference to the Eurodollar Rate.

“Eurodollar Rate”: with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

“Event of Default”: any of the Events of Default specified in Section 7.1 of this Agreement.

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“Excess Utilization Day”: each day on which the Commitment Utilization Percentage exceeds 50%.

“Extended Date”: as defined in Section 2.7(b) of this Agreement.

“Extended Loans”: as defined in Section 2.7(b) of this Agreement.

“Federal Funds Effective Rate”: for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day of such rates on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

“GAAP”: generally accepted accounting principles in the United States as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 3.2. In the event that any “Accounting Change” (as defined below) shall occur and such change results in a material change in the method of calculation of financial covenants, standards or terms in this Agreement, then Gannett and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating Gannett’s financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by Gannett, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. “Accounting Changes” refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the Securities and Exchange Commission.

“Governmental Authority”: any nation or government, any state or other political subdivision thereof and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government.

“Interest Payment Date”: (a) as to any ABR Loan, the last day of each March, June, September and December to occur while such Loan is outstanding and on the date such Loan is paid in full, (b) as to any Eurodollar Loan, the last day of the Interest Period applicable thereto and (c) as to any Eurodollar Loan having an Interest Period longer than three months or 90 days, each day which is three months or 90 days, respectively, after the first day of the Interest Period applicable thereto; provided that, in addition to the foregoing, each of (x) the date upon which both the Commitments have been terminated and the Loans have been paid in full and (y) the Termination Date shall be deemed to be an “Interest Payment Date” with respect to any interest which is then accrued hereunder.

“Interest Period”: with respect to any Eurodollar Loan:

- (i) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six (or, if available to all the Lenders, nine) months thereafter, as selected by Gannett in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and
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- (ii) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six (or, if available to all the Lenders, nine) months thereafter, as selected by Gannett by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto;

provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

- (A) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of an Interest Period pertaining to a Eurodollar Loan, the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day; and
- (B) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

“Lender Affiliate”: (a) any affiliate of any Lender, (b) any Person that is administered or managed by any Lender and that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business and (c) with respect to any Lender which is a fund that invests in commercial loans and similar extensions of credit, any other fund that invests in commercial loans and similar extensions of credit and is managed or advised by the same investment advisor as such Lender or by an affiliate of such Lender or investment advisor.

“Lenders”: as defined in the preamble hereto; provided, that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender.

“Lien”: any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

“Loan”: as defined in Section 2.1(a).

“Material”: when used to describe an adverse effect or an event on Gannett or its Subsidiaries, shall mean a condition, event or act which, with the giving of notice or lapse of time or both, will constitute a Default or an Event of Default.

“Material Adverse Effect”: a Material adverse effect on (a) the business, assets, operations or condition, financial or otherwise, of Gannett and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or the material rights or remedies of the Administrative Agent and the Lenders hereunder.

“Moody’s”: Moody’s Investors Service, Inc. and its successors; provided, however, that if Moody’s ceases rating securities similar to the senior unsecured long-term debt of the Borrower and its ratings and business with respect to such securities shall not have been transferred to any successor, then

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“Moody’s” shall mean any other nationally recognized rating agency (other than S&P) selected by the Borrower and approved by the Administrative Agent (not to be unreasonably withheld or delayed) that rates any senior unsecured long-term debt of the Borrower.

“Net Property, Plant and Equipment”: the amount under that heading on the consolidated balance sheet of Gannett and its Subsidiaries prepared in accordance with GAAP.

“Non-Excluded Taxes”: as defined in Section 2.14(a).

“Non-U.S. Lender”: as defined in Section 2.14(d).

“Other Taxes”: any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

“Participant”: as defined in Section 9.6(b).

“Person”: an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“Prime Rate”: the rate of interest per annum equal to the prime rate of interest announced from time to time by Bank One, NA or its parent (which is not necessarily the lowest rate charged to any customer), changing when and as said prime rate changes.

“Register”: as defined in Section 9.6(d).

“Required Lenders”: at any time, the holders of more than 50% of the Total Commitments then in effect or, if the Commitments have been terminated, the Total Extensions of Credit then outstanding.

“Requirement of Law”: as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“S&P”: Standard & Poor’s Corporation and its successors; provided, however, that if S&P ceases rating securities similar to the senior unsecured long-term debt of the Borrower and its ratings and business with respect to such securities shall not have been transferred to any successor, then “S&P” shall mean any other nationally recognized rating agency (other than Moody’s) selected by the Borrower and approved by the Administrative Agent (not to be unreasonably withheld or delayed) that rates any senior unsecured long-term debt of the Borrower.

“Subsidiary”: any corporation the majority of the shares of voting stock of which at any time outstanding is owned directly or indirectly by Gannett or by one or more of its other subsidiaries or by Gannett in conjunction with one or more of its other subsidiaries.

“Termination Date”: the second anniversary of the Effective Date; provided that if such date is not a Business Day, the Termination Date shall be the Business Day immediately preceding such date.

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“Total Commitments”: at any time, the aggregate amount of the Commitments then in effect.

“Total Extensions of Credit”: at any time, the aggregate amount of all Loans of the Lenders outstanding at such time.

“Total Shareholders’ Equity”: the amount appearing under that heading on the consolidated balance sheet of Gannett and its Subsidiaries, prepared in accordance with GAAP.

“Transferee”: any Assignee or Participant.

“Type”: as to any Loan, its nature as an ABR Loan or a Eurodollar Loan.

#### Section 1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto.

(b) As used herein, and any certificate or other document made or delivered pursuant hereto, accounting terms relating to Gannett and its Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

## ARTICLE II

### Amount and Terms of the Facilities

Section 2.1 Revolving Credit Commitments. (a) Subject to the terms and conditions hereof, each Lender severally agrees to make revolving credit loans (“Loans”) to Gannett from time to time during the Commitment Period in an aggregate principal amount at any one time outstanding which does not exceed the amount of such Lender’s Commitment. During the Commitment Period, Gannett may use the Commitments by borrowing, prepaying the Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. Notwithstanding anything to the contrary contained in this Agreement, in no event (after giving effect to the use of proceeds of any Borrowing) shall (i) the amount of any Lender’s Commitment Percentage of a Borrowing of Loans exceed such Lender’s Available Commitment at the time of such Borrowing or (ii) the aggregate amount of Loans at any one time outstanding exceed the aggregate Commitments then in effect of all Lenders.

(b) The Loans may from time to time be (i) Eurodollar Loans, (ii) ABR Loans or (iii) a combination thereof, as determined by Gannett and notified to the Administrative Agent in accordance with Sections 2.2 and 2.5; provided that no Loan shall be made as a Eurodollar Loan after the day that is one month prior to the Termination Date.

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Section 2.2 Procedure for Revolving Credit Borrowing. Gannett may borrow Loans under the Commitments on any Business Day; provided that Gannett shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 11:00 A.M., Chicago, Illinois time, (a) three Business Days prior to the requested Borrowing Date, if all or any part of the requested Loans are to be Eurodollar Loans, or (b) on the requested Borrowing Date, otherwise), specifying (i) the amount to be borrowed, (ii) the requested Borrowing Date, (iii) whether the Borrowing is to be of Eurodollar Loans, ABR Loans or a combination thereof and (iv) if the Borrowing is to be entirely or partly of Eurodollar Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Periods therefor. Any Loans made on the Effective Date shall be ABR Loans. Each Borrowing under the Commitments shall be in an amount equal to \$10,000,000 or a multiple of \$1,000,000 in excess thereof. Upon receipt of any such notice from Gannett, the Administrative Agent shall promptly notify each relevant Lender thereof. Each relevant Lender will make the amount of its pro rata share of each Borrowing available to the Administrative Agent for the account of Gannett at the office of the Administrative Agent specified in Section 9.2 prior to 1:00 P.M., Chicago, Illinois time, on the Borrowing Date requested by Gannett in funds immediately available to the Administrative Agent. Such Borrowing will then immediately be made available to Gannett by the Administrative Agent crediting the account of Gannett on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Lenders and in like funds as received by the Administrative Agent.

Section 2.3 Termination or Reduction of Commitments. Gannett shall have the right, upon not less than two Business Days' notice to the Administrative Agent, to terminate the Commitments when no Loans are then outstanding or, from time to time, to reduce the unutilized portion of the Commitments. Any such reduction pursuant to this Section 2.3 shall be in an amount equal to \$10,000,000 or a multiple of \$1,000,000 in excess thereof and shall reduce permanently the applicable Commitments then in effect, and the fees payable pursuant to Section 2.9 shall then reflect the reduced Commitments.

Section 2.4 Optional Prepayments. Gannett may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent at least three Business Days prior thereto in the case of Eurodollar Loans and at least one Business Day prior thereto in the case of ABR Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans or ABR Loans; provided, that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, Gannett shall also pay any amounts owing pursuant to Section 2.15. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest and fees to such date on the amount prepaid. Partial prepayments shall be in an aggregate principal amount of \$10,000,000 or a multiple of \$1,000,000 in excess thereof.

Section 2.5 Conversion and Continuation Options. (a) Gannett may elect from time to time to convert Eurodollar Loans to ABR Loans by giving the Administrative Agent at least one Business Day's prior irrevocable notice of such election; provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. Gannett may elect from time to time to convert ABR Loans to Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election. Any such notice of conversion to Eurodollar Loans shall specify the length of the initial Interest Period or Interest Periods therefor. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. All or any part of outstanding Eurodollar Loans and ABR Loans may be converted as provided herein; provided that (i) no Loan may be converted into a Eurodollar Loan when any Event of Default has

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occurred and is continuing and (ii) no Loan may be converted into a Eurodollar Loan after the date that is one month prior to the Termination Date.

(b) Any Eurodollar Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by Gannett giving notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans; provided that no Eurodollar Loan may be continued as such (i) when any Event of Default has occurred and is continuing or (ii) after the date that is one month prior to the Termination Date; and provided, further, that if Gannett shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Eurodollar Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period.

Section 2.6 Minimum Amounts of Eurodollar Borrowings. All borrowings, conversions and continuations of Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of the Loans comprising each Eurodollar Borrowing shall be equal to \$10,000,000 or a multiple of \$1,000,000 in excess thereof and so that there shall not be more than 20 Eurodollar Borrowings outstanding at any one time.

Section 2.7 Repayment of Loans; Evidence of Debt. (a) Gannett hereby unconditionally promises to pay to each Lender on the Termination Date (or such earlier date as the Loans become due and payable pursuant to Article 7 or Section 2.4), the unpaid principal amount of each Loan made by such Lender. Gannett hereby further agrees to pay interest in immediately available funds at the office of the Administrative Agent on the unpaid principal amount of the Loans from time to time from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.8.

(b) Notwithstanding anything to the contrary contained herein, so long as Gannett gives the Administrative Agent at least 30 days' notice in advance of the Termination Date, Gannett may elect that all or any portion of the Loans outstanding on the Termination Date shall become a term loan and be due and payable in full on the date (the "Extended Date"; the Loans so extended, the "Extended Loans") which is one year following the Termination Date (or such earlier date as the Loans become due and payable pursuant to Article 7 or Section 2.4).

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of Gannett to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such Lender from time to time under this Agreement.

(d) The Administrative Agent shall maintain the Register pursuant to Section 9.6(d), and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Loan made hereunder, the Type of each Loan made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from Gannett to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from Gannett and each Lender's share thereof.

(e) The entries made in the Register and accounts maintained pursuant to paragraphs (c) and (d) of this Section 2.7 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of Gannett therein recorded; provided, however, that the

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failure of any Lender or the Administrative Agent to maintain such account, such Register or such subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of Gannett to repay (with applicable interest) the Loans made to Gannett by such Lender in accordance with the terms of this Agreement.

Section 2.8 Interest Rates and Payment Dates. (a) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at a rate per annum equal to the Eurodollar Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin. The Applicable Margin applicable to Extended Loans shall be increased by .1250%.

(c) Interest shall be payable in arrears on each Interest Payment Date; provided that interest accruing pursuant to paragraph (d) of this Section 2.8 shall be payable from time to time on demand.

(d) (i) If all or a portion of the principal amount of any Loan shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section 2.8 plus 1% and (ii) to the extent permitted under applicable law, if all or a portion of any interest payable on any Loan or any fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans plus 1%, in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

Section 2.9 Fees. (a) Gannett shall pay to the Administrative Agent, for the ratable account of the Lenders, a facility fee (the "Facility Fee") at the rate per annum equal to (i) for each day that Gannett has Credit Status 1, .0700% of the aggregate Commitments on such day, (ii) for each day that Gannett has Credit Status 2, .0800% of the aggregate Commitments on such day, (iii) for each day that Gannett has Credit Status 3, .1000% of the aggregate Commitments on such day, (iv) for each day that Gannett has Credit Status 4, .12500% of the aggregate Commitments on such day, (v) for each day that Gannett has Credit Status 5, .1750% of the aggregate Commitments on such day and (vi) for each day that Gannett has Credit Status 6, .2500% of the aggregate Commitments on such day. On the first Business Day following the last day of each fiscal quarter of Gannett and on the Termination Date (or, if earlier, on the date upon which both the Commitments are terminated and the Loans are paid in full), Gannett shall pay to the Administrative Agent, for the ratable benefit of the Lenders, the portion of the Facility Fee which accrued during the fiscal quarter most recently ended (or, in the case of the payment due on the Termination Date, the portion thereof ending on such date). Such facility fee shall be based upon the aggregate Commitments of the Lenders from time to time, regardless of the utilization by Gannett from time to time thereunder.

(b) Gannett shall pay to the Administrative Agent, for the ratable account of the Lenders, a utilization fee (the "Utilization Fee") at a rate per annum equal to 0.0750% for each day on which the Commitment Utilization Percentage exceeds 50%, which Utilization Fee shall accrue on the average daily amount of the Total Extensions of Credit for each Excess Utilization Day during the term of this Agreement. All Utilization Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days and shall be payable quarterly in arrears.

Section 2.10 Computation of Interest and Fees. (a) Interest payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to

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ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. Fees (other than the Utilization Fees, which shall be calculated as provided in Section 2.9(b)) payable pursuant hereto shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify Gannett and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify Gannett and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on Gannett and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of Gannett, deliver to Gannett a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.10(a).

Section 2.11 Inability to Determine Interest Rate. If prior to the first day of any Interest Period the Administrative Agent shall have determined (which determination shall be conclusive and binding upon Gannett) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, the Administrative Agent shall give telecopy or telephonic notice thereof to Gannett and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans shall be converted, on the last day of the then-current Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans shall be made or continued as such, nor shall Gannett have the right to convert Loans to Eurodollar Loans.

Section 2.12 Pro Rata Treatment and Payments. (a) Each borrowing of Loans from the Lenders hereunder, each payment by Gannett on account of any fee hereunder and, subject to the last sentence of Section 2.3, any reduction of the Commitments of the Lenders shall be made pro rata according to the respective Commitments of the relevant Lenders. Subject to the last sentence of Section 2.3, each payment (including each prepayment) by Gannett on account of principal of and interest on the Loans shall be made pro rata according to the respective outstanding principal amounts of the Loans then held by the Lenders.

(b) All payments (including prepayments) to be made by Gannett hereunder, whether on account of principal, interest, fees or otherwise, shall be made without set-off or counterclaim and shall be made prior to 12:00 Noon, Chicago, Illinois time, on the due date thereof to the Administrative Agent, for the account of the relevant Lenders, at the Agent's office specified in Section 9.2, in Dollars and in immediately available funds. Notwithstanding the foregoing, the failure by Gannett to make a payment (or prepayment) prior to 12:00 Noon on the due date thereof shall not constitute a Default or Event of Default if such payment is made on such due date; provided, however, that any payment (or prepayment) made after such time on such due date shall be deemed made on the next Business Day for the purposes of interest and reimbursement calculations. The Administrative Agent shall distribute such payments to the relevant Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall

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be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(c) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to Gannett a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate equal to the daily average Federal Funds Effective Rate for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days of such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans, on demand, from Gannett. Nothing herein shall be deemed to limit the rights of Gannett against any Lender who fails to make its share of such borrowing available.

(d) Unless the Administrative Agent shall have been notified in writing by Gannett prior to the date of any payment being made hereunder that Gannett will not make such payment to the Administrative Agent, the Administrative Agent may assume that Gannett is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by Gannett within three Business Days of such required date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against Gannett.

Section 2.13 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

- (i) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by Section 2.14 and changes in the rate of tax on the overall net income of such Lender);
  - (ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Rate hereunder; or
  - (iii) shall impose on such Lender any other condition affecting Eurodollar Loans;
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and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, Gannett shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify Gannett (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled. Gannett shall not be liable in respect of any such increased costs to, or reduced amount of any sum received or receivable by, any Lender pursuant to this Section 2.13(a) with respect to any interest, fees or other amounts accrued by such Lender more than 15 days prior to the date notice thereof is given to Gannett pursuant to this Section 2.13(a).

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, within 15 days after submission by such Lender to Gannett (with a copy to the Administrative Agent) of a written request therefor, Gannett shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction; provided that Gannett shall not be required to compensate a Lender pursuant to this paragraph for any amounts incurred more than 30 days prior to the date that such Lender notifies Gannett of such Lender's intention to claim compensation therefor; and provided further that, if the circumstances giving rise to such claim have a retroactive effect, then such 30 day period shall be extended to include the period of such retroactive effect.

(c) A certificate, setting forth a reasonably detailed explanation as to the reason for any additional amounts payable pursuant to this Section 2.13, submitted by any Lender to Gannett (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The obligations of Gannett pursuant to this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 2.14 Taxes. (a) All payments made by Gannett under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent or any Lender hereunder, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, provided, however, that Gannett shall not be required to increase any such amounts payable

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to any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's failure to comply with the requirements of paragraph (d) or (e) of this Section or (ii) that are United States withholding taxes imposed on amounts payable to such Lender at the time the Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from Gannett with respect to such Non-Excluded Taxes pursuant to this paragraph.

(b) In addition, Gannett shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by Gannett, as promptly as possible thereafter Gannett shall send to the Administrative Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an original official receipt received by Gannett showing payment thereof. If Gannett fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, Gannett shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result of any such failure.

(d) Each Lender (or Transferee) that is not a "U.S. Person" as defined in Section 7701(a)(30) of the Code (a "Non-U.S. Lender") shall deliver to Gannett and the Administrative Agent (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement substantially in the form of Exhibit C and a Form W-8BEN, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments by Gannett under this Agreement. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement or designates a new lending office (or, in the case of any Participant, on or before the date such Participant purchases the related participation). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify Gannett at any time it determines that it is no longer in a position to provide any previously delivered certificate to Gannett (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Non-U.S. Lender shall not be required to deliver any form pursuant to this paragraph that such Non-U.S. Lender is not legally able to deliver.

(e) If the Administrative Agent or any Lender receives a refund in respect of any amounts paid by Gannett pursuant to this Section 2.14, which refund in the reasonable judgment of such Administrative Agent or such Lender is allocable to such payment, it shall pay the amount of such refund to Gannett, net of all reasonable out-of-pocket expenses of the Administrative Agent or such Lender, provided however, that Gannett, upon the request of such Lender or the Administrative Agent, agrees to repay the amount paid over to Gannett to the Administrative Agent or such Lender in the event such Administrative Agent or the Lender is required to repay such refund. Nothing contained herein shall interfere with the right of the Administrative Agent or any Lender to arrange its tax affairs in whatever manner it deems fit nor oblige the Administrative Agent or any Lender to apply for any refund or to disclose any information relating to its affairs or any computations in respect thereof.

(f) The agreements in this Section 2.14 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

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Section 2.15 Indemnity. Gannett agrees to indemnify each Lender and to hold each Lender harmless from any loss or expense that such Lender sustains or incurs as a consequence of (a) default by Gannett in making a borrowing of, conversion into or continuation of Eurodollar Loans after Gannett has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by Gannett in making any prepayment of or conversion from Eurodollar Loans after Gannett has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to Gannett by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 2.16 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.13 or 2.14(a) with respect to such Lender, it will, if requested by Gannett, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of Gannett or the rights of any Lender pursuant to Section 2.13 or 2.14(a).

Section 2.17 Replacement of Lenders. Gannett shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.13 or 2.14(a) or (b) defaults in its obligation to make Loans hereunder, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) prior to any such replacement, such Lender shall have taken no action under Section 2.16 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.13 or 2.14(a), (iii) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (iv) Gannett shall be liable to such replaced Lender under Section 2.15 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (v) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (vi) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 9.6 (provided that Gannett shall be obligated to pay the registration and processing fee referred to therein), (vii) until such time as such replacement shall be consummated, Gannett shall pay all additional amounts (if any) required pursuant to Section 2.13 or 2.14(a), as the case may be, and (viii) any such replacement shall not be deemed to be a waiver of any rights that Gannett, the Administrative Agent or any other Lender shall have against the replaced Lender.

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## ARTICLE III

Representations and Warranties

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans, Gannett hereby represents and warrants to the Administrative Agent and each Lender that:

Section 3.1 Organization; Powers. Gannett and each of its Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. Except where the failure to do so, individually or in the aggregate, would result in a Material Adverse Effect, Gannett and each of its Subsidiaries is duly qualified to do business as a foreign corporation and is in good standing in all states in which it owns substantial properties or in which it conducts a substantial business and its activities make such qualifications necessary.

Section 3.2 Financial Condition; No Material Adverse Effect. On or as of the Effective Date, Gannett has furnished to each of the Lenders copies of either its Annual Report for 2002 or a report on Form 8-K, containing in either case, copies of its consolidated balance sheet as of December 29, 2002 and the related statements of consolidated income and changes in shareholders' equity and cash flows for 2002, all reported on by PricewaterhouseCoopers LLP, independent public accountants. The financial statements contained in such Annual Report or report on Form 8-K (including the related notes) fairly present Gannett's consolidated financial condition as of their respective dates and the consolidated results of the operations of Gannett and its Subsidiaries for the periods then ended, and have been prepared in accordance with GAAP. Gannett and its Subsidiaries have no Material liabilities as of December 29, 2002 not reflected in the consolidated balance sheet as of December 29, 2002 or the related notes as of said date, and from that date to the Effective Date there has been no Material change in the business or financial condition of Gannett and its Subsidiaries taken as a whole which has not been publicly disclosed.

Section 3.3 Properties. As of the Effective Date, Gannett and its Subsidiaries owned absolutely, free and clear of all Liens, all of the real or personal property reflected in the consolidated balance sheet dated as of December 29, 2002 referred to in Section 3.2 and all other property acquired by them, respectively after December 29, 2002 except such property as has been disposed of in the ordinary course of business, and except for (i) easements, restrictions, exceptions, reservations or defects which, in the aggregate, do not materially interfere with the continued use of such property or materially affect the value thereof to Gannett or its Subsidiaries, (ii) Liens, if any, for current taxes not delinquent, and (iii) Liens reflected on such consolidated balance sheet or not otherwise prohibited by Section 6.1. As of the Effective Date, Gannett and its Subsidiaries enjoy peaceful and undisturbed possession of their properties which are held under lease and all such leases are in good standing and valid and binding obligations of the lessors in full force and effect, except for exceptions, reservations or defects which in the aggregate do not materially interfere with the continued use of such property or materially affect the value thereof to Gannett or its Subsidiaries.

Section 3.4 Litigation. There are no actions, suits, or proceedings pending or, to Gannett's knowledge, threatened against or affecting it or any Subsidiary in or before any court or foreign or domestic governmental instrumentality, and neither Gannett nor any Subsidiary is in default in respect of any order of any such court or instrumentality which, in Gannett's opinion, are Material.

Section 3.5 No Conflicts. Neither the execution and delivery of this Agreement, the consummation of the transactions herein contemplated, nor compliance with the terms and provisions hereof will conflict with or result in a breach of any of the provisions of Gannett's restated certificate of

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incorporation, as amended, or by-laws, as amended, or any law or regulation, or any order of any court or governmental instrumentality, or any agreement or instrument by which Gannett is bound, or constitute a default thereunder, or result in the imposition of any Lien not permitted under this Agreement upon any of Gannett's property.

Section 3.6 Taxes. To the best of Gannett's knowledge, Gannett and its Subsidiaries have filed all tax returns which are required to be filed by any jurisdiction, and have paid all taxes which have become due pursuant to said returns or pursuant to any assessments against it or its Subsidiaries, except to the extent only that such taxes are not material or are being contested in good faith by appropriate proceedings.

Section 3.7 Authorization; Enforceability. The execution and delivery of this Agreement and the making of all Borrowings permitted by the provisions hereof have been duly authorized by all necessary corporate action on the part of Gannett; this Agreement has been duly and validly executed and delivered by Gannett and constitutes Gannett's valid and legally binding agreement enforceable in accordance with its terms; and the Borrowings when made, will constitute valid and binding obligations of Gannett enforceable in accordance with the terms of this Agreement, except as limited by applicable bankruptcy, insolvency, moratorium, reorganization or other laws, judicial decisions or principles of equity relating to or affecting the enforcement of creditors rights or contractual obligations generally.

Section 3.8 Environmental Matters. In the ordinary course of its business, Gannett becomes aware from time to time of the effect of Environmental Laws on its business, operations and properties and the business, operations and properties of its Subsidiaries, and it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties then owned or operated by Gannett or its Subsidiaries, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted at such properties, and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of these evaluations, Gannett has reasonably concluded that Environmental Laws are unlikely to have a Material Adverse Effect.

Section 3.9 No Change. Since December 29, 2002, there has been no development or event that has had or would have a Material Adverse Effect.

Section 3.10 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, Gannett will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

Section 3.11 No Default. Neither Gannett nor any of its Subsidiaries is in default under or with respect to any of its Contractual Obligations in any respect that would have a Material Adverse Effect.

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Section 3.12 Investment Company Act; Federal Regulations. Gannett is not an “investment company”, or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

#### ARTICLE IV

##### Conditions

The obligation of each Lender to make a Loan hereunder is subject to the accuracy, as of the date hereof, of the representations and warranties herein contained and to the satisfaction of the following further conditions:

(a) The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Administrative Agent and Gannett and (ii) an Addendum, executed and delivered by each Lender listed on Schedule 1.1.

(b) On the date of each Borrowing (i) no Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties contained in Sections 3.1, 3.5 and 3.7 shall be true and correct in all material respects on and as of such date as if made on and as of such date.

(c) On or prior to the date of the first Borrowing hereunder, there shall have been delivered to each Lender an opinion from Nixon Peabody LLP, counsel to Gannett, in substantially the form of Exhibit D hereto. In rendering the foregoing opinion, such counsel may rely upon certificates of officers of Gannett and its Subsidiaries as to factual matters, including (i) the nature and location of the property of Gannett and of its Subsidiaries, (ii) agreements and instruments to which Gannett and/or its Subsidiaries are a party, and (iii) the conduct of the business of Gannett and its Subsidiaries.

(d) On or prior to the date of the first Borrowing hereunder, there shall have been delivered to each Lender a certificate of the Secretary of Gannett certifying, as of the date of this Agreement, to resolutions duly adopted by the Board of Directors of Gannett or a duly authorized committee thereof authorizing Gannett’s execution and delivery of this Agreement and the making of the Borrowings.

(e) Prior to or simultaneously with the Effective Date, the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004, among the Borrower, the several lenders from time to time parties thereto, Bank of America, N.A., as administrative agent, and JPMorgan Chase Bank, as Syndication Agent, shall have become effective.

#### ARTICLE V

##### Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, Gannett covenants and agrees with the Lenders that it shall and shall cause each of its Subsidiaries to:

Section 5.1 Financial Statements and Other Information. Furnish to the Administrative Agent and the Lenders:

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(a) within 60 days after the end of each of the first three quarterly periods in each fiscal year, its consolidated statements of income for such quarterly period and for the period from the beginning of the fiscal year to the end of such quarterly period and its consolidated balance sheet at the end of that period, all in reasonable detail, subject, however, to year-end audit adjustments, together with a certificate of compliance and no default in substantially the form of Exhibit E hereto certified by an appropriate financial officer of Gannett;

(b) within 120 days after and as of the close of each fiscal year, Gannett's Annual Report to shareholders for such fiscal year, containing copies of its consolidated income statement, consolidated balance sheet and changes in shareholders' equity and cash flows for such fiscal year accompanied by a report by PricewaterhouseCoopers LLP or some other accounting firm of national reputation selected by Gannett, based on their examination of such financial statements, which examination shall have been conducted in accordance with generally accepted auditing standards and which report shall indicate that the financial statements have been prepared in accordance with GAAP, together with a certificate of compliance and no default in substantially the form of Exhibit E hereto, certified by an appropriate financial officer of Gannett;

(c) promptly upon their becoming available, copies of all regular and periodic financial reports, if any, which Gannett or any of its Subsidiaries shall file with the Securities and Exchange Commission or with any securities exchange;

(d) promptly upon their becoming available, copies of all prospectuses of Gannett and all reports, proxy statements and financial statements mailed by Gannett to its shareholders generally; and

(e) such other information respecting the financial condition and affairs of Gannett and its subsidiaries as any of the Lenders may from time to time reasonably request.

The financial statements of Gannett and its Subsidiaries hereafter delivered to the Lenders pursuant to this Section 5.1 will fairly set forth the financial condition of Gannett and its Subsidiaries as of the dates thereof, and the results of Gannett's and its Subsidiaries' operations for the respective periods stated therein, all in accordance with GAAP.

Section 5.2 Payment of Obligations. Duly pay and discharge all (i) material obligations when due and (ii) taxes, assessments and governmental charges of which Gannett has knowledge assessed against it or against its properties prior to the date on which penalties are attached thereto, unless and only to the extent that such obligations, taxes, assessments or charters are not material or shall be contested in good faith by appropriate proceedings initiated by Gannett.

Section 5.3 Books and Records; Inspection Rights. (a) Keep proper books of records and account in which true and correct entries, in all material respects, are made of all dealings in relation to its business and activities and (b) permit any Lender, upon reasonable request, to inspect at all reasonable times its properties, operations and books of account.

Section 5.4 Notices of Material Events. Promptly give notice to the Administrative Agent and each Lender of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of Gannett or any of its Subsidiaries or (ii) litigation, investigation or proceeding that may exist at any time

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between Gannett or any of its Subsidiaries and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, would have a material adverse effect on (A) the business, assets, operations or condition, financial or otherwise, of Gannett and its Subsidiaries taken as a whole or (B) the validity or enforceability of this Agreement or the material rights or remedies of the Administrative Agent and the Lenders hereunder; and

(c) any other development or event that has had or would have a Material Adverse Effect.

Each notice pursuant to this Section 5.4 shall be accompanied by a statement of an appropriate officer of Gannett setting forth details of the occurrence referred to therein and stating what action is proposed to take with respect thereto.

Section 5.5 Existence; Conduct of Business. Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation or other transaction permitted under Section 6.2.

Section 5.6 Maintenance of Properties; Insurance. (a) Keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

Section 5.7 Compliance with Laws. Comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, would not have a material adverse effect on (a) the business, assets, operations or condition, financial or otherwise, of Gannett and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or the material rights or remedies of the Administrative Agent and the Lenders hereunder.

Section 5.8 Debt Ratings. With respect to Gannett, use its reasonable best efforts to maintain at all times a senior unsecured long-term debt rating from either S&P or Moody's.

## ARTICLE VI

### Negative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, Gannett covenants and agrees with the Lenders that, it shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

Section 6.1 Liens. Create, incur, assume or permit to exist any Lien on any of its properties or assets now owned or hereafter acquired by it, without making provision satisfactory to the Lenders whereby the Lenders obtain an equal and ratable or prior Lien as security for the payment of the Borrowings; or transfer any of its assets for the purpose of subjecting them to the payment of obligations prior in payment to any of its general creditors; or allow any liability of, or claims, or demands against it, or any of its Subsidiaries, to exist for more than 30 days if the liability, claim or demand might by law be given any priority over those of its general creditors; provided, however, that none of the above shall prohibit Gannett or any Subsidiary from creating or allowing any of the following to exist:

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(a) Liens incurred after the date hereof covering any of Gannett's or its Subsidiaries' properties or assets; provided that the total principal amount of indebtedness of Gannett and its Subsidiaries (on a consolidated basis) secured by all such Liens permitted under this Section 6.1(a) at any time outstanding shall not exceed 50% of Net Property, Plant and Equipment;

(b) leases of all types, whether or not such leases constitute leasebacks of property sold or transferred by Gannett or any Subsidiary;

(c) pledges and deposits securing the payment of worker's compensation or insurance premiums, good-faith deposits in connection with tenders, contracts (other than contracts for the payment of borrowed money) or leases, deposits to secure surety or appeal bonds, liens, pledges or deposits in connection with contracts made with or at the request of the United States Government or any agency thereof, or pledges or deposits for similar purposes made in the ordinary course of business;

(d) liens securing taxes, assessments or governmental or other charges or claims for labor, materials or supplies which are not delinquent or which are being contested in good faith by appropriate proceedings and liens, restrictions, easements, licenses on the use of property or minor irregularities in the title thereof, which do not, in Gannett's opinion, in the aggregate materially impair their use in Gannett's and its Subsidiaries' business; and

(e) Liens on the assets of any Person which becomes a Subsidiary of Gannett after the date of this Agreement to the extent that such liens existed prior to the date of acquisition of such Person by Gannett; provided that such Liens existed at the time such Person became a Subsidiary of Gannett and were not created in anticipation thereof.

Section 6.2 Fundamental Changes. Merge, consolidate, sell, lease, transfer or otherwise dispose of all or substantially all of its assets, unless immediately after giving effect to such transaction, it shall be in compliance with Sections 6.1 and 6.3 hereof and, in the case of a merger or consolidation by Gannett, Gannett shall be the survivor corporation.

Section 6.3 Shareholders' Equity. Permit Gannett's Total Shareholders' Equity at any time to be less than \$3,500,000,000.

## ARTICLE VII

### Events of Default

Section 7.1 Events of Default. The following are Events of Default:

(a) Gannett shall fail to pay when due in accordance with the terms hereof (i) any principal on any Loan and such failure shall have continued for a period of three Business Days or (ii) any interest on any Loan, or any other amount payable hereunder, and such failure shall have continued for a period of five Business Days.

(b) Gannett shall (A) default in any payment of principal or of interest on any other obligation for borrowed money in excess of \$50,000,000 beyond any grace period provided with respect thereto, or (B) default in the performance of any other agreement, term or condition contained in any agreement under which any such obligation is created, if the effect of such default is to cause such obligation to be accelerated or become due prior to its stated maturity.

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(c) Any representation or warranty herein made by Gannett, or any certificate or financial statement furnished by Gannett pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made or furnished and Gannett shall fail to take corrective measures satisfactory to the Required Lenders within 30 days after notice thereof to Gannett from any Lender or the Administrative Agent or by Gannett to the Administrative Agent.

(d) Gannett shall default in the performance of any other covenant, condition or provision hereof and such default shall not be remedied to the satisfaction of the Required Lenders within a period of 30 days after notice thereof to Gannett from any Lender or the Administrative Agent or by Gannett to the Administrative Agent.

(e) Gannett or any Subsidiary with more than \$100,000,000 in revenue in the preceding fiscal year (other than Gannett Satellite Information Network, Inc.) shall (A) apply for or consent to the appointment of a receiver, trustee, or liquidator of Gannett, (B) make a general assignment for the benefit of creditors, or (C) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or take advantage of any insolvency law or an answer admitting the material allegations of a petition filed against Gannett in any bankruptcy, reorganization or insolvency proceeding, or corporate action shall be taken by Gannett for the purpose of affecting any of the foregoing.

(f) An order, judgment or decree shall be entered, without the application, approval or consent of Gannett, by any court of competent jurisdiction, approving a petition seeking reorganization of Gannett or appointing a receiver, trustee or liquidator of Gannett or of all or a substantial part of the assets of Gannett, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

(g) One or more final, non-appealable judgments for the payment of money in an aggregate amount in excess of \$100,000,000 shall be rendered against Gannett, any Subsidiary or any combination thereof, and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed or bonded;

Section 7.2 Remedies. If an Event of Default shall occur and be continuing:

(a) If an Event of Default specified in Section 7.1(e) or (f) shall occur and be continuing, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement shall immediately become due and payable.

(b) If an Event of Default other than those specified in Section 7.1(e) or (f) shall occur and be continuing, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to Gannett, declare Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to Gannett, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement to be due and payable forthwith, whereupon the same shall immediately become due and payable.

(c) Except as expressly provided above in this Article, presentment, demand, protest and all other notices of any kind are hereby expressly waived by Gannett.

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(d) Any Lender giving any notice to Gannett under this Article 7 shall simultaneously give like notice to the Administrative Agent.

## ARTICLE VIII

### The Administrative Agent

Section 8.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent.

Section 8.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

Section 8.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by Gannett or any officer thereof contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or for any failure of Gannett to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of Gannett.

Section 8.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Gannett), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any promissory note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall

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in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

Section 8.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender or Gannett referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

Section 8.6 Non-Reliance on Administrative Agent and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of a Gannett or any affiliate of Gannett, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of Gannett and its affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of Gannett and its affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of Gannett or any affiliate of Gannett that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

Section 8.7 Indemnification. The Lenders agree to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by Gannett and without limiting the obligation of Gannett to do so), ratably according to their respective Aggregate Commitment Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Commitment Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of, the Commitments, this Agreement or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no

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Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the Administrative Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

Section 8.8 Agent in Its Individual Capacity. The Administrative Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with Gannett as though the Administrative Agent were not the Administrative Agent. With respect to its Loans made or renewed by it, the Administrative Agent shall have the same rights and powers under this Agreement as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

Section 8.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 15 Business Days' notice to the Lenders and Gannett. If the Administrative Agent shall resign as Administrative Agent under this Agreement, then (a) so long as an Event of Default under Section 7.1(a), 7.1(e) or 7.1(f) with respect to Gannett shall not have occurred and be continuing, Gannett shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall be subject to approval by the Required Lenders (which approval shall not be unreasonably withheld, conditioned or delayed) and (b) if an Event of Default under Section 7.1(a), 7.1(e) or 7.1(f) with respect to Gannett shall have occurred and be continuing, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is 15 Business Days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Article 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

## ARTICLE IX

### Miscellaneous

Section 9.1 Amendments and Waivers. Neither this Agreement nor any terms hereof may be amended, supplemented or modified except in accordance with the provisions of this Section 9.1. The Required Lenders and Gannett may, or, with the written consent of the Required Lenders, the Administrative Agent and Gannett may, from time to time, (a) enter into written amendments, supplements or modifications hereto for the purpose of adding any provisions to this Agreement or changing in any manner the rights of the Lenders or of Gannett hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Loan, reduce the stated rate of any interest or fee payable hereunder (except (x) in connection with the waiver of applicability of

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any post-default increase in interest rates, which waiver shall be effective with the consent of the Required Lenders and (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i) or extend the scheduled date of any payment thereof, in each case without the written consent of each Lender directly affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 9.1 or extend or increase the Commitment of any Lender, in each case without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by Gannett of any of its rights and obligations under this Agreement, in each case without the written consent of all Lenders; (iv) amend, modify or waive any provision of Article 8 without the written consent of the Administrative Agent and any other Agent affected thereby; or (v) amend, modify or waive any provision of Section 2.12(a) or (b) without the written consent of each Lender directly affected thereby. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding on Gannett, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, Gannett, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

For the avoidance of doubt, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and Gannett (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof (collectively, the "Additional Extensions of Credit") to share ratably in the benefits of this Agreement with the Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

Section 9.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Gannett and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Gannett:

7950 Jones Branch Drive  
McLean, VA 22107  
Attention: Vice President & Treasurer  
Telecopy: 703-854-2047  
Telephone: 703-854-6248

The Administrative Agent:

Bank One, NA  
1 Bank One Plaza, Suite IL.1-0364  
Chicago, Illinois 60670  
Attention: Jason A. Rastovski  
Telecopy: 312-325-3239  
Telephone: 312-325-3235

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

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Section 9.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 9.4 Survival of Representations and Warranties. All representations and warranties made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

Section 9.5 Payment of Expenses and Taxes. (a) Gannett agrees (i) to pay or reimburse the Administrative Agent for all its reasonable out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and any other documents prepared in connection herewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to Gannett prior to the Effective Date (in the case of amounts to be paid on the Effective Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (ii) to pay or reimburse each Lender and the Administrative Agent for all its reasonable costs and expenses incurred in connection with the enforcement of any rights under this Agreement and any such other documents, including the reasonable fees and disbursements of counsel to each Lender and of counsel to the Administrative Agent, and (iii) to pay, indemnify, and hold each Lender and the Administrative Agent and their respective officers, directors, employees, affiliates, agents and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement and any such other documents, including any of the foregoing relating to the use of proceeds of the Loans and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against Gannett under this Agreement (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"), provided, that Gannett shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities have resulted from the gross negligence or willful misconduct of such Indemnitee. All amounts due under this Section 9.5(a) shall be payable not later than 10 days after written demand therefor.

(b) Notwithstanding anything to the contrary in Section 9.5(a), (i) Gannett shall have no such obligation for costs and expenses if Gannett prevails or successfully defeats any enforcement or collection proceedings; and (ii) if, by final adjudication in any proceeding not involving Gannett's bankruptcy, reorganization or insolvency, the Lenders receive less relief than claimed, Gannett's obligation for costs and expenses shall be limited proportionately to the relief granted to the Lenders.

(c) Gannett agrees to pay, indemnify, and hold each Lender and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement and any such other documents.

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(d) If Gannett is required to commence proceedings against any Lender to enforce its Commitment, the Lender will pay Gannett's reasonable costs and expenses (including attorneys' fees) if Gannett succeeds, or a share of such reasonable costs and expenses proportionate to Gannett's recovery if Gannett is only partially successful.

(e) The agreements in this Section 9.5 shall survive repayment of the Loans and all other amounts payable hereunder.

Section 9.6 Successors and Assigns; Participations and Assignments. (a) This Agreement shall be binding upon and inure to the benefit of Gannett, the Lenders, the Administrative Agent, all future holders of the Loans and their respective successors and assigns, except that Gannett may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender other than any Conduit Lender may, without the consent of Gannett or the Administrative Agent, in accordance with applicable law, at any time sell to one or more banks, financial institutions or other entities (each, a "Participant") participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement, and Gannett and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of this Agreement, or any consent to any departure by Gannett therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Loans or any fees payable hereunder, or postpone the date of the final maturity of the Loans, in each case to the extent subject to such participation. Gannett agrees that if amounts outstanding under this Agreement and the Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent permitted by applicable law, be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 9.7(a) as fully as if it were a Lender hereunder. Gannett also agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 with respect to its participation in the Commitments and the Loans outstanding from time to time as if it was a Lender; provided that, in the case of Section 2.14, such Participant shall have complied with the requirements of said Section and provided, further, that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender other than any Conduit Lender (an "Assignor") may, in accordance with applicable law, at any time and from time to time assign to any Lender or, with the consent of Gannett and the Administrative Agent (which, in each case, shall not be unreasonably withheld, delayed or conditioned; it being understood that (i) the Administrative Agent and each Lender effecting an assignment to any Person other than a Lender should notify the Borrower as promptly as possible of any request for assignment and the Borrower, in turn, should promptly consider such request for assignment; and (ii) Gannett's consent shall not be considered to be unreasonably withheld, delayed or conditioned if Gannett withholds, delays or conditions its consent because, among other factors, it is concerned about a

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potential Assignee's capital adequacy, liquidity or ability to perform its obligations under this Agreement), to any Lender Affiliate, an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement pursuant to an Assignment and Acceptance, executed by such Assignee, such Assignor and any other Person whose consent is required pursuant to this paragraph, and delivered to the Administrative Agent for its acceptance and recording in the Register; provided that, unless otherwise agreed by Gannett and the Administrative Agent, no such assignment to an Assignee (other than any Lender or any Lender Affiliate) shall be in an aggregate principal amount of less than \$10,000,000, in each case except in the case of an assignment of all of a Lender's interests under this Agreement. For purposes of the proviso contained in the preceding sentence, the amount described therein shall be aggregated in respect of each Lender and its Lender Affiliates, if any. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with a Commitment and/or Loans as set forth therein, and (y) the Assignor thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor's rights and obligations under this Agreement, such Assignor shall cease to be a party hereto). Notwithstanding any provision of this Section 9.6, the consent of Gannett shall not be required for any assignment that occurs when an Event of Default shall have occurred and be continuing. Notwithstanding the foregoing, any Conduit Lender may assign at any time to its designating Lender hereunder without the consent of Gannett or the Administrative Agent any or all of the Loans it may have funded hereunder and pursuant to its designation agreement and without regard to the limitations set forth in the first sentence of this Section 9.6(c).

(d) The Administrative Agent shall, on behalf of Gannett, maintain at its address referred to in Section 9.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of, and the principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and Gannett, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any promissory notes evidencing the Loans recorded therein for all purposes of this Agreement. Any assignment of any Loan, whether or not evidenced by a promissory note, shall be effective only upon appropriate entries with respect thereto being made in the Register. Any assignment or transfer of all or part of a Loan evidenced by a promissory note shall be registered on the Register only upon surrender for registration of assignment or transfer of the promissory note evidencing such Loan, accompanied by a duly executed Assignment and Acceptance, and thereupon one or more new promissory notes shall be issued to the designated Assignee.

(e) Upon its receipt of an Assignment and Acceptance executed by an Assignor, an Assignee and any other Person whose consent is required by Section 9.6(c), together with payment to the Administrative Agent of a registration and processing fee of \$3,500 (except that no such registration and processing fee shall be payable in the case of an Assignee which is a Lender Affiliate of the relevant Assignor), the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) record the information contained therein in the Register on the effective date determined pursuant thereto.

(f) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 9.6 concerning assignments relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including any pledge or assignment by a Lender to secure obligations to a Federal Reserve Bank in accordance with applicable law; provided that no such pledge or assignment shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

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(g) Gannett, upon receipt of written notice from the relevant Lender, agrees to issue a promissory note to any Lender requiring such a note to facilitate transactions of the type described in paragraph (f) above.

(h) Each of Gannett, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Lender.

Section 9.7 Adjustments; Set-off. (a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender, if any Lender (a "Benefited Lender") shall, at any time after the Loans and other amounts payable hereunder shall immediately become due and payable pursuant to Section 7.2, receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 7.1(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the obligations owing to such other Lender, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to Gannett, any such notice being expressly waived by Gannett to the extent permitted by applicable law, upon any amount becoming due and payable by Gannett hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of Gannett, as the case may be. Each Lender agrees promptly to notify Gannett and the Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 9.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with Gannett and the Administrative Agent.

Section 9.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such

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prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.10 Integration. This Agreement represents the entire agreement of Gannett, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein.

**Section 9.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

Section 9.12 Submission To Jurisdiction; Waivers. Gannett hereby irrevocably and unconditionally:

- (a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;
- (b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;
- (c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Gannett at its address set forth in Section 9.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto; and
- (d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

Section 9.13 Acknowledgements. Gannett hereby acknowledges that:

- (a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement;
- (b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to Gannett arising out of or in connection with this Agreement, and the relationship between Administrative Agent and Lenders, on one hand, and Gannett, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and
- (c) no joint venture is created hereby or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Gannett and the Lenders.

Section 9.14 Confidentiality. Each of the Administrative Agent and each Lender agrees to keep confidential all non-public information provided to it by Gannett pursuant to this Agreement; provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, any other Lender or any Lender Affiliate

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subject to this Section 9.14, (b) subject to an agreement to comply with the provisions of this Section, to any actual or prospective Transferee or any direct or indirect counterparty to any Hedge Agreement (or any professional advisor to such counterparty), (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates, provided that such Persons to whom disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential, (d) upon the request or demand of any Governmental Authority or in response to any order of any court or other Governmental Authority, upon prior written notice to Gannett to the extent reasonably practicable, (e) to the extent required by any Requirement of Law (other than as provided in clause (d) above) or in connection with any litigation or similar proceeding, provided that Gannett shall be promptly notified, to the extent reasonably practicable, prior to any such disclosure so that Gannett may contest such disclosure or seek confidential treatment thereof, (f) that has been publicly disclosed, (g) to any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, or (h) in connection with the exercise of any remedy hereunder.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

GANNETT CO., INC.

By: /s/ Michael A. Hart  
Name: Michael A. Hart  
Title: Vice President and Treasurer

BANK ONE, NA, as Administrative Agent

By: /s/ Jason A. Rastovski  
Name: Jason A. Rastovski  
Title: Associate Director

BANK ONE, NA

By: /s/ Jason A. Rastovski  
Name: Jason A. Rastovski  
Title: Associate Director

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**Commitments**

<b>Lenders</b>	<b>Commitment</b>
Bank One, NA	\$200,000,000
<b>Total</b>	<b>\$200,000,000</b>

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FORM OF ADDENDUM

The undersigned (i) agrees to all of the provisions of the Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; terms defined therein being used herein as therein defined unless otherwise defined), among Gannett Co., Inc., the lenders parties thereto (the "Lenders") and Bank One, NA, as Administrative Agent, and (ii) becomes a party thereto, as a Lender, with a Commitment as set forth opposite the undersigned Lender's name on Schedule 1.1 to the Credit Agreement, as such amount may be changed from time to time as provided in the Credit Agreement.

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(NAME OF LENDER)

By:

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Name:

Title:

Dated as of February \_\_, 2004

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FORM OF ASSIGNMENT AND ACCEPTANCE

Reference is made to the Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; terms defined therein being used herein are therein defined unless otherwise defined), among Gannett Co., Inc., a Delaware corporation ("Gannett"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders") and Bank One, NA, as Administrative Agent.

The Assignor identified on Schedule 1 hereto (the "Assignor") and the Assignee identified on Schedule 1 hereto (the "Assignee") agree as follows:

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Effective Date (as defined below), the interest described in Schedule 1 hereto (the "Assigned Interest") in and to the Assignor's rights and obligations under the Credit Agreement with respect to those credit facilities contained in the Credit Agreement as are set forth on Schedule 1 hereto (individually, an "Assigned Facility"; collectively, the "Assigned Facilities"), in a principal amount for each Assigned Facility as set forth on Schedule 1 hereto.
  2. The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto, other than that the Assignor has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim; and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Gannett, any of its Subsidiaries or any other obligor or the performance or observance by Gannett, any of its Subsidiaries or any other obligor of any of their respective obligations under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto.
  3. The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant thereto, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e)
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agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

4. The effective date of this Assignment and Acceptance shall be the Effective Date of Assignment described in Schedule 1 hereto (the “Effective Date”). Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent and to Gannett for their consent (if such consent is required) and, if such consent is granted, for acceptance and recording by the Administrative Agent pursuant to the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent). **IN THE CASE OF ASSIGNMENTS TO AN ASSIGNEE OTHER THAN AN EXISTING LENDER OR LENDER AFFILIATE, THE ASSIGNOR AND ASSIGNEE HEREBY ACKNOWLEDGE THAT THIS ASSIGNMENT SHALL NOT BE EFFECTIVE UNTIL CONSENT FOR SUCH ASSIGNMENT IS GRANTED BY GANNETT AND THIS ASSIGNMENT IS SIGNED BY EACH OF GANNETT AND THE ADMINISTRATIVE AGENT.**
  5. Upon such consent, acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to or on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.
  6. From and after the Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and shall be bound by the provisions thereof and (b) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.
  7. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.
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EXHIBIT B to the  
CREDIT AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

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Facility Assigned	Principal Amount Assigned	Percentage Assigned of Facility (set forth, to at least 8 decimals, as a percentage of the aggregate Facility)
Two Year Facility:	\$	%

Effective Date of Assignment: \_\_\_\_\_, 200\_

[Name of Assignor], as Assignor

By: \_\_\_\_\_

Name:  
Title:

[Name of Assignee], as Assignee

By: \_\_\_\_\_

Name:  
Title:

The undersigned hereby consent to the within assignment:

GANNETT CO., INC.

BANK OF ONE, NA, as  
Administrative Agent

By: \_\_\_\_\_

Name:  
Title:

By: \_\_\_\_\_

Name:  
Title:

---

FORM OF EXEMPTION CERTIFICATE

Reference is made to the Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; terms defined therein being used herein are therein defined unless otherwise defined), among Gannett Co., Inc., a Delaware corporation ("Gannett"), the several banks and other financial institutions or entities from time to time parties thereto and Bank One, NA, as Administrative Agent. [Name of Non-U.S. Person] (the "Lender") is providing this certificate pursuant to subsection 2.14(d) of the Credit Agreement. The Lender hereby represents and warrants that:

1. The Lender is the sole record and beneficial owner of the Loans in respect of which it is providing this certificate.
2. The Lender is not a "bank" for purposes of Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"). In this regard, the Lender represents and warrants that:

(a) the Lender is not subject to regulatory or other legal requirements as a bank in any jurisdiction; and

(b) the Lender has not been treated as a bank for purposes of any tax, securities law or other filing or submission made to any governmental authority, any application made to a rating agency or qualification for any exemption from tax, securities law or other legal requirements.

3. The Lender meets all of the requirements under Code Section 871(a) or 881(c) to be eligible for a complete exemption from withholding of taxes on interest payments made to it under the Credit Agreement (i.e., Gannett will not be required to withhold any amounts under U.S. tax law with respect to such interest payments), including without limitation that it is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of Gannett and is not a controlled foreign corporation related to Gannett (within the meaning of Section 864(d)(4) of the Code).

4. The Lender shall promptly notify Gannett and the Administrative Agent if any of the representations and warranties made herein are no longer true and correct.

IN WITNESS WHEREOF, the undersigned has duly executed this certificate as of the \_\_ day of \_\_\_\_ .

[NAME OF LENDER]

By: \_\_\_\_\_

Name:

Title:

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FORM OF OPINION OF NIXON PEABODY LLP

[Letterhead of Nixon Peabody LLP]

[DATE]

To the Lenders parties to the Revolving Credit Agreement dated as of February 27, 2004 and effective as of March 15, 2004, among Gannett Co., Inc., the Lenders parties thereto and Bank One, NA, as Administrative Agent

Ladies and Gentlemen:

We are counsel to Gannett Co., Inc., a Delaware corporation ("Gannett"), and as such we are familiar with the Revolving Credit Agreement dated as of February 27, 2004 and effective as of March 15, 2004, among Gannett, the several lenders from time to time parties thereto (the "Lenders") and Bank One, NA, as Administrative Agent (the "Administrative Agent"). Capitalized terms defined in the Credit Agreement are used herein with the respective meanings assigned to such terms in the Credit Agreement.

In connection with this opinion, we have examined, among other documents, an executed copy of the Credit Agreement and Gannett's Restated Certificate of Incorporation, as amended, and By-laws, as amended. Subject to the assumptions and qualifications contained herein, we also have examined originals or copies, certified or otherwise identified to our satisfaction, of such other documents, and made such investigations of law, as we have deemed necessary or appropriate as a basis for the opinions expressed below. We also have relied upon certificates and other documents from public officials.

In rendering the following opinions, we have assumed, without investigation, the authenticity of any document or other instrument submitted to us as an original, the conformity to the originals of any document or other instrument submitted to us as a copy, the legal capacity of natural persons, and the genuineness of all signatures on such originals or copies.

We express no opinion herein as to (i) any provisions of the Credit Agreement which provide for indemnification, waiver or release to the extent such provisions may be limited or rendered, unenforceable, in whole or in part, by securities laws, criminal statutes or other laws or the policies underlying such laws and by the effect of general rules of contract law that limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification for liability for action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct, or (ii) the waiver of inconvenient forum or any claim that venue is improper or provisions relating to subject matter jurisdiction of the courts set forth in the Credit Agreement.

The phrase "to our knowledge," when used herein, means that our opinion is based solely on matters within the actual knowledge of attorneys in the firm who have been involved in the preparation of this opinion and the Credit Agreement.

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Members of our firm involved in the preparation of this opinion are licensed to practice law in the State of New York and, we do not purport to be experts on, or to express any opinion herein concerning, any law other than the laws of the State of New York, the General Corporation Law of the State of Delaware and the Federal law of the United States.

Based upon and subject to the foregoing and the other assumptions and qualifications contained herein, we are of the opinion that:

1. Gannett is a corporation duly organized, validly existing and in good standing under the laws of Delaware and is duly qualified to do business as a foreign corporation, and Gannett is in good standing in all states in which it owns substantial properties or in which it conducts substantial business or in which qualification is necessary in order that the business or financial condition of Gannett and its Subsidiaries, taken as a whole, be not Materially adversely affected.

2. To our knowledge, there are no actions, suits or proceedings pending or threatened against or affecting Gannett or any of its Subsidiaries in or before any court or foreign or domestic government instrumentality, and neither Gannett nor any of its Subsidiaries are in default in respect of any order of any such court or governmental instrumentality which, in any such case, in the opinion of Gannett, are Material.

3. Neither the execution and delivery of the Credit Agreement, the consummation of the transactions therein contemplated nor compliance with the terms and provisions thereof will conflict with or result in breach of any of the provisions of the Restated Certificate of Incorporation, as amended, or the By-Laws, as amended, of Gannett or, to our knowledge and based on reasonable inquiries made of corporate officers of any law or of any regulation or order of any court or governmental instrumentality or any material agreement or instrument by which Gannett is bound or constitute a default thereunder or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever not permitted under Section 6.1 of the Credit Agreement upon any of the property of Gannett.

4. The execution and delivery of the Credit Agreement and the making of all Borrowings contemplated or permitted by the provisions thereof have been duly authorized by all necessary corporate action on the part of Gannett; and the Credit Agreement has been duly and validly executed and delivered by Gannett. The Credit Agreement constitutes a valid and legally binding agreement of Gannett enforceable in accordance with its terms and the Borrowings when duly made, will constitute valid and legally binding obligations of Gannett enforceable in accordance with the terms thereof and of the Credit Agreement, except as limited by applicable bankruptcy, insolvency, moratorium, reorganization or other laws, judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

In rendering the foregoing opinions, we have relied upon the certificates of officers of Gannett as to (i) the nature and location of the property of Gannett, (ii) the agreements and instruments to which Gannett and/or its Subsidiaries is a party which are material, and (iii) the existence of Material pending or threatened actions, suits or proceedings or orders of any court or governmental instrumentality and other information from such officers. We have not independently investigated or verified the information represented in such certificates provided to us and do not opine as to the accuracy thereof.

Very truly yours,

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FORM OF COMPLIANCE CERTIFICATE

**[Use for quarterly report]**

The undersigned, an officer of Gannett Co., Inc. ("Gannett"), has executed this Certificate on behalf of Gannett pursuant to Section 5.1(a) of the Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (the "Agreement"), among Gannett, the several banks and other financial institutions or entities from time to time parties thereto and Bank One, NA, as Administrative Agent. The undersigned has reviewed Gannett's activities during the preceding fiscal quarter, which has consisted solely of a review of the unaudited consolidated financial statements of Gannett for said fiscal quarter.

**[Use for annual report]**

The undersigned, an officer of Gannett Co., Inc. ("Gannett"), has executed this Certificate on behalf of Gannett pursuant to Section 5.1(b) of the Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (the "Agreement"), among Gannett, the several banks and other financial institutions or entities from time to time parties thereto and Bank One, NA, as Administrative Agent. The undersigned has reviewed the activities of Gannett and its Subsidiaries during the preceding fiscal year, which has consisted solely of a review of the audited consolidated financial statements of Gannett for said fiscal year.

**[Use for quarterly and  
annual report]**

At \_\_\_\_\_ the Total Shareholders' Equity is \_\_\_\_\_.

The undersigned hereby CERTIFIES THAT, based upon the review described above and a review of the Agreement, nothing came to the undersigned's attention which caused the undersigned to believe that (i) Gannett has not fulfilled all of its obligations under the Agreement or (ii) there has occurred an Event of Default as defined in said Agreement, or any condition, event or act, which with notice or lapse of time or both, would constitute an Event of Default, which has not been cured pursuant to the provisions of the Agreement.

GANNETT CO., INC.

By: \_\_\_\_\_

Name:

Title:

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COMPETITIVE ADVANCE AND REVOLVING CREDIT AGREEMENT

among

GANNETT CO., INC.,

The Several Lenders  
from Time to Time Parties Hereto,

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

JPMORGAN CHASE BANK,  
as Syndication Agent,

and

LLOYDS TSB BANK PLC AND SUNTRUST BANK,  
as Documentation Agents

Dated as of February 27, 2004

Effective Date as of March 15, 2004

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BANC OF AMERICA SECURITIES LLC  
and  
J.P. MORGAN SECURITIES INC.,  
as Joint Lead Arrangers and Joint Bookrunners

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## TABLE OF CONTENTS

		<u>Page</u>
<u>ARTICLE I Definitions</u>		1
Section 1.1	Defined Terms	1
Section 1.2	Other Definitional Provisions.	10
<u>ARTICLE II Amount and Terms of the Facilities</u>		11
Section 2.1	Revolving Credit Commitments	11
Section 2.2	Procedure for Revolving Credit Borrowing	12
Section 2.3	Competitive Borrowings.	12
Section 2.4	Termination or Reduction of Commitments	15
Section 2.5	Optional Prepayments	15
Section 2.6	Conversion and Continuation Options	16
Section 2.7	Minimum Amounts of Eurodollar Borrowings	16
Section 2.8	Repayment of Loans; Evidence of Debt	16
Section 2.9	Interest Rates and Payment Dates	17
Section 2.10	Fees	18
Section 2.11	Computation of Interest and Fees	18
Section 2.12	Inability to Determine Interest Rate	19
Section 2.13	Pro Rata Treatment and Payments	19
Section 2.14	Requirements of Law	20
Section 2.15	Taxes	21
Section 2.16	Indemnity	23
Section 2.17	Change of Lending Office	23
Section 2.18	Replacement of Lenders	23
<u>ARTICLE III Representations and Warranties</u>		24
Section 3.1	Organization; Powers	24
Section 3.2	Financial Condition; No Material Adverse Effect	24
Section 3.3	Properties	24
Section 3.4	Litigation	24
Section 3.5	No Conflicts	25
Section 3.6	Taxes	25
Section 3.7	Authorization; Enforceability	25
Section 3.8	Environmental Matters	25
Section 3.9	No Change	25
Section 3.10	Federal Regulations	25
Section 3.11	No Default	25
Section 3.12	Investment Company Act; Federal Regulations	26
<u>ARTICLE IV Conditions</u>		26
<u>ARTICLE V Affirmative Covenants.</u>		26
Section 5.1	Financial Statements and Other Information	27
Section 5.2	Payment of Obligations	27



Section 5.3	Books and Records; Inspection Rights	27
Section 5.4	Notices of Material Events	27
Section 5.5	Existence; Conduct of Business	28
Section 5.6	Maintenance of Properties; Insurance	28
Section 5.7	Compliance with Laws	28
Section 5.8	Debt Ratings	28
<b>ARTICLE VI <u>Negative Covenants</u></b>		28
Section 6.1	Liens	28
Section 6.2	Fundamental Changes	29
Section 6.3	Shareholders' Equity	29
<b>ARTICLE VII <u>Events of Default</u></b>		29
Section 7.1	Events of Default	29
Section 7.2	Remedies	30
<b>ARTICLE VIII <u>The Administrative Agent</u></b>		31
Section 8.1	Appointment	31
Section 8.2	Delegation of Duties	31
Section 8.3	Exculpatory Provisions	31
Section 8.4	Reliance by Administrative Agent	31
Section 8.5	Notice of Default	32
Section 8.6	Non-Reliance on Administrative Agent and Other Lenders	32
Section 8.7	Indemnification	32
Section 8.8	Agent in Its Individual Capacity	33
Section 8.9	Successor Administrative Agent	33
Section 8.10	Syndication Agent and Documentation Agent	33
<b>ARTICLE IX <u>Miscellaneous</u></b>		33
Section 9.1	Amendments and Waivers	33
Section 9.2	Notices	34
Section 9.3	No Waiver; Cumulative Remedies	35
Section 9.4	Survival of Representations and Warranties	35
Section 9.5	Payment of Expenses and Taxes	35
Section 9.6	Successors and Assigns; Participations and Assignments	36
Section 9.7	Adjustments; Set-off	38
Section 9.8	Counterparts	39
Section 9.9	Severability	39
Section 9.10	Integration	39
<b>Section 9.11</b>	<b>GOVERNING LAW</b>	39
Section 9.12	Submission To Jurisdiction; Waivers	39
Section 9.13	Acknowledgements	40
Section 9.14	Confidentiality	40

## SCHEDULES

### 1.1 Commitments

## EXHIBITS

A	Form of Addendum
B	Form of Assignment and Acceptance
C-1	Form of Competitive Bid Request
C-2	Form of Invitation for Competitive Bids
C-3	Form of Competitive Bid
C-4	Form of Competitive Bid Accept/Reject Letter
D-1	Form of New Lender Supplement
D-2	Form of Incremental Facility Activation Notice
E	Form of Exemption Certificate
F	Form of Opinion of Nixon Peabody LLP
G	Form of Compliance Certificate

COMPETITIVE ADVANCE AND REVOLVING CREDIT AGREEMENT, dated as of February 27, 2004, among GANNETT CO., INC., a Delaware corporation (“Gannett”), the several banks and other financial institutions from time to time parties to this Agreement (the “Lenders”), BANK OF AMERICA, N.A., as administrative agent for the Lenders hereunder (in such capacity, the “Administrative Agent”), JPMORGAN CHASE BANK, as syndication agent (the “Syndication Agent”), and LLOYDS TSB BANK PLC and SUNTRUST BANK, as documentation agents (the “Documentation Agents”).

The parties agree as follows:

## ARTICLE I

### Definitions

Section 1.1 Defined Terms. The following words and terms shall have the following meanings in this Agreement:

“ABR”: for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, the ABR shall be determined without regard to clause (b) of the first sentence of this definition until the circumstances giving rise to such inability no longer exist. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“ABR Loans”: Loans the rate of interest applicable to which is based upon the ABR.

“Addendum”: an instrument, substantially in the form of Exhibit A, by which a Lender becomes a party to this Agreement as of the Effective Date.

“Aggregate Commitment Percentage”: as to any Lender at any time, the percentage which such Lender’s Commitment then constitutes of the aggregate Commitments (or, at any time after the Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender’s Loans then outstanding constitutes of the aggregate principal amount of the Loans then outstanding).

“Agreement”: this Competitive Advance and Revolving Credit Agreement, as amended, supplemented or otherwise modified from time to time.

“Applicable Margin”: the appropriate rate per annum set forth in the table below opposite the applicable Facility:

<u>Credit Status</u>	<u>364-Day Facility</u>	<u>Five-Year Facility</u>
Credit Status 1	20.00 Basis Points	18.00 Basis Points
Credit Status 2	19.00 Basis Points	17.00 Basis Points
Credit Status 3	23.00 Basis Points	21.00 Basis Points
Credit Status 4	40.00 Basis Points	37.50 Basis Points
Credit Status 5	47.50 Basis Points	45.00 Basis Points
Credit Status 6	55.00 Basis Points	50.00 Basis Points

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“Assignee”: as defined in Section 9.6(c).

“Assignment and Acceptance”: an Assignment and Acceptance, substantially in the form of Exhibit B.

“Basis Point”: 1/100th of one percent.

“Board”: the Board of Governors of the Federal Reserve System, or any successor thereto.

“Borrowing”: a group of Loans of a single Type made by the Lenders (or, in the case of a Competitive Borrowing, by the Lender or Lenders whose Competitive Bids have been accepted pursuant to Section 2.3) on a single date and as to which a single Interest Period is in effect.

“Borrowing Date”: any Business Day specified by Gannett as a date on which Gannett requests the relevant Lenders to make Loans hereunder.

“Business Day”: each Monday, Tuesday, Wednesday, Thursday and Friday which is not a legal holiday for banks in Dallas, Texas or the State of New York; provided, that with respect to notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

“Code”: the Internal Revenue Code of 1986, as amended from time to time.

“Commitment”: as to any Lender, the sum of its 364-Day Commitment, Five-Year Commitment and commitment under the Incremental Facility, if any.

“Commitment Utilization Percentage”: on any day, the percentage equivalent of a fraction (a) the numerator of which is the sum of the aggregate outstanding principal amount of all Loans and (b) the denominator of which is the Total Commitment (or, on any day after termination of the Commitments under a Facility with outstanding Loans, the Total Commitment in effect immediately preceding such termination).

“Competitive Bid”: an offer by a Lender to make a Competitive Loan pursuant to Section 2.3.

“Competitive Bid Accept/Reject Letter”: a notification made by Gannett pursuant to Section 2.3(f) in the form of Exhibit C-4.

“Competitive Bid Rate”: as to any Competitive Bid made by a Lender pursuant to Section 2.3, (i) in the case of a Eurodollar Competitive Loan, the Eurodollar Rate plus (or minus) the Margin, and (ii) in the case of a Fixed Rate Loan, the fixed rate of interest offered by the Lender making such Competitive Bid.

“Competitive Bid Request”: a request made pursuant to Section 2.3(b) in the form of Exhibit C-1.

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“Competitive Borrowing”: a Borrowing consisting of a Competitive Loan or concurrent Competitive Loans from the Lender or Lenders whose Competitive Bids for such Borrowing have been accepted by Gannett under the bidding procedure described in Section 2.3.

“Competitive Loan”: a Loan (which shall be a Eurodollar Competitive Loan or a Fixed Rate Loan) made by a Lender pursuant to the bidding procedure described in Section 2.3.

“Conduit Lender”: any special purpose corporation organized and administered by any Lender for the purpose of making Loans hereunder otherwise required to be made by such Lender and designated by such Lender in a written instrument, subject to the consent of the Administrative Agent and Gannett; provided, that the designation by any Lender of a Conduit Lender shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 2.14, 2.15, 2.16 or 9.5 than the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender or (b) be deemed to have any Commitment hereunder.

“Contractual Obligation”: as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Credit Status”: any of Credit Status 1, Credit Status 2, Credit Status 3, Credit Status 4, Credit Status 5 or Credit Status 6. In determining whether Credit Status 1, Credit Status 2, Credit Status 3, Credit Status 4, Credit Status 5 or Credit Status 6 shall apply in any circumstance, if the applicable ratings by S&P and Moody’s differ, the higher of the two ratings will be determinative, unless the applicable ratings by S&P and Moody’s are more than one level apart, in which case the Credit Status one level below the higher rating will be determinative. In the event that Gannett’s senior unsecured long-term debt is rated by only one of S&P and Moody’s, then that single rating shall be determinative. The Borrower shall at all times maintain a senior unsecured long-term debt rating from either S&P or Moody’s.

“Credit Status 1” shall exist upon the occurrence of the higher of a rating by S&P of Gannett’s senior unsecured long-term debt of at least A+ or a rating by Moody’s of Gannett’s senior unsecured long-term debt of at least A1.

“Credit Status 2” shall exist upon the occurrence of the higher of a rating by S&P of Gannett’s senior unsecured long-term debt of at least A but lower than A+ or a rating by Moody’s of Gannett’s senior unsecured long-term debt of at least A2 but lower than A1.

“Credit Status 3” shall exist upon the occurrence of the higher of a rating by S&P of Gannett’s senior unsecured long-term debt of at least A- but lower than A or a rating by Moody’s of Gannett’s senior unsecured long-term debt of at least A3 but lower than A2.

“Credit Status 4” shall exist upon the occurrence of the higher of a rating by S&P of Gannett’s senior unsecured long-term debt of at least BBB+ but lower than A- or a rating by Moody’s of Gannett’s senior unsecured long-term debt of at least Baa1 but lower than A3.

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“Credit Status 5” shall exist upon the occurrence of the higher of a rating by S&P of Gannett’s senior unsecured long-term debt of at least BBB but lower than BBB+ or a rating by Moody’s of Gannett’s senior unsecured long-term debt of at least Baa2 but lower than Baa1.

“Credit Status 6” shall exist upon the occurrence of the higher of a rating by S&P of Gannett’s senior unsecured long-term debt of lower than BBB or a rating by Moody’s of Gannett’s senior unsecured long-term debt of lower than Baa2.

“Default”: any of the events specified in Section 7.1, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

“Dollars” and “\$”: dollars in lawful currency of the United States of America.

“Effective Date”: the date identified by Gannett in a written notice to the Administrative Agent, which date shall be at least one Business Day after receipt by the Administrative Agent of such notice and shall, in any case, occur no later than March 15, 2004.

“Environmental Laws”: any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

“Eurocurrency Reserve Requirements”: for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D of the Board) maintained by a member bank of such System.

“Eurodollar Base Rate”: with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the Telerate screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on Page 3750 of the Dow Jones Markets screen (or otherwise on such screen), the “Eurodollar Base Rate” shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered Dollar deposits at or about 11:00 A.M., Dallas, Texas time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

“Eurodollar Borrowing”: a Borrowing comprised of Eurodollar Loans.

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“Eurodollar Competitive Loan”: any Competitive Loan bearing interest at a rate determined by reference to the Eurodollar Rate.

“Eurodollar Loan”: any Eurodollar Competitive Loan or Eurodollar Revolving Credit Loan.

“Eurodollar Rate”: with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

“Eurodollar Revolving Credit Loan”: any Revolving Credit Loan bearing interest at a rate determined by reference to the Eurodollar Rate.

“Event of Default”: any of the Events of Default specified in Section 7.1 of this Agreement.

“Excess Utilization Day”: each day on which the Commitment Utilization Percentage exceeds 50%.

“Extended Date”: as defined in Section 2.8(b) of this Agreement.

“Extended Loans”: as defined in Section 2.8(b) of this Agreement.

“Facility”: each of the 364-Day Facility, the Five-Year Facility and the Incremental Facility.

“Federal Funds Effective Rate”: for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day of such rates on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

“Five-Year Available Commitment”: as to any Five-Year Lender at any time, the excess, if any, of such Five-Year Lender’s Five-Year Commitment over such Five-Year Lender’s Five-Year Loans.

“Five-Year Commitment”: as to any Lender, the obligation of such Lender, if any, to make Five-Year Loans in an aggregate principal and/or face amount not to exceed the amount set forth under the heading “Five-Year Commitment” opposite such Lender’s name on Schedule 1.1 or in the Assignment and Acceptance or New Lender Supplement pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof.

“Five-Year Commitment Percentage”: as to any Five-Year Lender at any time, the percentage which such Five-Year Lender’s Five-Year Commitment then constitutes of the aggregate Five-Year Commitments (or, at any time after the Five-Year Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Five-Year Lender’s Five-Year

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Loans then outstanding constitutes of the aggregate principal amount of the Five-Year Loans then outstanding).

“Five-Year Commitment Period”: the period from and including the Effective Date to the Five-Year Termination Date.

“Five-Year Competitive Loans”: Competitive Loans made under the Five-Year Facility.

“Five-Year Facility”: the Five-Year Commitments and the Loans made thereunder.

“Five-Year Lender”: each Lender that has a Five-Year Commitment or that holds Five-Year Loans.

“Five-Year Loans”: as defined in Section 2.1(b).

“Five-Year Termination Date”: the fifth anniversary of the Effective Date.

“Fixed Rate Borrowing”: a Borrowing comprised of Fixed Rate Loans.

“Fixed Rate Loan”: any Competitive Loan bearing interest at a fixed percentage rate per annum specified by the Lender making such Loan in its Competitive Bid.

“GAAP”: generally accepted accounting principles in the United States as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 3.2. In the event that any “Accounting Change” (as defined below) shall occur and such change results in a material change in the method of calculation of financial covenants, standards or terms in this Agreement, then Gannett and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating Gannett’s financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by Gannett, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. “Accounting Changes” refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the Securities and Exchange Commission.

“Governmental Authority”: any nation or government, any state or other political subdivision thereof and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government.

“Incremental Facility Activation Notice”: a notice substantially in the form of Exhibit D-2.

“Incremental Facility”: as defined in Section 2.1(d).

“Incremental Facility Closing Date”: any Business Day designated as such in an Incremental Facility Activation Notice.

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“Incremental Facility Commitment”: as to any Lender, the obligation of such Lender, if any, to make Incremental Loans in an aggregate principal amount not to exceed the amount set forth in the applicable Incremental Facility Activation Notice or in the Assignment and Acceptance or New Lender Supplement pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof.

“Incremental Facility Lenders”: (a) on any Incremental Facility Closing Date relating to Incremental Loans, the Lenders signatory to the relevant Incremental Facility Activation Notice and (b) thereafter, each Lender that is a holder of an Incremental Loan.

“Incremental Facility Maturity Date”: with respect to the Incremental Loans, the maturity date specified in such Incremental Facility Activation Notice, which date shall be either (a) the date that is 364 days after the Incremental Facility Closing Date or (b) a date at least six months after the final maturity of the Five-Year Loans.

“Incremental Loans”: as defined in Section 2.1(d).

“Interest Payment Date”: (a) as to any ABR Loan, the last day of each March, June, September and December to occur while such Loan is outstanding and on the date such Loan is paid in full, (b) as to any Eurodollar Loan or Fixed Rate Loan, the last day of the Interest Period applicable thereto and (c) as to any Eurodollar Loan or Fixed Rate Loan having an Interest Period longer than three months or 90 days, as the case may be, each day which is three months or 90 days, respectively, after the first day of the Interest Period applicable thereto; provided that, in addition to the foregoing, each of (x) the date upon which both the Commitments have been terminated and the Loans have been paid in full and (y) the Termination Date shall be deemed to be an “Interest Payment Date” with respect to any interest which is then accrued hereunder.

“Interest Period”: (a) with respect to any Eurodollar Loan:

- (i) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six (or if available to all the Lenders (or, in the case of Eurodollar Competitive Loans, the Lender making such Loans) nine) months thereafter, as selected by Gannett in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and
- (ii) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six (or if available to all the Lenders (or, in the case of Eurodollar Competitive Loans, the Lender making such Loans) nine) months thereafter, as selected by Gannett by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto; and
- (b) with respect to any Fixed Rate Loan, the period commencing on the Borrowing Date with respect to such Fixed Rate Loan and ending such number of days thereafter (which shall be not less than seven days or more than 360 days after the date of such borrowing) as selected by Gannett in its Competitive Bid Request given with respect thereto.

provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

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- (A) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of an Interest Period pertaining to a Eurodollar Loan, the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day; and
- (B) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

“Invitation for Competitive Bids”: an invitation made by Gannett pursuant to Section 2.3(c) in the form of Exhibit C-2.

“Lender Affiliate”: (a) any affiliate of any Lender, (b) any Person that is administered or managed by any Lender and that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business and (c) with respect to any Lender which is a fund that invests in commercial loans and similar extensions of credit, any other fund that invests in commercial loans and similar extensions of credit and is managed or advised by the same investment advisor as such Lender or by an affiliate of such Lender or investment advisor.

“Lenders”: as defined in the preamble hereto; provided, that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender.

“Lien”: any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

“Loan”: any loan made by any Lender pursuant to this Agreement.

“Margin”: as to any Eurodollar Competitive Loan, the margin to be added to or subtracted from the Eurodollar Rate in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

“Material”: when used to describe an adverse effect or an event on Gannett or its Subsidiaries, shall mean a condition, event or act which, with the giving of notice or lapse of time or both, will constitute a Default or an Event of Default.

“Material Adverse Effect”: a Material adverse effect on (a) the business, assets, operations or condition, financial or otherwise, of Gannett and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or the material rights or remedies of the Administrative Agent and the Lenders hereunder.

“Moody’s”: Moody’s Investors Service, Inc. and its successors; provided, however, that if Moody’s ceases rating securities similar to the senior unsecured long-term debt of the Borrower and its ratings and business with respect to such securities shall not have been transferred to any successor, then “Moody’s” shall mean any other nationally recognized rating agency (other than S&P) selected by the

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Borrower and approved by the Administrative Agent (not to be unreasonably withheld or delayed) that rates any senior unsecured long-term debt of the Borrower.

“Net Property, Plant and Equipment”: the amount under that heading on the consolidated balance sheet of Gannett and its Subsidiaries prepared in accordance with GAAP.

“Non-Excluded Taxes”: as defined in Section 2.15(a).

“Non-U.S. Lender”: as defined in Section 2.15(d).

“Other Taxes”: any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

“Participant”: as defined in Section 9.6(b).

“Person”: an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“Prime Rate”: the rate of interest per annum publicly announced from time to time by Bank of America, N.A. as its prime rate in effect at its principal office in Dallas, Texas (the Prime Rate not being intended to be the lowest rate of interest charged by Bank of America, N.A. in connection with extensions of credit to debtors).

“Register”: as defined in Section 9.6(d).

“Required Lenders”: at any time, the holders of more than 50% of the Total Commitments then in effect or, if the Commitments have been terminated, the Total Extensions of Credit then outstanding.

“Requirement of Law”: as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Revolving Credit Loans”: as defined in Section 2.1(b), and, in any event include, any 364-Day Loans that remain outstanding after the 364-Day Termination Date pursuant to Section 2.8.

“S&P”: Standard & Poor’s Corporation and its successors; provided, however, that if S&P ceases rating securities similar to the senior unsecured long-term debt of the Borrower and its ratings and business with respect to such securities shall not have been transferred to any successor, then “S&P” shall mean any other nationally recognized rating agency (other than Moody’s) selected by the Borrower and approved by the Administrative Agent (not to be unreasonably withheld or delayed) that rates any senior unsecured long-term debt of the Borrower.

“Subsidiary”: any corporation the majority of the shares of voting stock of which at any time outstanding is owned directly or indirectly by Gannett or by one or more of its other subsidiaries or by Gannett in conjunction with one or more of its other subsidiaries.

“Termination Date”: the Five-Year Termination Date and/or the 364-Day Termination Date, as applicable.

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“364-Day Available Commitment”: as to any 364-Day Lender at any time, the excess, if any, of such 364-Day Lender’s 364-Day Commitment over such 364-Day Lender’s 364-Day Loans.

“364-Day Commitment”: as to any Lender, the obligation of such Lender, if any, to make 364-Day Loans in an aggregate principal and/or face amount not to exceed the amount set forth under the heading “364-Day Commitment” opposite such Lender’s name on Schedule 1.1 or in the Assignment and Acceptance or New Lender Supplement pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof.

“364-Day Commitment Percentage”: as to any 364-Day Lender at any time, the percentage which such 364-Day Lender’s 364-Day Commitment then constitutes of the aggregate 364-Day Commitments (or, at any time after the 364-Day Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such 364-Day Lender’s 364-Day Loans then outstanding constitutes of the aggregate principal amount of the 364-Day Loans then outstanding).

“364-Day Commitment Period”: the period from and including March 15, 2004 to the 364-Day Termination Date.

“364-Day Competitive Loans”: Competitive Loans made under the 364-Day Facility.

“364-Day Facility”: the 364-Day Commitments and the Loans made thereunder.

“364-Day Lender”: each Lender that has a 364-Day Commitment or that holds 364-Day Loans.

“364-Day Loans”: as defined in Section 2.1(a).

“364-Day Termination Date”: the date which is 364 days after March 15, 2004; provided that if such date is not a Business Day, the 364-Day Termination Date shall be the Business Day immediately preceding such date.

“Total Commitments”: at any time, the aggregate amount of the Commitments then in effect.

“Total Extensions of Credit”: at any time, the aggregate amount of all Loans of the Lenders outstanding at such time.

“Total Shareholders’ Equity”: the amount appearing under that heading on the consolidated balance sheet of Gannett and its Subsidiaries, prepared in accordance with GAAP.

“Transferee”: any Assignee or Participant.

“Type”: as to any Revolving Credit Loan, its nature as an ABR Loan or a Eurodollar Loan, and as to any Competitive Loan, its nature as a Eurodollar Competitive Loan or a Fixed Rate Loan.

## Section 1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto.

(b) As used herein, and any certificate or other document made or delivered pursuant hereto, accounting terms relating to Gannett and its Subsidiaries not defined in Section 1.1 and accounting

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terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

## ARTICLE II

### Amount and Terms of the Facilities

Section 2.1 Revolving Credit Commitments. (a) Subject to the terms and conditions hereof, each 364-Day Lender severally agrees to make revolving credit loans (“364-Day Loans”) to Gannett from time to time during the 364-Day Commitment Period in an aggregate principal amount at any one time outstanding which does not exceed the amount of such Lender’s 364-Day Commitment. During the 364-Day Commitment Period, Gannett may use the 364-Day Commitments by borrowing, prepaying the 364-Day Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. Notwithstanding anything to the contrary contained in this Agreement, in no event (after giving effect to the use of proceeds of any Borrowing) shall (i) the amount of any Lender’s 364-Day Commitment Percentage of a Borrowing of 364-Day Loans exceed such Lender’s 364-Day Available Commitment at the time of such Borrowing or (ii) the aggregate amount of 364-Day Credit Loans and 364-Day Competitive Loans at any one time outstanding exceed the aggregate 364-Day Commitments then in effect of all Lenders.

(b) Subject to the terms and conditions hereof, each Five-Year Lender severally agrees to make revolving credit loans (“Five-Year Loans”, and, together with the 364-Day Loans, “Revolving Credit Loans”) to Gannett from time to time during the Five-Year Commitment Period in an aggregate principal amount at any one time outstanding which does not exceed the amount of such Lender’s Five-Year Commitment. During the Five-Year Commitment Period, Gannett may use the Five-Year Commitments by borrowing, prepaying the Five-Year Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. Notwithstanding anything to the contrary contained in this Agreement, in no event (after giving effect to the use of proceeds of any Borrowing) shall (i) the amount of any Lender’s Five-Year Commitment Percentage of a Borrowing of Five-Year Loans exceed such Lender’s Five-Year Available Commitment at the time of such Borrowing or (ii) the aggregate amount of Five-Year Loans and Five-Year Competitive Loans at any one time outstanding exceed the aggregate Five-Year Commitments then in effect of all Lenders.

(c) The Revolving Credit Loans may from time to time be (i) Eurodollar Loans, (ii) ABR Loans or (iii) a combination thereof, as determined by Gannett and notified to the Administrative Agent in accordance with Sections 2.2 and 2.6; provided that no 364-Day Loan shall be made as a Eurodollar Loan after the day that is one month prior to the 364-Day Termination Date and no Five-Year Loan shall be made as a Eurodollar Loan after the day that is one month prior to the Five-Year Termination Date.

(d) Gannett (upon receipt of requisite authorization from its Board of Directors) and any one or more Lenders (including New Lenders) may from time to time agree that such Lenders shall (x) make available to Gannett an additional credit facility (the “Incremental Facility.” and any loans

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thereunder, the “Incremental Loans”), which credit facility shall take the form of either a 364-day revolving credit facility and/or a revolving credit facility which matures at least six months after the Five-Year Termination Date and/or (y) increase the amount of their 364-Day Commitment and/or Five-Year Commitment, or (in the case of a New Lender) make available a 364-Day Commitment and/or Five-Year Commitment, in any such case by executing and delivering to the Administrative Agent an Incremental Facility Activation Notice specifying (i) the aggregate principal amount of such increase and the Facility or Facilities involved, (ii) the applicable Incremental Facility Closing Date and (iii) in the case of the Incremental Facility, the Incremental Facility Maturity Date. Notwithstanding the foregoing, (i) the sum of aggregate principal amount of the Incremental Facility Commitments, any increase in the 364-Day Commitments and any increase in the Five-Year Commitments shall not exceed \$1,000,000,000, (ii) no increase pursuant to this paragraph may be obtained after the occurrence and during the continuation of a Default or Event of Default and (iii) any increase effected pursuant to this paragraph shall be in a minimum amount of at least \$10,000,000. Any Incremental Facility shall be governed by this Agreement. No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion.

(e) Any additional bank, financial institution or other entity which, with the consent of Gannett and the Administrative Agent (which consent shall not be unreasonably withheld), elects to become a “Lender” under this Agreement in connection with any transaction described in Section 2.1(d) shall execute a New Lender Supplement (each, a “New Lender Supplement”), substantially in the form of Exhibit D-1, whereupon such bank, financial institution or other entity (a “New Lender”) shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement.

Section 2.2 Procedure for Revolving Credit Borrowing. Gannett may borrow Revolving Credit Loans under the Commitments on any Business Day; provided that Gannett shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 11:00 A.M., Dallas, Texas time, (a) three Business Days prior to the requested Borrowing Date, if all or any part of the requested Revolving Credit Loans are to be Eurodollar Loans, or (b) on the requested Borrowing Date, otherwise), specifying (i) the Facility under which the Borrowing is to be made, (ii) the amount to be borrowed, (iii) the requested Borrowing Date, (iv) whether the Borrowing is to be of Eurodollar Loans, ABR Loans or a combination thereof and (v) if the Borrowing is to be entirely or partly of Eurodollar Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Periods therefor. Any Loans made on the Effective Date shall be ABR Loans. Each Borrowing under the Commitments shall be in an amount equal to \$10,000,000 or a multiple of \$1,000,000 in excess thereof. Upon receipt of any such notice from Gannett, the Administrative Agent shall promptly notify each relevant Lender thereof. Each relevant Lender will make the amount of its pro rata share of each Borrowing available to the Administrative Agent for the account of Gannett at the office of the Administrative Agent specified in Section 9.2 prior to 1:00 P.M., Dallas, Texas time, on the Borrowing Date requested by Gannett in funds immediately available to the Administrative Agent. Such Borrowing will then immediately be made available to Gannett by the Administrative Agent crediting the account of Gannett on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Lenders and in like funds as received by the Administrative Agent.

### Section 2.3 Competitive Borrowings.

(a) The Competitive Bid Option. In addition to the Revolving Credit Loans which may be made available pursuant to Section 2.1, Gannett may, as set forth in this Section 2.3, request the Lenders to make offers to make Competitive Loans to Gannett. The Lenders may, but shall have no obligation to, make such offers, and Gannett may, but shall have no obligation to, accept any such offers in the manner set forth in this Section 2.3.

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(b) Competitive Bid Request. When Gannett wishes to request offers to make Competitive Loans under this Section 2.3, it shall transmit to the Administrative Agent a Competitive Bid Request to be received no later than 12:00 Noon (Dallas, Texas time) on (x) the fourth Business Day prior to the Borrowing Date proposed therein, in the case of a Borrowing of Eurodollar Competitive Loans or (y) the Business Day immediately preceding the Borrowing Date proposed therein, in the case of a Fixed Rate Borrowing, specifying:

- (i) the Facility under which the Borrowing is to be made,
  - (ii) the proposed Borrowing Date,
  - (iii) the aggregate principal amount of such Borrowing, which shall be \$10,000,000 or a multiple of \$1,000,000 in excess thereof,
  - (iv) the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period contained in Section 1.1,
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- (v) whether the Borrowing then being requested is to be of Eurodollar Competitive Loans or Fixed Rate Loans.

A Competitive Bid Request that does not conform substantially to the format of Exhibit C-1 may be rejected by the Administrative Agent in its sole discretion, and the Administrative Agent shall promptly notify Gannett of such rejection. Gannett may request offers to make Competitive Loans for more than one Interest Period in a single Competitive Bid Request. No Competitive Bid Request shall be given within three Business Days of any other Competitive Bid Request pursuant to which Gannett has made a Competitive Borrowing.

(c) Invitation for Competitive Bids. Promptly after its receipt of a Competitive Bid Request (but, in any event, no later than 3:00 P.M., Dallas, Texas time, on the date of such receipt) conforming to the requirements of paragraph (b) above, the Administrative Agent shall send to each of the relevant Lenders an Invitation for Competitive Bids which shall constitute an invitation by Gannett to each such Lender to bid, on the terms and conditions of this Agreement, to make Competitive Loans pursuant to the Competitive Bid Request.

(d) Submission and Contents of Competitive Bids. (i) Each Lender to which an Invitation for Competitive Bids is sent may submit a Competitive Bid containing an offer or offers to make Competitive Loans in response to such Invitation for Competitive Bids. Each Competitive Bid must comply with the requirements of this paragraph (d) and must be submitted to the Administrative Agent at its offices specified in Section 9.2 not later than (x) 9:30 A.M. (Dallas, Texas time) on the third Business Day prior to the proposed Borrowing Date, in the case of a Borrowing of Eurodollar Competitive Loans or (y) 9:30 A.M. (Dallas, Texas time) on the date of the proposed Borrowing, in the case of a Fixed Rate Borrowing; provided that any Competitive Bids submitted by the Administrative Agent in the capacity of a Lender may only be submitted if the Administrative Agent notifies Gannett of the terms of the offer or offers contained therein not later than fifteen minutes prior to the deadline for the other Lenders. A Competitive Bid submitted by a Lender pursuant to this paragraph (d) shall be irrevocable.

- (ii) Each Competitive Bid shall be in substantially the form of Exhibit C-3 and shall specify:
    - (A) the date of the proposed Borrowing and the Facility under which it is to be made,
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(B) the principal amount of the Competitive Loan for which each such offer is being made, which principal amount (w) may be greater than, equal to or less than the Commitment of the quoting Lender, (x) must be in a minimum principal amount of \$5,000,000 or a multiple of \$1,000,000 in excess thereof, (y) may not exceed the principal amount of Competitive Loans for which offers were requested and (z) may be subject to a limitation as to the maximum aggregate principal amount of Competitive Loans for which offers being made by such quoting Lender may be accepted,

(C) in the case of a Borrowing of Eurodollar Competitive Loans, the Margin offered for each such Competitive Loan, expressed as a percentage (specified in increments of 1/10,000th of 1%) to be added to or subtracted from such base rate,

(D) in the case of a Fixed Rate Borrowing, the rate of interest per annum (specified in increments of 1/10,000th of 1%) offered for each such Competitive Loan, and

(E) the identity of the quoting Lender.

A Competitive Bid may set forth up to five separate offers by the quoting Lender with respect to each Interest Period specified in the related Invitation for Competitive Bids. Any Competitive Bid shall be disregarded by the Administrative Agent if the Administrative Agent determines that it: (A) is not substantially in the form of Exhibit C-3 or does not specify all of the information required by Section 2.3(d)(ii); (B) contains qualifying, conditional or similar language (except for a limitation on the maximum principal amount which may be accepted); (C) proposes terms other than or in addition to those set forth in the applicable Invitation for Competitive Bids or (D) arrives after the time set forth in Section 2.3(d)(i).

(e) Notice to Gannett. The Administrative Agent shall promptly (and, in any event, by 10:00 A.M., Dallas, Texas time) notify Gannett, by telecopy, of all the Competitive Bids made (including all disregarded bids), the Competitive Bid Rate and the principal amount of each Competitive Loan in respect of which a Competitive Bid was made and the identity of the Lender that made each bid. The Administrative Agent shall send a copy of all Competitive Bids (including all disregarded bids) to Gannett for its records as soon as practicable after completion of the bidding process set forth in this Section 2.3.

(f) Acceptance and Notice by Gannett. Gannett may in its sole discretion, subject only to the provisions of this paragraph (f), accept or reject any Competitive Bid (other than any disregarded bid) referred to in paragraph (e) above. Gannett shall notify the Administrative Agent by telephone, confirmed immediately thereafter by telecopy in the form of a Competitive Bid Accept/Reject Letter, whether and to what extent it wishes to accept any or all of the bids referred to in paragraph (e) above not later than (x) 11:00 A.M. (Dallas, Texas time) on the third Business Day prior to the proposed Borrowing Date, in the case of a Competitive Eurodollar Borrowing or (y) 11:00 A.M. (Dallas, Texas time) on the proposed Borrowing Date, in the case of a Fixed Rate Borrowing; provided that:

(i) the failure by Gannett to give such notice shall be deemed to be a rejection of all the bids referred to in paragraph (e) above,

(ii) if made under the 364-Day Facility, the aggregate principal amount of the Competitive Bids accepted by Gannett may not exceed the lesser of (A) the principal amount set forth in the related Competitive Bid Request and (B) the excess, if any, of the aggregate 364-Day Commitments of all 364-Day Lenders then in effect over the aggregate principal amount of all 364-Day Loans outstanding immediately prior to the making of such Competitive Loans,

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(iii) if made under the Five-Year Facility, the aggregate principal amount of the Competitive Bids accepted by Gannett may not exceed the lesser of (A) the principal amount set forth in the related Competitive Bid Request and (B) the excess, if any, of the aggregate Five-Year Commitments of all Five-Year Lenders then in effect over the aggregate principal amount of all Five-Year Loans outstanding immediately prior to the making of such Competitive Loans,

(iv) the principal amount of each Competitive Borrowing must be \$5,000,000 or a multiple of \$1,000,000 in excess thereof, and

(v) Gannett may not accept any Competitive Bid that is disregarded by the Administrative Agent pursuant to Section 2.3(d)(ii) or that otherwise fails to comply with the requirements of this Agreement.

A notice given by Gannett pursuant to this paragraph (f) shall be irrevocable.

(g) Allocation by Administrative Agent. If offers are made by two or more Lenders with the same Competitive Bid Rates for a greater aggregate principal amount than the amount in respect of which such offers are accepted for the related Interest Period, the principal amount of Competitive Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such Lenders as nearly as possible (in integral multiples of \$1,000,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers.

(h) Notification of Acceptance. The Administrative Agent shall promptly (and, in any event, by 11:30 A.M., Dallas, Texas time) notify each bidding Lender whether or not its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate), and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan in respect of which its bid has been accepted.

Section 2.4 Termination or Reduction of Commitments. Gannett shall have the right, upon not less than two Business Days' notice to the Administrative Agent, to terminate the 364-Day Commitments when no 364-Day Loans are then outstanding or, from time to time, to reduce the unutilized portion of the 364-Day Commitments. Gannett shall have the right, upon not less than two Business Days' notice to the Administrative Agent, to terminate the Five-Year Commitments when no Five-Year Loans are then outstanding or, from time to time, to reduce the unutilized portion of the Five-Year Commitments. Any such reduction pursuant to this Section 2.4 shall be in an amount equal to \$10,000,000 or a multiple of \$1,000,000 in excess thereof and shall reduce permanently the applicable Commitments then in effect, and the fees payable pursuant to Section 2.10 shall then reflect the reduced Commitments.

Section 2.5 Optional Prepayments. Gannett may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent at least three Business Days prior thereto in the case of Eurodollar Loans and at least one Business Day prior thereto in the case of ABR Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans or ABR Loans; provided, that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, Gannett shall also pay any amounts owing pursuant to Section 2.16. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest and fees to such date on the amount prepaid. Partial prepayments shall be in an aggregate principal amount of \$10,000,000 or a multiple of \$1,000,000 in excess thereof. Notwithstanding anything to the contrary contained herein, Gannett shall not prepay the Competitive Loans except pursuant to

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Article 7, with the consent of the Lender which has made such Competitive Loan or as provided in the related Competitive Bid Request.

**Section 2.6 Conversion and Continuation Options.** (a) Gannett may elect from time to time to convert Eurodollar Revolving Credit Loans to ABR Loans by giving the Administrative Agent at least one Business Day's prior irrevocable notice of such election; provided that any such conversion of Eurodollar Revolving Credit Loans may only be made on the last day of an Interest Period with respect thereto. Gannett may elect from time to time to convert ABR Loans to Eurodollar Revolving Credit Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election. Any such notice of conversion to Eurodollar Revolving Credit Loans shall specify the length of the initial Interest Period or Interest Periods therefor. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. All or any part of outstanding Eurodollar Revolving Credit Loans and ABR Loans may be converted as provided herein; provided that (i) no Loan may be converted into a Eurodollar Revolving Credit Loan when any Event of Default has occurred and is continuing, (ii) no 364-Day Loan may be converted into a Eurodollar Revolving Credit Loan after the date that is one month prior to the 364-Day Termination Date and (iii) no Five-Year Loan may be converted into a Eurodollar Revolving Credit Loan after the date that is one month prior to the Five-Year Termination Date.

(b) Any Eurodollar Revolving Credit Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by Gannett giving notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans; provided that no Eurodollar Revolving Credit Loan may be continued as such (i) when any Event of Default has occurred and is continuing or (ii) after the date that is one month prior to the 364-Day Termination Date or the Five-Year Termination Date, as applicable; and provided, further, that if Gannett shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Eurodollar Revolving Credit Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period.

**Section 2.7 Minimum Amounts of Eurodollar Borrowings.** All borrowings, conversions and continuations of Revolving Credit Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of the Revolving Credit Loans comprising each Eurodollar Borrowing shall be equal to \$10,000,000 or a multiple of \$1,000,000 in excess thereof and so that there shall not be more than 20 Eurodollar Borrowings outstanding at any one time.

**Section 2.8 Repayment of Loans; Evidence of Debt.** (a) Gannett hereby unconditionally promises to pay (i) to each 364-Day Lender on the 364-Day Termination Date (or such earlier date as the 364-Day Loans become due and payable pursuant to Article 7 or Section 2.5), the unpaid principal amount of each 364-Day Loan made by such 364-Day Lender, (ii) to each Five-Year Lender on the Five-Year Termination Date (or such earlier date as the Five-Year Loans become due and payable pursuant to Article 7 or Section 2.5), the unpaid principal amount of each Five-Year Loan made by such Five-Year Lender and (iii) to each applicable Lender on the last day of the applicable Interest Period, the unpaid principal amount of each Competitive Loan made by any such Lender. Gannett hereby further agrees to pay interest in immediately available funds at the office of the Administrative Agent on the unpaid principal amount of the Loans from time to time from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.9.

(b) Notwithstanding anything to the contrary contained herein, so long as Gannett gives the Administrative Agent at least 30 days' notice in advance of the 364-Day Termination Date,

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Gannett may elect that all or any portion of the 364-Day Loan outstanding on the 364-Day Termination Date shall become a term loan and be due and payable in full on the date (the "Extended Date"; the 364-Day Loans so extended, the "Extended Loans") which is one year following the 364-Day Termination Date (or such earlier date as the 364-Day Loans become due and payable pursuant to Article 7 or Section 2.5).

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of Gannett to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such Lender from time to time under this Agreement.

(d) The Administrative Agent shall maintain the Register pursuant to Section 9.6(d), and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Loan made hereunder, the Type of each Loan made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from Gannett to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from Gannett and each Lender's share thereof.

(e) The entries made in the Register and accounts maintained pursuant to paragraphs (c) and (d) of this Section 2.8 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of Gannett therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain such account, such Register or such subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of Gannett to repay (with applicable interest) the Loans made to Gannett by such Lender in accordance with the terms of this Agreement.

Section 2.9 Interest Rates and Payment Dates. (a) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at a rate per annum equal to (i) in the case of each Eurodollar Revolving Credit Loan, the Eurodollar Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin and (ii) in the case of each Eurodollar Competitive Loan, the Eurodollar Rate for the Interest Period in effect for such Borrowing plus (or minus, as the case may be) the Margin offered by the Lender making such Loan and accepted by Gannett pursuant to Section 2.3. The Applicable Margin applicable to Extended Loans shall be increased by .1250%.

(c) Each Fixed Rate Loan shall bear interest at a rate per annum equal to the fixed rate of interest offered by the Lender making such Loan and accepted by Gannett pursuant to Section 2.3.

(d) Interest shall be payable in arrears on each Interest Payment Date; provided that interest accruing pursuant to paragraph (e) of this Section 2.9 shall be payable from time to time on demand.

(e) (i) If all or a portion of the principal amount of any Loan shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section 2.9 plus 1% and (ii) to the extent permitted under applicable law, if all or a portion of any interest payable on any Loan or any fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall

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bear interest at a rate per annum equal to the rate then applicable to ABR Loans plus 1%, in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

Section 2.10 Fees. (a) Gannett shall pay to the Administrative Agent, for the ratable account of the 364-Day Lenders, a facility fee (the "364-Day Facility Fee") at the rate per annum equal to (i) for each day that Gannett has Credit Status 1, .0500% of the aggregate 364-Day Commitments on such day, (ii) for each day that Gannett has Credit Status 2, .0600% of the aggregate 364-Day Commitments on such day, (iii) for each day that Gannett has Credit Status 3, .0800% of the aggregate 364-Day Commitments on such day, (iv) for each day that Gannett has Credit Status 4, .1000% of the aggregate 364-Day Commitments on such day, (v) for each day that Gannett has Credit Status 5, .1500% of the aggregate 364-Day Commitments on such day and (vi) for each day that Gannett has Credit Status 6, .2000% of the aggregate 364-Day Commitments on such day. On the first Business Day following the last day of each fiscal quarter of Gannett and on the 364-Day Termination Date or the Extended Date, as applicable, (or, if earlier, on the date upon which both the 364-Day Commitments are terminated and the 364-Day Loans are paid in full), Gannett shall pay to the Administrative Agent, for the ratable benefit of the Lenders, the portion of the 364-Day Facility Fee which accrued during the fiscal quarter most recently ended (or, in the case of the payment due on the 364-Day Termination Date or the Extended Date, the portion thereof ending on such date). Such facility fee shall be based upon the aggregate 364-Day Commitments of the 364-Day Lenders from time to time, regardless of the utilization by Gannett from time to time thereunder. During any period following the 364-Day Termination Date when 364-Day Loans are outstanding, the 364-Day Facility Fee shall be payable on the aggregate principal amount of such 364-Day Loans.

(b) Gannett shall pay to the Administrative Agent, for the ratable account of the Five-Year Lenders, a facility fee (the "Five-Year Facility Fee") at the rate per annum equal to (i) for each day that Gannett has Credit Status 1, .0700% of the aggregate Five-Year Commitments on such day, (ii) for each day that Gannett has Credit Status 2, .0800% of the aggregate Five-Year Commitments on such day, (iii) for each day that Gannett has Credit Status 3, .1000% of the aggregate Five-Year Commitments on such day, (iv) for each day that Gannett has Credit Status 4, .12500% of the aggregate Five-Year Commitments on such day, (v) for each day that Gannett has Credit Status 5, .1750% of the aggregate Five-Year Commitments on such day and (vi) for each day that Gannett has Credit Status 6, .2500% of the aggregate Five-Year Commitments on such day. On the first Business Day following the last day of each fiscal quarter of Gannett and on the Five-Year Termination Date (or, if earlier, on the date upon which both the Five-Year Commitments are terminated and the Five-Year Loans are paid in full), Gannett shall pay to the Administrative Agent, for the ratable benefit of the Lenders, the portion of the Five-Year Facility Fee which accrued during the fiscal quarter most recently ended (or, in the case of the payment due on the Five-Year Termination Date, the portion thereof ending on such date). Such facility fee shall be based upon the aggregate Five-Year Commitments of the Five-Year Lenders from time to time, regardless of the utilization by Gannett from time to time thereunder.

(c) Gannett shall pay to the Administrative Agent, for the ratable account of the Lenders, a utilization fee (the "Utilization Fee") at a rate per annum equal to 0.0750% for each day on which the Commitment Utilization Percentage exceeds 50%, which Utilization Fee shall accrue on the average daily amount of the Total Extensions of Credit for each Excess Utilization Day during the term of this Agreement. All Utilization Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days and shall be payable quarterly in arrears.

Section 2.11 Computation of Interest and Fees. (a) Interest payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans and Competitive Loans the rate of interest on which is calculated on the basis of the Prime

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Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. Fees (other than the Utilization Fees, which shall be calculated as provided in Section 2.10(c)) payable pursuant hereto shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify Gannett and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify Gannett and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on Gannett and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of Gannett, deliver to Gannett a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.11(a).

Section 2.12 Inability to Determine Interest Rate. If prior to the first day of any Interest Period the Administrative Agent shall have determined (which determination shall be conclusive and binding upon Gannett) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, the Administrative Agent shall give telecopy or telephonic notice thereof to Gannett and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans under the relevant Facility requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans under the relevant Facility that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans under the relevant Facility shall be converted, on the last day of the then-current Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans under the relevant Facility shall be made or continued as such, nor shall Gannett have the right to convert Loans under the relevant Facility to Eurodollar Loans.

Section 2.13 Pro Rata Treatment and Payments. (a) Each borrowing of Revolving Credit Loans from the Lenders hereunder, each payment by Gannett on account of any fee hereunder and, subject to the last sentence of Section 2.4, any reduction of the Commitments of the Lenders shall be made pro rata according to the respective 364-Day Commitments or Five-Year Commitments, as the case may be, of the relevant Lenders. Subject to the last sentence of Section 2.4, each payment (including each prepayment) by Gannett on account of principal of and interest on the 364-Day Loans shall be made pro rata according to the respective outstanding principal amounts of the 364-Day Loans then held by the Lenders, and each payment (including each prepayment) by Gannett on account of principal of and interest on the Five-Year Loans shall be made pro rata according to the respective outstanding principal amounts of the Five-Year Loans then held by the Lenders. Each payment by Gannett on account of principal of and interest on any Borrowing of Competitive Loans shall be made pro rata among the Lenders participating in such Borrowing according to the respective principal amounts of their outstanding Competitive Loans comprising such Borrowing.

(b) All payments (including prepayments) to be made by Gannett hereunder, whether on account of principal, interest, fees or otherwise, shall be made without set-off or counterclaim and shall be made prior to 12:00 Noon, Dallas, Texas time, on the due date thereof to the Administrative Agent, for the account of the relevant Lenders, at the Agent's office specified in Section 9.2, in Dollars and in immediately available funds. Notwithstanding the foregoing, the failure by Gannett to make a payment (or prepayment) prior to 12:00 Noon on the due date thereof shall not constitute a Default or Event of Default if such payment is made on such due date; provided, however, that any payment (or

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prepayment) made after such time on such due date shall be deemed made on the next Business Day for the purposes of interest and reimbursement calculations. The Administrative Agent shall distribute such payments to the relevant Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(c) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to Gannett a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate equal to the daily average Federal Funds Effective Rate for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days of such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans under the relevant Facility, on demand, from Gannett. Nothing herein shall be deemed to limit the rights of Gannett against any Lender who fails to make its share of such borrowing available.

(d) Unless the Administrative Agent shall have been notified in writing by Gannett prior to the date of any payment being made hereunder that Gannett will not make such payment to the Administrative Agent, the Administrative Agent may assume that Gannett is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by Gannett within three Business Days of such required date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against Gannett.

Section 2.14 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by Section 2.15 and changes in the rate of tax on the overall net income of such Lender);

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- (ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Rate hereunder; or
- (iii) shall impose on such Lender any other condition affecting Eurodollar Loans;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, Gannett shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify Gannett (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled. Gannett shall not be liable in respect of any such increased costs to, or reduced amount of any sum received or receivable by, any Lender pursuant to this Section 2.14(a) with respect to any interest, fees or other amounts accrued by such Lender more than 15 days prior to the date notice thereof is given to Gannett pursuant to this Section 2.14(a).

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, within 15 days after submission by such Lender to Gannett (with a copy to the Administrative Agent) of a written request therefor, Gannett shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction; provided that Gannett shall not be required to compensate a Lender pursuant to this paragraph for any amounts incurred more than 30 days prior to the date that such Lender notifies Gannett of such Lender's intention to claim compensation therefor; and provided further that, if the circumstances giving rise to such claim have a retroactive effect, then such 30 day period shall be extended to include the period of such retroactive effect.

(c) A certificate, setting forth a reasonably detailed explanation as to the reason for any additional amounts payable pursuant to this Section 2.14, submitted by any Lender to Gannett (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The obligations of Gannett pursuant to this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 2.15 Taxes. (a) All payments made by Gannett under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the

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Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent or any Lender hereunder, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, provided, however, that Gannett shall not be required to increase any such amounts payable to any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's failure to comply with the requirements of paragraph (d) or (e) of this Section or (ii) that are United States withholding taxes imposed on amounts payable to such Lender at the time the Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from Gannett with respect to such Non-Excluded Taxes pursuant to this paragraph.

(b) In addition, Gannett shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by Gannett, as promptly as possible thereafter Gannett shall send to the Administrative Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an original official receipt received by Gannett showing payment thereof. If Gannett fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, Gannett shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result of any such failure.

(d) Each Lender (or Transferee) that is not a "U.S. Person" as defined in Section 7701(a)(30) of the Code (a "Non-U.S. Lender") shall deliver to Gannett and the Administrative Agent (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement substantially in the form of Exhibit E and a Form W-8BEN, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments by Gannett under this Agreement. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement or designates a new lending office (or, in the case of any Participant, on or before the date such Participant purchases the related participation). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify Gannett at any time it determines that it is no longer in a position to provide any previously delivered certificate to Gannett (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Non-U.S. Lender shall not be required to deliver any form pursuant to this paragraph that such Non-U.S. Lender is not legally able to deliver.

(e) If the Administrative Agent or any Lender receives a refund in respect of any amounts paid by Gannett pursuant to this Section 2.15, which refund in the reasonable judgment of such Administrative Agent or such Lender is allocable to such payment, it shall pay the amount of such refund to Gannett, net of all reasonable out-of-pocket expenses of the Administrative Agent or such Lender, provided however, that Gannett, upon the request of such Lender or the Administrative Agent, agrees to

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repay the amount paid over to Gannett to the Administrative Agent or such Lender in the event such Administrative Agent or the Lender is required to repay such refund. Nothing contained herein shall interfere with the right of the Administrative Agent or any Lender to arrange its tax affairs in whatever manner it deems fit nor oblige the Administrative Agent or any Lender to apply for any refund or to disclose any information relating to its affairs or any computations in respect thereof.

(e) The agreements in this Section 2.15 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 2.16 Indemnity. Gannett agrees to indemnify each Lender and to hold each Lender harmless from any loss or expense that such Lender sustains or incurs as a consequence of (a) default by Gannett in making a borrowing of, conversion into or continuation of Eurodollar Loans after Gannett has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by Gannett in making any prepayment of or conversion from Eurodollar Loans after Gannett has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to Gannett by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

Section 2.17 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.14 or 2.15(a) with respect to such Lender, it will, if requested by Gannett, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of Gannett or the rights of any Lender pursuant to Section 2.14 or 2.15(a).

Section 2.18 Replacement of Lenders. Gannett shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.14 or 2.15(a) or (b) defaults in its obligation to make Loans hereunder, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) prior to any such replacement, such Lender shall have taken no action under Section 2.17 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.14 or 2.15(a), (iii) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (iv) Gannett shall be liable to such replaced Lender under Section 2.16 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (v) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (vi) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 9.6 (provided that Gannett shall be obligated to pay the registration and processing fee referred to therein), (vii) until such time as such replacement shall

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be consummated, Gannett shall pay all additional amounts (if any) required pursuant to Section 2.14 or 2.15(a), as the case may be, and (viii) any such replacement shall not be deemed to be a waiver of any rights that Gannett, the Administrative Agent or any other Lender shall have against the replaced Lender.

### ARTICLE III

#### Representations and Warranties

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans, Gannett hereby represents and warrants to the Administrative Agent and each Lender that:

Section 3.1 Organization; Powers. Gannett and each of its Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. Except where the failure to do so, individually or in the aggregate, would result in a Material Adverse Effect, Gannett and each of its Subsidiaries is duly qualified to do business as a foreign corporation and is in good standing in all states in which it owns substantial properties or in which it conducts a substantial business and its activities make such qualifications necessary.

Section 3.2 Financial Condition; No Material Adverse Effect. On or as of the Effective Date, Gannett has furnished to each of the Lenders copies of either its Annual Report for 2002 or a report on Form 8-K, containing in either case, copies of its consolidated balance sheet as of December 29, 2002 and the related statements of consolidated income and changes in shareholders' equity and cash flows for 2002, all reported on by PricewaterhouseCoopers LLP, independent public accountants. The financial statements contained in such Annual Report or report on Form 8-K (including the related notes) fairly present Gannett's consolidated financial condition as of their respective dates and the consolidated results of the operations of Gannett and its Subsidiaries for the periods then ended, and have been prepared in accordance with GAAP. Gannett and its Subsidiaries have no Material liabilities as of December 29, 2002 not reflected in the consolidated balance sheet as of December 29, 2002 or the related notes as of said date, and from that date to the Effective Date there has been no Material change in the business or financial condition of Gannett and its Subsidiaries taken as a whole which has not been publicly disclosed.

Section 3.3 Properties. As of the Effective Date, Gannett and its Subsidiaries owned absolutely, free and clear of all Liens, all of the real or personal property reflected in the consolidated balance sheet dated as of December 29, 2002 referred to in Section 3.2 and all other property acquired by them, respectively after December 29, 2002 except such property as has been disposed of in the ordinary course of business, and except for (i) easements, restrictions, exceptions, reservations or defects which, in the aggregate, do not materially interfere with the continued use of such property or materially affect the value thereof to Gannett or its Subsidiaries, (ii) Liens, if any, for current taxes not delinquent, and (iii) Liens reflected on such consolidated balance sheet or not otherwise prohibited by Section 6.1. As of the Effective Date, Gannett and its Subsidiaries enjoy peaceful and undisturbed possession of their properties which are held under lease and all such leases are in good standing and valid and binding obligations of the lessors in full force and effect, except for exceptions, reservations or defects which in the aggregate do not materially interfere with the continued use of such property or materially affect the value thereof to Gannett or its Subsidiaries.

Section 3.4 Litigation. There are no actions, suits, or proceedings pending or, to Gannett's knowledge, threatened against or affecting it or any Subsidiary in or before any court or foreign or domestic governmental instrumentality, and neither Gannett nor any Subsidiary is in default in respect of any order of any such court or instrumentality which, in Gannett's opinion, are Material.

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Section 3.5 No Conflicts. Neither the execution and delivery of this Agreement, the consummation of the transactions herein contemplated, nor compliance with the terms and provisions hereof will conflict with or result in a breach of any of the provisions of Gannett's restated certificate of incorporation, as amended, or by-laws, as amended, or any law or regulation, or any order of any court or governmental instrumentality, or any agreement or instrument by which Gannett is bound, or constitute a default thereunder, or result in the imposition of any Lien not permitted under this Agreement upon any of Gannett's property.

Section 3.6 Taxes. To the best of Gannett's knowledge, Gannett and its Subsidiaries have filed all tax returns which are required to be filed by any jurisdiction, and have paid all taxes which have become due pursuant to said returns or pursuant to any assessments against it or its Subsidiaries, except to the extent only that such taxes are not material or are being contested in good faith by appropriate proceedings.

Section 3.7 Authorization; Enforceability. The execution and delivery of this Agreement and the making of all Borrowings permitted by the provisions hereof have been duly authorized by all necessary corporate action on the part of Gannett; this Agreement has been duly and validly executed and delivered by Gannett and constitutes Gannett's valid and legally binding agreement enforceable in accordance with its terms; and the Borrowings when made, will constitute valid and binding obligations of Gannett enforceable in accordance with the terms of this Agreement, except as limited by applicable bankruptcy, insolvency, moratorium, reorganization or other laws, judicial decisions or principles of equity relating to or affecting the enforcement of creditors rights or contractual obligations generally.

Section 3.8 Environmental Matters. In the ordinary course of its business, Gannett becomes aware from time to time of the effect of Environmental Laws on its business, operations and properties and the business, operations and properties of its Subsidiaries, and it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties then owned or operated by Gannett or its Subsidiaries, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted at such properties, and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of these evaluations, Gannett has reasonably concluded that Environmental Laws are unlikely to have a Material Adverse Effect.

Section 3.9 No Change. Since December 29, 2002, there has been no development or event that has had or would have a Material Adverse Effect.

Section 3.10 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, Gannett will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

Section 3.11 No Default. Neither Gannett nor any of its Subsidiaries is in default under or with respect to any of its Contractual Obligations in any respect that would have a Material Adverse Effect.

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Section 3.12 Investment Company Act; Federal Regulations. Gannett is not an “investment company”, or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

#### ARTICLE IV

##### Conditions

The obligation of each Lender to make a Loan hereunder is subject to the accuracy, as of the date hereof, of the representations and warranties herein contained and to the satisfaction of the following further conditions:

(a) The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Agents and Gannett and (ii) an Addendum, executed and delivered by each Lender listed on Schedule 1.1.

(b) On the date of each Borrowing (i) no Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties contained in Sections 3.1, 3.5 and 3.7 shall be true and correct in all material respects on and as of such date as if made on and as of such date.

(c) On or prior to the date of the first Borrowing hereunder, there shall have been delivered to each Lender an opinion from Nixon Peabody LLP, counsel to Gannett, in substantially the form of Exhibit F hereto. In rendering the foregoing opinion, such counsel may rely upon certificates of officers of Gannett and its Subsidiaries as to factual matters, including (i) the nature and location of the property of Gannett and of its Subsidiaries, (ii) agreements and instruments to which Gannett and/or its Subsidiaries are a party, and (iii) the conduct of the business of Gannett and its Subsidiaries.

(d) On or prior to the date of the first Borrowing hereunder, there shall have been delivered to each Lender a certificate of the Secretary of Gannett certifying, as of the date of the Agreement, to resolutions duly adopted by the Board of Directors of Gannett or a duly authorized committee thereof authorizing Gannett’s execution and delivery of this Agreement and the making of the Borrowings.

(e) Prior to or simultaneously with the Effective Date, the Borrower shall have (i) terminated the “Five-Year Facility” under and as defined in its Competitive Advance and Revolving Credit Agreement, dated as of July 28, 2000, as amended, and paid in full all amounts (including, without limitation, interest and fees), if any, owing thereunder and (ii) terminated the “364-Day Facility” under and as defined in its Competitive Advance and Revolving Credit Agreement, dated as of March 11, 2002 and effective as of March 18, 2002, as amended, and paid in full all amounts (including, without limitation, interest and fees), if any, owing thereunder.

#### ARTICLE V

##### Affirmative Covenants.

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, Gannett covenants and agrees with the Lenders that it shall and shall cause each of its Subsidiaries to:

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Section 5.1 Financial Statements and Other Information. Furnish to the Administrative Agent and the Lenders:

(a) within 60 days after the end of each of the first three quarterly periods in each fiscal year, its consolidated statements of income for such quarterly period and for the period from the beginning of the fiscal year to the end of such quarterly period and its consolidated balance sheet at the end of that period, all in reasonable detail, subject, however, to year-end audit adjustments, together with a certificate of compliance and no default in substantially the form of Exhibit G hereto certified by an appropriate financial officer of Gannett;

(b) within 120 days after and as of the close of each fiscal year, Gannett's Annual Report to shareholders for such fiscal year, containing copies of its consolidated income statement, consolidated balance sheet and changes in shareholders' equity and cash flows for such fiscal year accompanied by a report by PricewaterhouseCoopers LLP or some other accounting firm of national reputation selected by Gannett, based on their examination of such financial statements, which examination shall have been conducted in accordance with generally accepted auditing standards and which report shall indicate that the financial statements have been prepared in accordance with GAAP, together with a certificate of compliance and no default in substantially the form of Exhibit G hereto, certified by an appropriate financial officer of Gannett;

(c) promptly upon their becoming available, copies of all regular and periodic financial reports, if any, which Gannett or any of its Subsidiaries shall file with the Securities and Exchange Commission or with any securities exchange;

(d) promptly upon their becoming available, copies of all prospectuses of Gannett and all reports, proxy statements and financial statements mailed by Gannett to its shareholders generally; and

(e) such other information respecting the financial condition and affairs of Gannett and its subsidiaries as any of the Lenders may from time to time reasonably request.

The financial statements of Gannett and its Subsidiaries hereafter delivered to the Lenders pursuant to this Section 5.1 will fairly set forth the financial condition of Gannett and its Subsidiaries as of the dates thereof, and the results of Gannett's and its Subsidiaries' operations for the respective periods stated therein, all in accordance with GAAP.

Section 5.2 Payment of Obligations. Duly pay and discharge all (i) material obligations when due and (ii) taxes, assessments and governmental charges of which Gannett has knowledge assessed against it or against its properties prior to the date on which penalties are attached thereto, unless and only to the extent that such obligations, taxes, assessments or charters are not material or shall be contested in good faith by appropriate proceedings initiated by Gannett.

Section 5.3 Books and Records; Inspection Rights. (a) Keep proper books of records and account in which true and correct entries, in all material respects, are made of all dealings in relation to its business and activities and (b) permit any Lender, upon reasonable request, to inspect at all reasonable times its properties, operations and books of account.

Section 5.4 Notices of Material Events. Promptly give notice to the Administrative Agent and each Lender of:

(a) the occurrence of any Default or Event of Default;

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(b) any (i) default or event of default under any Contractual Obligation of Gannett or any of its Subsidiaries or (ii) litigation, investigation or proceeding that may exist at any time between Gannett or any of its Subsidiaries and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, would have a material adverse effect on (A) the business, assets, operations or condition, financial or otherwise, of Gannett and its Subsidiaries taken as a whole or (B) the validity or enforceability of this Agreement or the material rights or remedies of the Administrative Agent and the Lenders hereunder; and

(c) any other development or event that has had or would have a Material Adverse Effect.

Each notice pursuant to this Section 5.4 shall be accompanied by a statement of an appropriate officer of Gannett setting forth details of the occurrence referred to therein and stating what action is proposed to take with respect thereto.

Section 5.5 Existence; Conduct of Business. Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation or other transaction permitted under Section 6.2.

Section 5.6 Maintenance of Properties; Insurance. (a) Keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

Section 5.7 Compliance with Laws. Comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, would not have a material adverse effect on (a) the business, assets, operations or condition, financial or otherwise, of Gannett and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or the material rights or remedies of the Administrative Agent and the Lenders hereunder.

Section 5.8 Debt Ratings. With respect to Gannett, use its reasonable best efforts to maintain at all times a senior unsecured long-term debt rating from either S&P or Moody's.

## ARTICLE VI

### Negative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, Gannett covenants and agrees with the Lenders that, it shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

Section 6.1 Liens. Create, incur, assume or permit to exist any Lien on any of its properties or assets now owned or hereafter acquired by it, without making provision satisfactory to the Lenders whereby the Lenders obtain an equal and ratable or prior Lien as security for the payment of the Borrowings; or transfer any of its assets for the purpose of subjecting them to the payment of obligations prior in payment to any of its general creditors; or allow any liability of, or claims, or demands against it, or any of its Subsidiaries, to exist for more than 30 days if the liability, claim or demand might by law be

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given any priority over those of its general creditors; provided, however, that none of the above shall prohibit Gannett or any Subsidiary from creating or allowing any of the following to exist:

(a) Liens incurred after the date hereof covering any of Gannett's or its Subsidiaries' properties or assets; provided that the total principal amount of indebtedness of Gannett and its Subsidiaries (on a consolidated basis) secured by all such Liens permitted under this Section 6.1(a) at any time outstanding shall not exceed 50% of Net Property, Plant and Equipment;

(b) leases of all types, whether or not such leases constitute leasebacks of property sold or transferred by Gannett or any Subsidiary;

(c) pledges and deposits securing the payment of workmen's compensation or insurance premiums, good-faith deposits in connection with tenders, contracts (other than contracts for the payment of borrowed money) or leases, deposits to secure surety or appeal bonds, liens, pledges or deposits in connection with contracts made with or at the request of the United States Government or any agency thereof, or pledges or deposits for similar purposes made in the ordinary course of business;

(d) liens securing taxes, assessments or governmental or other charges or claims for labor, materials or supplies which are not delinquent or which are being contested in good faith by appropriate proceedings and liens, restrictions, easements, licenses on the use of property or minor irregularities in the title thereof, which do not, in Gannett's opinion, in the aggregate materially impair their use in Gannett's and its Subsidiaries' business; and

(e) Liens on the assets of any Person which becomes a Subsidiary of Gannett after the date of this Agreement to the extent that such liens existed prior to the date of acquisition of such corporation by Gannett; provided that such Liens existed at the time such Person became a Subsidiary of Gannett and were not created in anticipation thereof.

Section 6.2 Fundamental Changes. Merge, consolidate, sell, lease, transfer or otherwise dispose of all or substantially all of its assets, unless immediately after giving effect to such transaction, it shall be in compliance with Sections 6.1 and 6.3 hereof and, in the case of a merger or consolidation by Gannett, Gannett shall be the survivor corporation.

Section 6.3 Shareholders' Equity. Permit Gannett's Total Shareholders' Equity at any time to be less than \$3,500,000,000.

## ARTICLE VII

### Events of Default

Section 7.1 Events of Default. The following are Events of Default:

(a) Gannett shall fail to pay when due in accordance with the terms hereof (i) any principal on any Loan and such failure shall have continued for a period of three Business Days or (ii) any interest on any Loan, or any other amount payable hereunder, and such failure shall have continued for a period of five Business Days.

(b) Gannett shall (A) default in any payment of principal or of interest on any other obligation for borrowed money in excess of \$50,000,000 beyond any grace period provided with respect thereto, or (B) default in the performance of any other agreement, term or condition

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contained in any agreement under which any such obligation is created, if the effect of such default is to cause such obligation to be accelerated or become due prior to its stated maturity.

(c) Any representation or warranty herein made by Gannett, or any certificate or financial statement furnished by Gannett pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made or furnished and Gannett shall fail to take corrective measures satisfactory to the Required Lenders within 30 days after notice thereof to Gannett from any Lender or the Administrative Agent or by Gannett to the Administrative Agent.

(d) Gannett shall default in the performance of any other covenant, condition or provision hereof and such default shall not be remedied to the satisfaction of the Required Lenders within a period of 30 days after notice thereof to Gannett from any Lender or the Administrative Agent or by Gannett to the Administrative Agent.

(e) Gannett or any Subsidiary with more than \$100,000,000 in revenue in the preceding fiscal year (other than Gannett Satellite Information Network, Inc.) shall (A) apply for or consent to the appointment of a receiver, trustee, or liquidator of Gannett, (B) make a general assignment for the benefit of creditors, or (C) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or take advantage of any insolvency law or an answer admitting the material allegations of a petition filed against Gannett in any bankruptcy, reorganization or insolvency proceeding, or corporate action shall be taken by Gannett for the purpose of affecting any of the foregoing.

(f) An order, judgment or decree shall be entered, without the application, approval or consent of Gannett, by any court of competent jurisdiction, approving a petition seeking reorganization of Gannett or appointing a receiver, trustee or liquidator of Gannett or of all or a substantial part of the assets of Gannett, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

(g) One or more final, non-appealable judgments for the payment of money in an aggregate amount in excess of \$100,000,000 shall be rendered against Gannett, any Subsidiary or any combination thereof, and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed or bonded;

Section 7.2 Remedies. If an Event of Default shall occur and be continuing:

(a) If an Event of Default specified in Section 7.1(e) or (f) shall occur and be continuing, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement shall immediately become due and payable.

(b) If an Event of Default other than those specified in Section 7.1(e) or (f) shall occur and be continuing, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to Gannett, declare Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to Gannett, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement to be due and payable forthwith, whereupon the same shall immediately become due and payable.

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(c) Except as expressly provided above in this Article, presentment, demand, protest and all other notices of any kind are hereby expressly waived by Gannett.

(d) Any Lender giving any notice to Gannett under this Article 7 shall simultaneously give like notice to the Administrative Agent.

## ARTICLE VIII

### The Administrative Agent

Section 8.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent.

Section 8.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

Section 8.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by Gannett or any officer thereof contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or for any failure of Gannett to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of Gannett.

Section 8.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Gannett), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any promissory note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first receive such advice or concurrence of the Required

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Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

Section 8.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender or Gannett referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

Section 8.6 Non-Reliance on Administrative Agent and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of a Gannett or any affiliate of Gannett, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of Gannett and its affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of Gannett and its affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of Gannett or any affiliate of Gannett that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

Section 8.7 Indemnification. The Lenders agree to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by Gannett and without limiting the obligation of Gannett to do so), ratably according to their respective Aggregate Commitment Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Commitment Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent in any

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way relating to or arising out of, the Commitments, this Agreement or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the Administrative Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

Section 8.8 Agent in Its Individual Capacity. The Administrative Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with Gannett as though the Administrative Agent were not the Administrative Agent. With respect to its Loans made or renewed by it, the Administrative Agent shall have the same rights and powers under this Agreement as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

Section 8.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 15 Business Days' notice to the Lenders and Gannett. If the Administrative Agent shall resign as Administrative Agent under this Agreement, then (a) so long as an Event of Default under Section 7.1(a), 7.1(e) or 7.1(f) with respect to Gannett shall not have occurred and be continuing, Gannett shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall be subject to approval by the Required Lenders (which approval shall not be unreasonably withheld, conditioned or delayed) and (b) if an Event of Default under Section 7.1(a), 7.1(e) or 7.1(f) with respect to Gannett shall have occurred and be continuing, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is 15 Business Days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Article 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

Section 8.10 Syndication Agent and Documentation Agent. Notwithstanding any provision to the contrary elsewhere in this Agreement, neither the Syndication Agent nor the Documentation Agent shall have any duties or responsibilities hereunder, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against either the Syndication Agent or the Documentation Agent.

## ARTICLE IX

### Miscellaneous

Section 9.1 Amendments and Waivers. Neither this Agreement nor any terms hereof may be amended, supplemented or modified except in accordance with the provisions of this Section 9.1.

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The Required Lenders and Gannett may, or, with the written consent of the Required Lenders, the Administrative Agent and Gannett may, from time to time, (a) enter into written amendments, supplements or modifications hereto for the purpose of adding any provisions to this Agreement or changing in any manner the rights of the Lenders or of Gannett hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Loan, reduce the stated rate of any interest or fee payable hereunder (except (x) in connection with the waiver of applicability of any post-default increase in interest rates, which waiver shall be effective with the consent of the Required Lenders and (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)) or extend the scheduled date of any payment thereof, in each case without the written consent of each Lender directly affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 9.1 or extend or increase the Commitment of any Lender, in each case without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by Gannett of any of its rights and obligations under this Agreement, in each case without the written consent of all Lenders; (iv) amend, modify or waive any provision of Article 8 without the written consent of the Administrative Agent and any other Agent affected thereby; or (v) amend, modify or waive any provision of Section 2.13(a) or (b) without the written consent of each Lender directly affected thereby. Notwithstanding anything to the contrary contained in this Section 9.1, (y) no Five-Year Lender's consent (and, for purposes of determining Required Lenders, the Five-Year Lenders shall not be taken into account) shall be required to (i) extend the 364-Day Termination Date or (ii) change the stated rate of any interest or fee payable hereunder in respect of the 364-Day Facility and (z) no 364-Day Lender's consent (and, for the purposes of determining Required Lenders, the 364-Day Lenders shall not be taken into account) shall be required to (i) extend the Five-Year Termination Date or (ii) change the stated rate of any interest or fee payable hereunder in respect of the Five-Year Facility. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding on Gannett, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, Gannett, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

For the avoidance of doubt, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and Gannett (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof (collectively, the "Additional Extensions of Credit") to share ratably in the benefits of this Agreement with the Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

Section 9.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Gannett and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

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Gannett: 7950 Jones Branch Drive  
McLean, VA 22107  
Attention: Vice President & Treasurer  
Telecopy: 703-854-2047  
Telephone: 703-854-6248

The Administrative Agent: Bank of America, N.A.  
901 Main Street, 14th Floor  
Dallas, TX 75202-3714  
Attention: Maurice Washington  
Telecopy: 214-290-9544  
Telephone: 214-209-4128

With a copy to:

Bank of America, N.A.  
335 Madison Avenue, 5th Floor  
New York, NY 10017  
Attention: Thomas Kane  
Telecopy: 212-503-7173  
Telephone: 212-503-7980

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

Section 9.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 9.4 Survival of Representations and Warranties. All representations and warranties made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

Section 9.5 Payment of Expenses and Taxes. (a) Gannett agrees (i) to pay or reimburse the Administrative Agent for all its reasonable out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and any other documents prepared in connection herewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to Gannett prior to the Effective Date (in the case of amounts to be paid on the Effective Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (ii) to pay or reimburse each Lender and the Administrative Agent for all its reasonable costs and expenses incurred in connection with the enforcement of any rights under this Agreement and any such other documents, including the reasonable fees and disbursements of counsel to each Lender and of counsel to the Administrative Agent, and (iii) to pay, indemnify, and hold each Lender and the Administrative Agent and their respective officers, directors, employees, affiliates, agents and controlling persons (each, an

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“Indemnitee”) harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement and any such other documents, including any of the foregoing relating to the use of proceeds of the Loans and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against Gannett under this Agreement (all the foregoing in this clause (d), collectively, the “Indemnified Liabilities”), provided, that Gannett shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities have resulted from the gross negligence or willful misconduct of such Indemnitee. All amounts due under this Section 9.5(a) shall be payable not later than 10 days after written demand therefor.

(b) Notwithstanding anything to the contrary in Section 9.5(a), (i) Gannett shall have no such obligation for costs and expenses if Gannett prevails or successfully defeats any enforcement or collection proceedings; and (ii) if, by final adjudication in any proceeding not involving Gannett’s bankruptcy, reorganization or insolvency, the Lenders receive less relief than claimed, Gannett’s obligation for costs and expenses shall be limited proportionately to the relief granted to the Lenders.

(c) Gannett agrees to pay, indemnify, and hold each Lender and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement and any such other documents.

(d) If Gannett is required to commence proceedings against any Lender to enforce its Commitment, the Lender will pay Gannett’s reasonable costs and expenses (including attorneys’ fees) if Gannett succeeds, or a share of such reasonable costs and expenses proportionate to Gannett’s recovery if Gannett is only partially successful.

(e) The agreements in this Section 9.5 shall survive repayment of the Loans and all other amounts payable hereunder.

Section 9.6 Successors and Assigns; Participations and Assignments. (a) This Agreement shall be binding upon and inure to the benefit of Gannett, the Lenders, the Administrative Agent, all future holders of the Loans and their respective successors and assigns, except that Gannett may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender other than any Conduit Lender may, without the consent of Gannett or the Administrative Agent, in accordance with applicable law, at any time sell to one or more banks, financial institutions or other entities (each, a “Participant”) participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender’s obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement, and Gannett and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of this Agreement, or any consent to any departure by Gannett therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Loans or any fees payable hereunder, or postpone the date of the final maturity of the

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Loans, in each case to the extent subject to such participation. Gannett agrees that if amounts outstanding under this Agreement and the Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent permitted by applicable law, be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 9.7(a) as fully as if it were a Lender hereunder. Gannett also agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 with respect to its participation in the Commitments and the Loans outstanding from time to time as if it was a Lender; provided that, in the case of Section 2.15, such Participant shall have complied with the requirements of said Section and provided, further, that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender other than any Conduit Lender (an “Assignor”) may, in accordance with applicable law, at any time and from time to time assign to any Lender or, with the consent of Gannett and the Administrative Agent (which, in each case, shall not be unreasonably withheld, delayed or conditioned; it being understood that (i) the Administrative Agent and each Lender effecting an assignment to any Person other than a Lender should notify the Borrower as promptly as possible of any request for assignment and the Borrower, in turn, should promptly consider such request for assignment; and (ii) Gannett’s consent shall not be considered to be unreasonably withheld, delayed or conditioned if Gannett withholds, delays or conditions its consent because, among other factors, it is concerned about a potential Assignee’s capital adequacy, liquidity or ability to perform its obligations under this Agreement), to any Lender Affiliate, an additional bank, financial institution or other entity (an “Assignee”) all or any part of its rights and obligations under this Agreement pursuant to an Assignment and Acceptance, executed by such Assignee, such Assignor and any other Person whose consent is required pursuant to this paragraph, and delivered to the Administrative Agent for its acceptance and recording in the Register; provided that, unless otherwise agreed by Gannett and the Administrative Agent, no such assignment to an Assignee (other than any Lender or any Lender Affiliate) shall be in an aggregate principal amount of less than \$10,000,000, in each case except in the case of an assignment of all of a Lender’s interests under this Agreement. For purposes of the proviso contained in the preceding sentence, the amount described therein shall be aggregated in respect of each Lender and its Lender Affiliates, if any. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with a Commitment and/or Loans as set forth therein, and (y) the Assignor thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor’s rights and obligations under this Agreement, such Assignor shall cease to be a party hereto). Notwithstanding any provision of this Section 9.6, the consent of Gannett shall not be required for any assignment that occurs when an Event of Default shall have occurred and be continuing. Notwithstanding the foregoing, any Conduit Lender may assign at any time to its designating Lender hereunder without the consent of Gannett or the Administrative Agent any or all of the Loans it may have funded hereunder and pursuant to its designation agreement and without regard to the limitations set forth in the first sentence of this Section 9.6(c).

(d) The Administrative Agent shall, on behalf of Gannett, maintain at its address referred to in Section 9.2 a copy of each Assignment and Acceptance delivered to it and a register (the “Register”) for the recordation of the names and addresses of the Lenders and the Commitment of, and

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the principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and Gannett, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any promissory notes evidencing the Loans recorded therein for all purposes of this Agreement. Any assignment of any Loan, whether or not evidenced by a promissory note, shall be effective only upon appropriate entries with respect thereto being made in the Register. Any assignment or transfer of all or part of a Loan evidenced by a promissory note shall be registered on the Register only upon surrender for registration of assignment or transfer of the promissory note evidencing such Loan, accompanied by a duly executed Assignment and Acceptance, and thereupon one or more new promissory notes shall be issued to the designated Assignee.

(e) Upon its receipt of an Assignment and Acceptance executed by an Assignor, an Assignee and any other Person whose consent is required by Section 9.6(c), together with payment to the Administrative Agent of a registration and processing fee of \$3,500 (except that no such registration and processing fee shall be payable in the case of an Assignee which is a Lender Affiliate of the relevant Assignor), the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) record the information contained therein in the Register on the effective date determined pursuant thereto.

(f) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 9.6 concerning assignments relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including any pledge or assignment by a Lender to secure obligations to a Federal Reserve Bank in accordance with applicable law; provided that no such pledge or assignment shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Gannett, upon receipt of written notice from the relevant Lender, agrees to issue a promissory note to any Lender requiring such a note to facilitate transactions of the type described in paragraph (f) above.

(h) Each of Gannett, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Lender.

Section 9.7 Adjustments; Set-off. (a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender, if any Lender (a "Benefited Lender") shall, at any time after the Loans and other amounts payable hereunder shall immediately become due and payable pursuant to Section 7.2, receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 7.1(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the obligations owing to such other Lender, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter

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recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to Gannett, any such notice being expressly waived by Gannett to the extent permitted by applicable law, upon any amount becoming due and payable by Gannett hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of Gannett, as the case may be. Each Lender agrees promptly to notify Gannett and the Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 9.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with Gannett and the Administrative Agent.

Section 9.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.10 Integration. This Agreement represents the entire agreement of Gannett, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein.

**Section 9.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

Section 9.12 Submission To Jurisdiction; Waivers. Gannett hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

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(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Gannett at its address set forth in Section 9.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto; and

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

Section 9.13 Acknowledgements. Gannett hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to Gannett arising out of or in connection with this Agreement, and the relationship between Administrative Agent and Lenders, on one hand, and Gannett, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Gannett and the Lenders.

Section 9.14 Confidentiality. Each of the Administrative Agent and each Lender agrees to keep confidential all non-public information provided to it by Gannett pursuant to this Agreement; provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, any other Lender or any Lender Affiliate subject to this Section 9.14, (b) subject to an agreement to comply with the provisions of this Section, to any actual or prospective Transferee or any direct or indirect counterparty to any Hedge Agreement (or any professional advisor to such counterparty), (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates, provided that such Persons to whom disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential, (d) upon the request or demand of any Governmental Authority or in response to any order of any court or other Governmental Authority, upon prior written notice to Gannett to the extent reasonably practicable, (e) to the extent required by any Requirement of Law (other than as provided in clause (d) above) or in connection with any litigation or similar proceeding, provided that Gannett shall be promptly notified, to the extent reasonably practicable, prior to any such disclosure so that Gannett may contest such disclosure or seek confidential treatment thereof, (f) that has been publicly disclosed, (g) to any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, or (h) in connection with the exercise of any remedy hereunder.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

GANNETT CO., INC.

By: /s/ Michael A. Hart  
Name: Michael A. Hart  
Title: Vice President and Treasurer

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

By: /s/ Thomas J. Kane  
Name: Thomas J. Kane  
Title: Principal

JPMORGAN CHASE BANK, as Syndication Agent

By: /s/ David M. Mallett  
Name: David M. Mallett  
Title: Vice President

LLOYDS TSB BANK PLC, as Documentation Agent

By: /s/ Peter Doyle  
Name: Peter Doyle  
Title: Vice President Corporate Banking

LLOYDS TSB BANK PLC, as Documentation Agent

By: /s/ Lisa Maguire  
Name: Lisa Maguire  
Title: Assistant Vice President Corporate Banking

SUNTRUST BANK, as Documentation Agent

By: /s/ Kip Howard  
Name: Kip Howard  
Title: Vice President

JPMORGAN CHASE BANK

By: /s/ David M. Mallett  
Name: David M. Mallett  
Title: Vice President

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BANK OF AMERICA, N.A.

By: /s/ Thomas J. Kane  
Name: Thomas J. Kane  
Title: Principal

LLOYDS TSB PLC

By: /s/ Peter Doyle  
Name: Peter Doyle  
Title: Vice President Corporate Banking

LLOYDS TSB PLC

By: /s/ Lisa Maguire  
Name: Lisa Maguire  
Title: Assistant Vice President Corporate Banking

SUNTRUST BANK

By: /s/ Kip Howard  
Name: Kip Howard  
Title: Vice President

BARCLAYS BANK PLC

By: /s/ L. Peter Yetman  
Name: L. Peter Yetman  
Title: Director

CITIBANK, N.A.

By: /s/ Julio Ojea-Quintana  
Name: Julio Ojea-Quintana  
Title: Director

BANK OF TOKYO-MITSUBISHI TRUST COMPANY

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By: /s/ Karen Ossolinski  
Name: Karen Ossolinski  
Title: Vice President

UFJ BANK LIMITED

By: /s/ John T. Feeney  
Name: John T. Feeney  
Title: Vice President

KEYBANK NATIONAL ASSOCIATION

By: /s/ Francis W. Lutz, Jr.  
Name: Francis W. Lutz, Jr.  
Title: Vice President

SUMITOMO MITSUI BANKING CORPORATION

By: /s/ Leo E. Pagarigan  
Name: Leo E. Pagarigan  
Title: Senior Vice President

WACHOVIA BANK, NA

By: /s/ James F. Heatwole  
Name: James F. Heatwole  
Title: Director

WELLS FARGO BANK NATIONAL ASSOCIATION

By: /s/ Lori A. Ross  
Name: Lori A. Ross  
Title: Vice President

THE BANK OF NEW YORK

By: /s/ Michael E. Masters  
Name: Michael E. Masters  
Title: Vice President

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U.S. BANK NATIONAL ASSOCIATION

By: /s/ John Franceschi  
Name: John Franceschi  
Title: Vice President

FIFTH THIRD BANK

By: /s/ David C. Melin  
Name: David C. Melin  
Title: Vice President

HSBC BANK USA

By: /s/ Jeffrey Rothman  
Name: Jeffrey Rothman  
Title: SVP Telecommunications,  
Media and Technology

THE NORTHERN TRUST COMPANY

By: /s/ Chris McKean  
Name: Chris McKean  
Title: Vice President

FIRST HAWAIIAN BANK

By: /s/ Alan H. Arizumi  
Name: Alan H. Arizumi  
Title: Vice President

STANDARD FEDERAL BANK, N.A.

By: /s/ Jason W. Bierlein  
Name: Jason W. Bierlein  
Title: Vice President

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BANK OF HAWAII

By: /s/ Luke Yeh  
Name: Luke Yeh  
Title: Vice President

ASSOCIATED BANK NATIONAL ASSOCIATION

By: /s/ Thomas M. Thoepe  
Name: Thomas M. Thoepe  
Title: Vice President

FLEET BANK, N.A.

By: /s/ Michael Dwyer  
Name: Michael Dwyer  
Title: Senior Vice President

MELLON BANK, N.A.

By: /s/ Nancy E. Gale  
Name: Nancy E. Gale  
Title: Vice President

HERBERNIA NATIONAL BANK

By: /s/ Rick Larson  
Name: Rick Larson  
Title: Vice President

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**Commitments**

<b>Lenders</b>	<b>364-Day Commitment</b>	<b>Five-Year Commitment</b>	<b>Total Commitment</b>
JPMorgan Chase Bank	\$81,250,000	\$243,750,000	\$325,000,000
Bank of America, N.A.	81,250,000	243,750,000	325,000,000
Lloyds TSB Bank tsb	62,500,000	187,500,000	250,000,000
SunTrust Banks, Inc.	56,250,000	168,750,000	225,000,000
Barclays Bank plc	46,875,000	140,625,000	187,500,000
Citicorp	27,500,000	82,500,000	110,000,000
Bank of Tokyo-Mitsubishi Trust Company	25,000,000	75,000,000	100,000,000
UFJ Bank Limited	25,000,000	75,000,000	100,000,000
Key Bank	25,000,000	75,000,000	100,000,000
Sumitomo Mitsui Banking Corporation	25,000,000	75,000,000	100,000,000
Wachovia Bank	25,000,000	75,000,000	100,000,000
Wells Fargo Bank	21,875,000	65,625,000	87,500,000
The Bank of New York	18,750,000	56,250,000	75,000,000
U.S. Bank	15,625,000	46,875,000	62,500,000
Fifth Third Bank	13,750,000	41,250,000	55,000,000
HSBC Bank USA	12,500,000	37,500,000	50,000,000
Northern Trust Company	12,500,000	37,500,000	50,000,000
First Hawaiian Bank	9,375,000	28,125,000	37,500,000
Standard Federal Bank	8,750,000	26,250,000	35,000,000
Bank of Hawaii	6,250,000	18,750,000	25,000,000
Associated Bank	6,250,000	18,750,000	25,000,000
Fleet Bank, N.A.	3,125,000	9,375,000	12,500,000
Mellon Bank, N.A.	3,125,000	9,375,000	12,500,000
Hibernia National Bank	10,000,000	—	10,000,000
<b>TOTAL:</b>	<b>\$ 622,500,000</b>	<b>\$1,837,500,000</b>	<b>\$2,460,000,000</b>

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FORM OF ADDENDUM

The undersigned (i) agrees to all of the provisions of the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; terms defined therein being used herein as therein defined unless otherwise defined), among Gannett Co., Inc., the lenders parties thereto (the "Lenders"), Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, as Syndication Agent, and Lloyds TSB Bank plc and SunTrust Bank, as Documentation Agents, and (ii) becomes a party thereto, as a Lender, with a 364-Day Commitment and/or a Five-Year Commitment, as the case may be, as set forth opposite the undersigned Lender's name on Schedule 1.1 to the Credit Agreement, as such amount may be changed from time to time as provided in the Credit Agreement.

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(NAME OF LENDER)

By: \_\_\_\_\_

Name:

Title:

Dated as of February \_\_, 2004

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FORM OF ASSIGNMENT AND ACCEPTANCE

Reference is made to the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; terms defined therein being used herein are therein defined unless otherwise defined), among Gannett Co., Inc., a Delaware corporation ("Gannett"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, as Syndication Agent, and Lloyds TSB Bank plc and SunTrust Bank, as Documentation Agents.

The Assignor identified on Schedule 1 hereto (the "Assignor") and the Assignee identified on Schedule 1 hereto (the "Assignee") agree as follows:

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Effective Date (as defined below), the interest described in Schedule 1 hereto (the "Assigned Interest") in and to the Assignor's rights and obligations under the Credit Agreement with respect to those credit facilities contained in the Credit Agreement as are set forth on Schedule 1 hereto (individually, an "Assigned Facility"; collectively, the "Assigned Facilities"), in a principal amount for each Assigned Facility as set forth on Schedule 1 hereto.
  2. The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto, other than that the Assignor has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim; and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Gannett, any of its Subsidiaries or any other obligor or the performance or observance by Gannett, any of its Subsidiaries or any other obligor of any of their respective obligations under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto.
  3. The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant thereto, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document
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furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

4. The effective date of this Assignment and Acceptance shall be the Effective Date of Assignment described in Schedule 1 hereto (the "Effective Date"). Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent and to Gannett for their consent (if such consent is required) and, if such consent is granted, for acceptance and recording by the Administrative Agent pursuant to the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent). **IN THE CASE OF ASSIGNMENTS TO AN ASSIGNEE OTHER THAN AN EXISTING LENDER OR LENDER AFFILIATE, THE ASSIGNOR AND ASSIGNEE HEREBY ACKNOWLEDGE THAT THIS ASSIGNMENT SHALL NOT BE EFFECTIVE UNTIL CONSENT FOR SUCH ASSIGNMENT IS GRANTED BY GANNETT AND THIS ASSIGNMENT IS SIGNED BY EACH OF GANNETT AND THE ADMINISTRATIVE AGENT.**
  5. Upon such consent, acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to or on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.
  6. From and after the Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and shall be bound by the provisions thereof and (b) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.
  7. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.
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IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

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Facility Assigned	Principal Amount Assigned	Percentage Assigned of Facility (set forth, to at least 8 decimals, as a percentage of the aggregate Facility)
364-Day Facility:	\$	%
Five-Year Facility:		
Incremental Facility:		

Effective Date of Assignment: \_\_\_\_\_, \_\_\_\_\_

[Name of Assignor], as Assignor

By: \_\_\_\_\_

Name:  
Title:

[Name of Assignee], as Assignee

By: \_\_\_\_\_

Name:  
Title:

The undersigned hereby consent to the within assignment:

GANNETT CO., INC.

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

By: \_\_\_\_\_

Name:  
Title:

By: \_\_\_\_\_

Name:  
Title:



FORM OF COMPETITIVE BID REQUEST

Bank of America, N.A., as Administrative  
Agent for the Lenders referred to below  
901 Main Street, 14<sup>th</sup> Floor  
Dallas, TX 75202-3714

Attention: \_\_\_\_\_

Dear Ladies and Gentlemen:

The undersigned, Gannett Co., Inc. ("Gannett"), refers to the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; terms defined therein being used herein are therein defined unless otherwise defined), among Gannett, the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, as Syndication Agent, and Lloyds TSB Bank plc and SunTrust Bank, as Documentation Agents. Gannett hereby gives you notice pursuant to subsection 2.3(b) of the Credit Agreement that it requests a Competitive Loan under the Credit Agreement, and in that connection sets forth below the terms on which such Competitive Loan is requested to be made:

- (A) Facility under which Competitive Borrowing is to be made \_\_\_\_\_
- (B) Borrowing Date \_\_\_\_\_
- (C) Principal Amount of Competitive Borrowing<sup>1</sup> \_\_\_\_\_
- (D) Interest rate basis<sup>2</sup> \_\_\_\_\_
- (E) Interest Period and the last day thereof<sup>3</sup> \_\_\_\_\_

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<sup>1</sup> Not less than \$10,000,000 (and in integral multiples of \$1,000,000 in excess thereof) or greater than the excess, if any, of the aggregate 364-Day Commitments, Five-Year Commitments or Incremental Facility Commitments, as applicable, over the aggregate principal amount of all 364-Day Loans, Five-Year Loans or Incremental Loans, as applicable, outstanding immediately prior to the making of such requested Competitive Borrowing.

<sup>2</sup> Eurodollar Competitive Loan or Fixed Rate Loan.

<sup>3</sup> Which shall be subject to the definition of #Interest Period# and end on or before the 364-Day Termination Date, Five-Year Termination Date or Incremental Facility Maturity Date, as applicable.

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Very truly yours,

GANNETT CO., INC.

By: \_\_\_\_\_  
Name:  
Title:

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FORM OF INVITATION FOR COMPETITIVE BIDS

[Name of Lender]  
[Address]

Attention:

Dear Ladies and Gentlemen:

Reference is made to Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; terms defined therein being used herein are therein defined unless otherwise defined), among Gannett Co., Inc. ("Gannett"), the several banks and other financial institutions or entities from time to time parties thereto, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank as Syndication Agent, and Lloyds TSB Bank plc and SunTrust Bank, as Documentation Agents. Gannett made a Competitive Bid Request on \_\_\_\_\_, \_\_\_\_\_, pursuant to subsection 2.3(b) of the Credit Agreement, and in that connection you are invited to submit a Competitive Bid by [Date]/[Time].<sup>4</sup> Your Competitive Bid must comply with subsection 2.3(d) of the Credit Agreement and the terms set forth below on which the Competitive Bid Request was made:

- (A) Facility under which Competitive Borrowing is to be made \_\_\_\_\_
- (B) Borrowing Date \_\_\_\_\_
- (C) Principal Amount of Competitive Borrowing \_\_\_\_\_
- (D) Interest rate basis<sup>5</sup> \_\_\_\_\_
- (E) Interest Period and the last day thereof<sup>6</sup> \_\_\_\_\_

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

By: \_\_\_\_\_  
Name:  
Title:

<sup>4</sup> The Competitive Bid must be received by the Administrative Agent (i) in the case of Eurodollar Competitive Loans, not later than 9:30 A.M. (Dallas, TX time) three Business Days prior to the proposed Borrowing Date, and (ii) in the case of Fixed Rate Loans, not later than 9:30 A.M. (Dallas, TX time) on the proposed Borrowing Date.

<sup>5</sup> Eurodollar Competitive Loan or Fixed Rate Loan.

<sup>6</sup> Which shall be subject to the definition of #Interest Period# and end on or before the 364-Day Termination Date, Five-Year Termination Date or Incremental Facility Maturity Date, as applicable.



FORM OF COMPETITIVE BID

Bank of America, N.A., as Administrative  
Agent for the Lenders referred to below  
901 Main Street, 14th Floor  
Dallas, TX 75202-3741

Attention: \_\_\_\_\_, \_\_\_\_\_

Dear Ladies and Gentlemen:

The undersigned, [Name of Lender], refers to the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; terms defined therein being used herein as therein defined unless otherwise defined), among Gannett Co., Inc. ("Gannett"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, as Syndication Agent, and Lloyds TSB Bank plc and SunTrust Bank, as Documentation Agents. The undersigned hereby makes a Competitive Bid pursuant to subsection 2.3(d) of the Credit Agreement, in response to the Competitive Bid Request made by Gannett on \_\_\_\_\_, \_\_\_, and in that connection sets forth below the terms on which such Competitive Bid is made:

- (A) Facility under which Competitive Borrowing is to be made \_\_\_\_\_
- (B) Borrowing Date \_\_\_\_\_
- (C) Principal Amount<sup>1</sup> \_\_\_\_\_
- (D) Competitive Bid Rate<sup>2</sup> \_\_\_\_\_
- (E) Interest Period and the last day thereof \_\_\_\_\_

<sup>1</sup> Not less than \$5,000,000 or greater than the requested Competitive Borrowing and in integral multiples of \$1,000,000 and may be subject to limitation as to the maximum aggregate principal amount of Competitive Loans for which offers made by such quoting Lender may be accepted. Up to five separate offers may be included with respect to each Interest Period.

<sup>2</sup> *i.e.*, Eurodollar Rate + or - \_\_%, in the case of Eurodollar Competitive Loans or \_\_%, in the case of Fixed Rate Loans, in each case specified in increments of 1/10,000th of 1%.

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The undersigned hereby confirms that the above offer(s) are irrevocable and that it is prepared, subject to the conditions set forth in the Credit Agreement, to extend credit to Gannett upon acceptance by Gannett of this bid in accordance with subsection 2.3(f) of the Credit Agreement.

Very truly yours,

[NAME OF LENDER]

By: \_\_\_\_\_  
Name:  
Title:

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FORM OF COMPETITIVE BID ACCEPT/REJECT LETTER

\_\_\_\_\_ , \_\_\_\_

Bank of America, N.A., as Administrative  
Agent for the Lenders referred to below  
901 Main Street, 14th Floor  
Dallas, TX 75202-3714

Attention:

Dear Ladies and Gentlemen:

The undersigned, Gannett Co., Inc. ("Gannett"), refers to the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; terms defined therein being used herein are therein defined unless otherwise defined), among Gannett, the several banks and other financial institutions or entities from time to time parties thereto, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, as Syndication Agent, and Lloyds TSB Bank plc and SunTrust Bank, as Documentation Agents.

In accordance with subsection 2.3(e) of the Credit Agreement, we have received a summary of bids in connection with our Competitive Bid Request dated \_\_\_\_\_ , \_\_\_\_ and in accordance with subsection 2.3(f) of the Credit Agreement, we hereby accept the following bids:

<u>Principal Amount</u>	<u>Fixed Rate/Margin</u>	<u>Maturity Date</u>	<u>Lender</u>
\$	[%]/[+/-, __%]		

We hereby reject the following bids:

<u>Principal Amount</u>	<u>Fixed Rate/Margin</u>	<u>Maturity Date</u>	<u>Lender</u>
\$	[%]/[+/-, __%]		

The \$ \_\_\_\_\_ should be deposited in Bank of America, N.A. account number [ \_\_\_\_\_ ] on [date].

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Upon acceptance of any or all of the Loans offered by the Lenders in response to this request, Gannett shall be deemed to have represented and warranted that the conditions to lending specified in Article IV of the Credit Agreement have been satisfied.

Very truly yours,

GANNETT CO., INC.

By: \_\_\_\_\_  
Name:  
Title:

---

FORM OF NEW LENDER SUPPLEMENT

SUPPLEMENT, dated \_\_\_\_\_, to the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; terms defined therein being used herein are therein defined unless otherwise defined), among Gannett Co., Inc., a Delaware corporation ("Gannett"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, as Syndication Agent, and Lloyds TSB Bank plc and SunTrust Bank, as Documentation Agents.

W I T N E S S E T H :

WHEREAS, the Credit Agreement provides in Section 2.1(e) thereof that any bank, financial institution or other entity may become a party to the Credit Agreement in connection with any transaction described in Section 2.1(d) thereof with the consent of Gannett and the Administrative Agent (which consent, in the case of the Administrative Agent, shall not be unreasonably withheld) by executing and delivering to Gannett and the Administrative Agent a supplement to the Credit Agreement in substantially the form of this Supplement; and

WHEREAS, the undersigned now desires to become a party to the Credit Agreement;

NOW, THEREFORE, the undersigned hereby agrees as follows:

1. The undersigned agrees to be bound by the provisions of the Credit Agreement, and agrees that it shall, on the date this Supplement is accepted by Gannett and the Administrative Agent, become a Lender for all purposes of the Credit Agreement to the same extent as if originally a party thereto, with [364-Day Commitments of \$ \_\_\_\_\_] [Five-Year Commitments of \$ \_\_\_\_\_] [Incremental Facility Commitments of \$ \_\_\_\_\_].

2. The undersigned (a) represents and warrants that it is legally authorized to enter into this Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 3.2 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Supplement; (c) agrees that it has made and will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender including, without limitation, if it is organized under the laws of a jurisdiction outside the United States, its obligation pursuant to Section 2.15(d) of the Credit Agreement.

3. The undersigned's address for notices for the purposes of the Credit Agreement is as follows:

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF LENDER]

By: \_\_\_\_\_  
Title:

Accepted this \_\_\_\_\_ day of  
\_\_\_\_\_, \_\_\_\_\_.

GANNETT CO., INC.

By \_\_\_\_\_  
Title:

Accepted this \_\_\_\_\_ day of  
\_\_\_\_\_, \_\_\_\_\_.

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

By \_\_\_\_\_  
Title:

\_\_\_\_\_

FORM OF INCREMENTAL FACILITY ACTIVATION NOTICE

To: BANK OF AMERICA, N.A.,  
as Administrative Agent under the Credit Agreement referred to below

Reference is hereby made to the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; terms defined therein being used herein are therein defined unless otherwise defined), among Gannett Co., Inc., a Delaware corporation ("Gannett"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders"), Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, as Syndication Agent, and Lloyds TSB Bank plc and SunTrust Bank, as Documentation Agents.

This notice is an Incremental Facility Activation Notice referred to in the Credit Agreement, and Gannett and each of the Lenders party hereto hereby notify you that:

1. Each Lender party hereto agrees to make or increase the amount of its [364-Day Commitment] [Five-Year Commitment] [Incremental Facility Commitment] as set forth opposite such Lender's name below under the caption "Incremental Facility Amount".
2. The Incremental Facility Closing Date is \_\_\_\_\_.
- [3. The Incremental Facility Maturity Date is \_\_\_\_\_.]

GANNETT CO., INC.

By: \_\_\_\_\_  
Name:  
Title:

[NAME OF LENDER]

Incremental Facility Amount

\$

By: \_\_\_\_\_  
Name:  
Title:

CONSENTED TO:

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

By \_\_\_\_\_  
Name:  
Title:

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FORM OF EXEMPTION CERTIFICATE

Reference is made to the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; terms defined therein being used herein are therein defined unless otherwise defined), among Gannett Co., Inc., a Delaware corporation ("Gannett"), the several banks and other financial institutions or entities from time to time parties thereto, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, as Syndication Agent, and Lloyds TSB Bank plc and SunTrust Bank, as Documentation Agent. [Name of Non-U.S. Person] (the "Lender") is providing this certificate pursuant to subsection 2.15(d) of the Credit Agreement. The Lender hereby represents and warrants that:

1. The Lender is the sole record and beneficial owner of the Loans in respect of which it is providing this certificate.

2. The Lender is not a "bank" for purposes of Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"). In this regard, the Lender represents and warrants that:

(a) the Lender is not subject to regulatory or other legal requirements as a bank in any jurisdiction; and

(b) the Lender has not been treated as a bank for purposes of any tax, securities law or other filing or submission made to any governmental authority, any application made to a rating agency or qualification for any exemption from tax, securities law or other legal requirements.

3. The Lender meets all of the requirements under Code Section 871(a) or 881(c) to be eligible for a complete exemption from withholding of taxes on interest payments made to it under the Credit Agreement (i.e., Gannett will not be required to withhold any amounts under U.S. tax law with respect to such interest payments), including without limitation that it is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of Gannett and is not a controlled foreign corporation related to Gannett (within the meaning of Section 864(d)(4) of the Code).

4. The Lender shall promptly notify Gannett and the Administrative Agent if any of the representations and warranties made herein are no longer true and correct.

IN WITNESS WHEREOF, the undersigned has duly executed this certificate as of the \_\_\_day of \_\_\_\_\_, \_\_\_\_ .

[NAME OF LENDER]

By: \_\_\_\_\_

Name:

Title:

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FORM OF OPINION OF NIXON PEABODY LLP

[Letterhead of Nixon Peabody LLP]

[DATE]

To the Lenders parties to the Competitive Advance and Revolving Credit Agreement dated as of February 27, 2004 and effective as of March 15, 2004, among Gannett Co., Inc., the Lenders parties thereto, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, as Syndication Agent, and Lloyds TSB Bank plc and SunTrust Bank, as Documentation Agents

Ladies and Gentlemen:

We are counsel to Gannett Co., Inc., a Delaware corporation ("Gannett"), and as such we are familiar with the Competitive Advance and Revolving Credit Agreement dated as of February 27, 2004 and effective as of March 15, 2004, among Gannett, the several lenders from time to time parties thereto (the "Lenders"), Bank of America, N.A., as Administrative Agent (the "Administrative Agent"), JPMorgan Chase Bank, as Syndication Agent, and Lloyds TSB Bank plc and SunTrust Bank, as Documentation Agents (the "Credit Agreement"). Capitalized terms defined in the Credit Agreement are used herein with the respective meanings assigned to such terms in the Credit Agreement.

In connection with this opinion, we have examined, among other documents, an executed copy of the Credit Agreement and Gannett's Restated Certificate of Incorporation, as amended, and By-laws, as amended. Subject to the assumptions and qualifications contained herein, we also have examined originals or copies, certified or otherwise identified to our satisfaction, of such other documents, and made such investigations of law, as we have deemed necessary or appropriate as a basis for the opinions expressed below. We also have relied upon certificates and other documents from public officials.

In rendering the following opinions, we have assumed, without investigation, the authenticity of any document or other instrument submitted to us as an original, the conformity to the originals of any document or other instrument submitted to us as a copy, the legal capacity of natural persons, and the genuineness of all signatures on such originals or copies.

We express no opinion herein as to (i) any provisions of the Credit Agreement which provide for indemnification, waiver or release to the extent such provisions may be limited or rendered, unenforceable, in whole or in part, by securities laws, criminal statutes or other laws or the policies underlying such laws and by the effect of general rules of contract law that limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification for liability for action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct, or (ii) the waiver of inconvenient forum or any claim that venue is improper or provisions relating to subject matter jurisdiction of the courts set forth in the Credit Agreement.

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The phrase “to our knowledge,” when used herein, means that our opinion is based solely on matters within the actual knowledge of attorneys in the firm who have been involved in the preparation of this opinion and the Credit Agreement.

Members of our firm involved in the preparation of this opinion are licensed to practice law in the State of New York and, we do not purport to be experts on, or to express any opinion herein concerning, any law other than the laws of the State of New York, the General Corporation Law of the State of Delaware and the Federal law of the United States.

Based upon and subject to the foregoing and the other assumptions and qualifications contained herein, we are of the opinion that:

1. Gannett is a corporation duly organized, validly existing and in good standing under the laws of Delaware and is duly qualified to do business as a foreign corporation, and Gannett is in good standing in all states in which it owns substantial properties or in which it conducts substantial business or in which qualification is necessary in order that the business or financial condition of Gannett and its Subsidiaries, taken as a whole, be not Materially adversely affected.

2. To our knowledge, there are no actions, suits or proceedings pending or threatened against or affecting Gannett or any of its Subsidiaries in or before any court or foreign or domestic government instrumentality, and neither Gannett nor any of its Subsidiaries are in default in respect of any order of any such court or governmental instrumentality which, in any such case, in the opinion of Gannett, are Material.

3. Neither the execution and delivery of the Credit Agreement, the consummation of the transactions therein contemplated nor compliance with the terms and provisions thereof will conflict with or result in breach of any of the provisions of the Restated Certificate of Incorporation, as amended, or the By-Laws, as amended, of Gannett or, to our knowledge and based on reasonable inquiries made of corporate officers of any law or of any regulation or order of any court or governmental instrumentality or any material agreement or instrument by which Gannett is bound or constitute a default thereunder or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever not permitted under Section 6.1 of the Credit Agreement upon any of the property of Gannett.

4. The execution and delivery of the Credit Agreement and the making of all Borrowings contemplated or permitted by the provisions thereof have been duly authorized by all necessary corporate action on the part of Gannett; and the Credit Agreement has been duly and validly executed and delivered by Gannett. The Credit Agreement constitutes a valid and legally binding agreement of Gannett enforceable in accordance with its terms and the Borrowings when duly made, will constitute valid and legally binding obligations of Gannett enforceable in accordance with the terms thereof and of the Credit Agreement, except as limited by applicable bankruptcy, insolvency, moratorium, reorganization or other laws, judicial decisions or principles of equity relating to or affecting the enforcement of creditors’ rights or contractual obligations generally.

In rendering the foregoing opinions, we have relied upon the certificates of officers of Gannett as to (i) the nature and location of the property of Gannett, (ii) the agreements and instruments to which Gannett and/or its Subsidiaries is a party which are material, and (iii) the existence of Material pending or threatened actions, suits or proceedings or orders of any court or governmental instrumentality and other information from such officers. We have not independently investigated or verified the information represented in such certificates provided to us and do not opine as to the accuracy thereof.

Very truly yours,

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FORM OF COMPLIANCE CERTIFICATE

**[Use for quarterly report]**

The undersigned, an officer of Gannett Co., Inc. ("Gannett"), has executed this Certificate on behalf of Gannett pursuant to Section 5.1(a) of the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (the "Agreement"), among Gannett, the several banks and other financial institutions or entities from time to time parties thereto, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, as Syndication Agent, and Lloyds TSB Bank plc and SunTrust Bank, as Documentation Agents. The undersigned has reviewed Gannett's activities during the preceding fiscal quarter, which has consisted solely of a review of the unaudited consolidated financial statements of Gannett for said fiscal quarter.

**[Use for annual report]**

The undersigned, an officer of Gannett Co., Inc. ("Gannett") has executed this Certificate on behalf of Gannett pursuant to Section 5.1(b) of the Competitive Advance and Revolving Credit Agreement, dated as of February 27, 2004 and effective as of March 15, 2004 (the "Agreement"), among Gannett, the several banks and other financial institutions or entities from time to time parties thereto, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, as Syndication Agent, and Lloyds TSB Bank plc and SunTrust Bank, as Documentation Agents. The undersigned has reviewed the activities of Gannett and its Subsidiaries during the preceding fiscal year, which has consisted solely of a review of the audited consolidated financial statements of Gannett for said fiscal year.

**[Use for quarterly and annual report]**

At \_\_\_\_\_ the Total Shareholders' Equity is \_\_\_\_\_ .

The undersigned hereby CERTIFIES THAT, based upon the review described above and a review of the Agreement, nothing came to the undersigned's attention which caused the undersigned to believe that (i) Gannett has not fulfilled all of its obligations under the Agreement or (ii) there has occurred an Event of Default as defined in said Agreement, or any condition, event or act, which with notice or lapse of time or both, would constitute an Event of Default, which has not been cured pursuant to the provisions of the Agreement.

GANNETT CO., INC.

By: \_\_\_\_\_  
Name:  
Title:

**GANNETT CO., INC.**

**DEFERRED COMPENSATION PLAN**

Restatement dated February 1, 2003  
(Reflecting all amendments through February 23, 2004)

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GANNETT CO., INC.

DEFERRED COMPENSATION PLAN

Restatement dated February 1, 2003  
(Reflecting all amendments through February 23, 2004)

Table of Contents

	<u>Page</u>
1.0 BACKGROUND 1	
1.1 Introduction	1
1.2 Certain Definitions	1
2.0 EXPLANATION OF PLAN	2
2.1 Effective Date	2
2.2 Eligibility	2
2.3 Interest in the Plan; Deferred Compensation Account	2
2.4 Amount of Deferral	2
2.5 Time of Election of Deferral	3
2.6 Accounts and Investments	3
2.7 Participant's Option to Reallocate Amounts	5
2.8 Reinvestment of Income	5
2.9 Payment of Deferred Compensation	5
2.10 Manner of Electing Deferral, Choosing Investments and Choosing Payment Options	9
2.11 Company Contributions	9
2.12 Deferrals of Stock Option Compensation	10
2.13 Deferrals of Restricted Stock by Directors	11
3.0 ADMINISTRATION OF THE PLAN	12
3.1 Statement of Account	12
3.2 Assignability	12
3.3 Business Days	12
3.4 Administration	12
3.5 Amendment	13
3.6 Liability	14
3.7 Change in Control	14
3.8 Claims	19
3.9 Successors	20
3.10 Governing Law	20
4.0 EMPLOYEES OF PARTICIPATING AFFILIATES	21

---

4.1	Eligibility of Employees of Affiliated Companies	21
4.2	Compensation from Participating Affiliates	21
4.3	Rights Subject to Creditors	21
4.4	Certain Distributions	22
4.5	Assignability	22

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GANNETT CO., INC.  
DEFERRED COMPENSATION PLAN

Restatement dated February 1, 2003  
(Reflecting all amendments through February 23, 2004)

1.0 BACKGROUND

1.1. Introduction

The Gannett Co., Inc. Deferred Compensation Plan ("Plan") was adopted to provide the opportunity for directors of the Company who are not also employees ("Directors") to defer to future years all or part of their fees and key employees to defer to future years all or part of their salary, bonus and/or shares of Gannett common stock issued pursuant to Stock Incentive Rights ("SIRs") under the Gannett Co., Inc. 1978 Long-Term Incentive Plan ("Compensation") payable by Gannett Co., Inc. ("Company") as part of their retirement and financial planning. The term "Compensation" also shall include (1) ordinary income that arises upon the exercise of a stock option as more fully described in Section 2.12; and (2) such other forms of taxable income derived from the performance of services for the Company as may be designated by the Committee and which may be deferred pursuant to such special terms and conditions as the Committee may establish. Notwithstanding the preceding sentence, in the case of a Director, the term "Compensation" shall exclude ordinary income that arises upon the exercise of a stock option but shall include shares of restricted stock ("Restricted Stock") granted to a Director under the Gannett Co., Inc. 2001 Omnibus Incentive Compensation Plan or any successor thereto.

1.2 Certain Definitions

This Plan shall apply to compensation earned under the 1978 Long-Term Incentive Plan, the 2001 Omnibus Incentive Compensation Plan, and successor plans. The term "SIRs" used in this Plan also includes restricted stock awards issued under any such plan. The term "Committee" used in this Plan mean the Benefit Plans Committee. The term "Company" means the Company as defined above in Section 1.1 and any successor to its business and/or assets which assumes the Plan by operation of law or otherwise. The term "Board" means the Board of Directors of the Company.

2.0 EXPLANATION OF PLAN

2.1 Effective Date

The Plan was initially effective July 1, 1987. This amendment and restatement is effective February 1, 2003 with respect to individuals who become Participants after January 31, 2003, and with respect to those Participants who were Participants on January 31, 2003, and who have consented in the time and manner prescribed by the Committee to the changes made to this Plan

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pursuant to Board action on December 3, 2002, in accordance with Section 3.5 hereof. The Plan as in effect on January 31, 2003 shall continue to apply to all Participants on that date who do not so consent.

## 2.2 Eligibility

The Plan is available to (a) Directors of the Company and (b) officers and employees of the Company who reside in the United States and who are designated as eligible by the Committee. No employee may be designated as eligible unless the employee belongs to "a select group of management or highly compensated employees" as defined in Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

## 2.3 Interest in the Plan; Deferred Compensation Account

For each eligible person who elects to defer Compensation ("Participant"), one or more Deferred Compensation Accounts shall be established in accordance with Section 2.6(a). A Participant's interest in the Plan shall be the Participant's right to receive payments under the terms of the Plan. A Participant's payments from the Plan shall be based upon the value attributable to the Participant's Deferred Compensation Accounts.

## 2.4 Amount of Deferral

- (a) A Participant may elect to defer receipt of all or a part of his or her Compensation provided that the minimum deferral for any type of Compensation to be deferred must be \$5,000 for the year of deferral or, in the case of deferred SIRs, such minimum number of shares as the Committee may determine. In any year in which the percentage selected for deferral amounts to less than \$5,000 of the type of Compensation being deferred or fewer than the designated number of SIRs, there shall be no deferral of that type of Compensation for that year.
- (b) Notwithstanding the foregoing, Compensation shall not be deferred to the extent that the deferral would cause the Participant to have insufficient funds available to provide for all withholdings he or she has authorized to be made, or are required by law to be made, from his or her Compensation.

## 2.5 Time of Election of Deferral

- (a) An election to defer Compensation must be made before the Compensation is earned. In the case of salary and Directors' fees, the election to defer must be made prior to the year in which the services to which the salary or Directors' fees relate will be performed, or, if deferred during the year in which the services are performed, at least six months prior to the month in which the services are performed. In the case of bonuses and SIRs, the election to defer must be made prior to the year in which the bonuses or SIRs will be paid.

Notwithstanding the foregoing, in his or her first year of eligibility an employee or Director may make a deferral election within 30 days of first becoming eligible. This

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initial deferral may relate only to Compensation attributable to the period following the deferral election.

- (b) Effective May 6, 2003, a new compensation arrangement for Directors was approved, and accordingly, in the case of Director's fees, whether payable in cash, Restricted Stock, or any other form permitted to be deferred under the Plan, deferral elections under the Plan shall relate to one-year terms (each, a "Term") beginning with each annual meeting of shareholders of the Company ("Annual Meeting") and ending immediately prior to the next Annual Meeting. Any deferral election made by a Director prior to 2003 relating to fees earned by the Director in that year shall apply to fees earned under the prior compensation arrangement during the partial year beginning on January 1, 2003 and ending immediately prior to the Annual Meeting in May of 2003. In addition, Directors shall be given the opportunity to make a new deferral election prior to the 2003 Annual Meeting, which, pursuant to this provision, shall relate to fees earned under the new compensation arrangement during the Term beginning with the 2003 Annual Meeting and ending immediately prior to the 2004 Annual Meeting. With respect to subsequent Terms, deferral elections shall be required to be made no later than thirty (30) days prior to the commencement of the Term. The foregoing election requirements shall be subject to the rule regarding first year of eligibility set forth in the second paragraph of Section 2.5(a) above.
- (c) Once made, an election to defer for a particular time period is irrevocable.

2.6

#### Accounts and Investments

- (a) Effective for deferrals on and after January 1, 1997, all Participant records, reports and elections after an initial election shall be maintained on the basis of Payment Commencement Dates (as defined in Section 2.9(b)), i.e., all amounts that have been elected to be paid in full, or to commence payment, in a designated calendar year shall be aggregated in a single Deferred Compensation Account for a Participant for purposes of subsequent recordkeeping and for elections that may be available with respect to the deferred amounts, such as investment elections and payment method elections. Deferrals prior to January 1, 1997, shall be accounted for in accordance with the accounts in effect on December 31, 1996.
- (b) The amount of Compensation deferred will be credited to the Participant's Deferred Compensation Account or Accounts as soon as practicable after the Compensation would have been paid had there been no election to defer.

The amounts credited in a Deferred Compensation Account will be deemed invested in the fund or funds designated by the Participant from among funds selected by the Committee, which may include the following or any combination of the following:

- (i) money market funds;
  - (ii) bond funds;
  - (iii) equity funds; and
-

- (iv) the Gannett stock fund.

Although the Plan is not subject to section 404(c) of ERISA, the funds available to Participants under the Plan shall, at all times, constitute a broad range of investment alternatives that would meet the standards pertaining to the range of investments set forth in regulations promulgated by the Department of Labor under section 404(c) of ERISA, or any successor provision, as if that provision were applicable to the Plan. In the discretion of the Committee, funds may be added, deleted or substituted from time to time, subject to the preceding sentence.

Information on the specific funds permitted under the Plan shall be made available by the Committee to the Participants. If the Committee adds, deletes or substitutes a particular fund, the Committee shall notify Participants in advance of the change and provide Participants with the opportunity to change their allocations among funds in connection with such addition, deletion or substitution.

A Participant may allocate contributions to his or her Deferred Compensation Accounts among the available funds pursuant to such procedures and requirements as may be specified by the Committee from time to time. Participants shall have the opportunity to give investment directions with respect to their Accounts at least once in any three-month period.

- (c) All deferrals under this Plan and the earnings credited to them are fully vested at all times.
- (d) The right of any Participant to receive future payments under the provisions of the Plan shall be a contractual obligation of the Company but shall be subject to the claims of the creditors of the Company in the event of the Company's insolvency or bankruptcy as provided in the trust agreement described below.

Plan assets may, in the Company's discretion, be placed in a trust (the "Rabbi Trust") (which Rabbi Trust may be a sub-trust maintained as a separate account within a larger trust that is also used to pay benefits under other Company-sponsored unfunded nonqualified plans) but will nevertheless continue to be subject to the claims of the Company's creditors in the event of the Company's insolvency or bankruptcy as provided in the trust agreement. In any event, the Plan is intended to be unfunded under Title I of ERISA.

#### 2.7 Participant's Option to Reallocate Amounts

A Participant may elect to reallocate amounts in his or her Deferred Compensation Accounts among the available funds pursuant to such procedures and requirements as may be specified by the Committee from time to time consistent with the final sentence of Section 2.6(b).

#### 2.8 Reinvestment of Income

Income from a hypothetical fund investment in a Deferred Compensation Account shall be deemed to be reinvested in that fund as soon as practicable under the terms of that fund.

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Payment of Deferred Compensation

- (a) No withdrawal may be made from the Participant's Deferred Compensation Accounts except as provided in this Section.
- (b) At the time a deferral election is made, the Participant shall choose the date on which payment of the amount credited to the Deferred Compensation Account is to commence, which date shall be either April 1 or October 1 of the year of the Participant's retirement, the year next following the Participant's retirement, or any other year specified by the Participant that is after the year for which the Participant is making the deferral ("Payment Commencement Date"). In the case of Director Participants, the Payment Commencement Date shall be no later than October 1 of the year after the Director Participant retires from the Board. In the case of key employee Participants, the Payment Commencement Date shall be no later than October 1 of the year following the year during which the key employee reaches age 65 or actually retires, whichever occurs later.

Notwithstanding the foregoing paragraph: (i) for all elections to defer occurring on or after November 1, 1991, (ii) in the event that the Committee adds or substitutes a particular fund or funds, or (iii) if a Participant elects to reallocate amounts in his or her Deferred Compensation Accounts among available funds, the Committee shall have the right to fix Payment Commencement Dates and/or the date or dates upon which the value attributable to a Deferred Compensation Account is to be determined or paid, or modify such previously elected dates (but in no event to a date earlier than the date originally elected by the Participant) in order to comply with the requirements of the added, substituted or available fund or funds, pursuant to such procedures and requirements as may be specified by the Committee from time to time.

- (c) At the time the election to defer is made, the Participant may choose to receive payments either (i) in a lump sum, or (ii) if the Payment Commencement Date is during a year in which the Participant could have retired under a retirement plan of the Company, in up to fifteen annual installments. The method of paying a Deferred Compensation Account is the "Method of Payment." The amount of any payment under the Plan shall be the value attributable to the Deferred Compensation Account on the last day of the month preceding the month of the payment date, divided by the number of payments remaining to be made, including the payment for which the amount is being determined.
  - (d) In the event of a Participant's death or disability before the Participant has received any payments from a Deferred Compensation Account, the value of the Account shall be paid to the Participant's designated beneficiary, in the case of death, or to the Participant, in the case of disability, at such time and in such form of payment as is set forth on the applicable deferral form signed by the Participant, or as the Committee determines, in its sole discretion. In the event of the Participant's death or disability after installment payments from a Deferred Compensation Account have commenced, the remaining balance of the Account shall be paid to the Participant or designated beneficiary, as applicable, over the installments remaining to be paid.
-

Beneficiary designations shall be submitted on the form specified by the Company. If a Participant so chooses, a separate beneficiary designation may be made for each Deferred Compensation Account. The filing of a new beneficiary designation shall automatically revoke any previous beneficiary designation. In the event a beneficiary designation has not been made, or the beneficiary was not properly designated (in the sole discretion of the Company), has died or cannot be found, all payments after death shall be paid to the Participant's estate. In case of disputes over the proper beneficiary, the Company reserves the right to make any or all payments to the Participant's estate.

- (e) A Participant may not change an initial Payment Commencement Date or Method of Payment for a Deferred Compensation Account after an election has been made except as provided in this subsection (e) as follows:
- (i) The Method of Payment elected by a Participant may be changed by the Participant's written election to the Committee at any time up to 36 months prior to the earlier of the Payment Commencement Date or the Participant's termination of employment, or, if the Participant has elected the year of, or the year next following, his or her retirement as the Payment Commencement Date, at any time no later than 6 months prior to the Participant's retirement and prior to the calendar year in which the retirement occurs. Any change of an earlier election that is made within 36 months of the earlier of the Payment Commencement Date or the Participant's termination, or, if the Participant has elected the year of, or the year next following, his or her retirement as the Payment Commencement Date, within 6 months of the Participant's retirement or in the year in which the Participant's retirement occurs, shall be disregarded by the Committee;
  - (ii) If a Participant has elected the year of retirement as the Payment Commencement Date, the Participant may change the Payment Commencement Date to the year following retirement. That election must be made before the calendar year in which the retirement occurs and at least six months before the Participant retires. In no other case may the year initially elected by the Participant as the Payment Commencement Date be changed. In addition, the Participant may change the date of payment in the payment year to the first day of any month in that year so long as that election is made before the December 31 preceding such year and so long as the Participant gives the Committee notice of the change at least 90 days before the date payments are to begin. A technical note — if a Participant has elected the year of retirement as the Payment Commencement Date but retires on a date that is after the designated Payment Commencement Date, the payment (or the first annual installment) will begin on the first day of the month after the Participant retires.

Restrictions on changing Payment Commencement Dates and Methods of Payment shall not prevent the Participant from choosing a different Payment Commencement Date and/or Method of Payment for amounts to be deferred in subsequent years.

- (f) Notwithstanding any Payment Commencement Date or Method of Payment selected by a Participant, if:
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- (i) an employee Participant's employment with the Company terminates other than (1) at or after early or normal retirement pursuant to a retirement plan of the Company, (2) by reason of the Participant's death, or (3) by reason of the Participant's total disability, or
- (ii) a director Participant's directorship terminates for any reason other than (1) at or after reaching the prescribed mandatory retirement age from the Board, (2) by reason of such Participant's death, or (3) by reason of such Participant's total disability,

the Committee, in its sole discretion, shall determine whether to distribute such Participant's benefits in the form of five annual installment payments or as a lump sum. In either case, such payment shall begin as soon as administratively practicable following the Participant's termination of employment.

- (g) If, in the discretion of the Committee, the Participant has a need for funds due to an unforeseeable emergency, benefits may be paid prior to the Participant's Payment Commencement Date. For this purpose, an unforeseeable emergency means an unanticipated emergency that is caused by an event beyond the control of the Participant or the Participant's beneficiary and that would result in severe financial hardship if early withdrawal were not permitted. A payment based upon financial hardship cannot exceed the amount required to meet the immediate financial need created by the hardship. The Participant requesting a hardship payment must supply the Committee with a statement indicating the nature of the need that created the financial hardship, the fact that all other reasonably available resources are insufficient to meet the need, and any other information which the Committee decides is necessary to evaluate whether a financial hardship exists.

A Participant with a financial need that fails to meet the unforeseeable emergency standard may elect to withdraw funds from the Participant's Deferred Compensation Account prior to the date specified in the Participant's election form subject to the following conditions: (1) premature withdrawals may be made only in a lump sum and only in an amount in excess of \$10,000; (2) only one premature withdrawal may be made in a calendar year; (3) the Participant must suspend further deferrals for the remainder of the calendar year of the withdrawal; and (4) ten percent of the amount withdrawn shall be irrevocably forfeited to the Company.

- (h) In the Company's discretion, payments from the Plan may be made in cash or in the kind of property represented by the fund or funds selected by the Participant.
- (i) All contributions to the Plan and all payments from the Plan, whether made by the Company or the Trustee, shall be subject to all taxes required to be withheld under applicable laws and regulations of any governmental authorities.

#### 2.10 Manner of Electing Deferral, Choosing Investments and Choosing Payment Options

- (a) In order to make any elections or choices permitted hereunder, the Participant must give written notice to the Committee. A notice electing to defer Compensation shall specify:
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- (i) the percentage and type of Compensation to be deferred;
  - (ii) the funds chosen by the Participant;
  - (iii) the Method of Payment to the Participant and the Method of Payment to the Participant's estate in the event of the Participant's death; and
  - (iv) the Payment Commencement Date.
- (b) An election by a Participant to defer Compensation shall apply only to Compensation deferred in the calendar year for which the election is effective. However, the designation of the Payment Commencement Date for this year will require that all deferrals from all years with the same Payment Commencement Date shall constitute a single Deferred Compensation Account and any other Plan elections such as investments, will apply to all assets held in this Deferred Compensation Account regardless of the year of deferral.
- (c) The Committee will provide election forms to permit Participants to defer Compensation to be earned during that calendar year.
- (d) The last form received by the Committee directing an allocation of amounts in a Deferred Compensation Account among the funds available shall govern until changed by the receipt by the Committee of a subsequent allocation form.

#### 2.11 Company Contributions

The Company may, in its sole discretion, make direct cash contributions to the accounts or subaccounts on behalf of any eligible Participant. The amount and timing of such contributions shall be subject to the approval of the Executive Compensation Committee of the Board and that Committee may impose vesting or other requirements on such accounts.

Except as otherwise provided in this Section, accounts so established shall be subject to the same terms, conditions, and elections as are applicable to other accounts under the Plan. The Company shall initially specify the time and method of payment of amounts from such accounts and may change the time and method of payment at any time, no later than twelve months before payments are scheduled to begin. The Company may accelerate payments at any time. The Company's decisions as to the time and method of payment need not fall within the provisions of the Plan applicable to other deferred compensation accounts, but shall be subject to the approval of the Executive Compensation Committee.

#### 2.12 Deferrals of Stock Option Compensation

A Participant, by authorization of, or pursuant to procedures established by, the Committee, may elect to defer ordinary income imputed to the Participant upon the exercise of a stock option issued pursuant to any Company-sponsored stock option plan in accordance with guidelines established by the Committee and the general terms of this Plan except as such general terms are modified as follows:

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\* an election to defer stock option income shall be effective only if made at least six months prior to the exercise date of the option and in the calendar year preceding the year of the exercise date. An election to defer stock option income shall constitute an amendment of the exercise date of the option so that the option may not be exercised prior to the date six months subsequent to the date of the notice of deferral. Notwithstanding the foregoing, a Participant may elect to defer income on the exercise of any option in calendar year 1999 provided that such election is made within 30 days after the adoption of this Section 2.12 and is effective only with respect to option exercises that are made at least four months after the date of a participant's deferral election. An election to defer option income in 1999 shall constitute an amendment of the Stock Option Agreement related to such option so that the option may not be exercised prior to the date four months subsequent to the date of the notice of deferral.

\* a deferral election with respect to any shares received upon a stock option exercise shall require the deferral of all income with respect to that exercise.

\* an election to defer stock option income shall be deemed to constitute a direction by the Participant to have the Company defer to this Plan the number of shares (carried to the nearest one ten thousandth of a share) equal in value to the income that would otherwise have been realized by the Participant pursuant to his stock option exercise with the ultimate payment of such deferred shares to be made in accordance with the terms of this Plan. All such deferrals shall be invested in the Gannett stock fund during the entire deferral period and shall be paid out in kind on the Payment Commencement Date.

\* if payments of deferred shares are made in installments, each installment payment shall be rounded as necessary to provide payment only of a whole number of shares except that any fractional shares payable in the final installment shall be paid in cash.

## 2.13 Deferrals of Restricted Stock by Directors

A Director who has elected to receive all or some of his or her fees for a Term, including, as applicable, the Director's annual retainer, chair retainer, meeting fees or long-term award, in the form of Restricted Stock, may elect to defer such Restricted Stock in accordance with such guidelines and restrictions as may be established by the Committee and in accordance with the general terms of this Plan, subject to the following:

- (a) An election to defer Restricted Stock must be made at the time the Director elects to receive all or some of his or her fees for the applicable Term, as described above, in the form of Restricted Stock, and in accordance with Section 2.5(b) of the Plan. If a Director makes such a deferral election, the election must apply to all fees for the applicable Term that the Director has elected to receive in the form of Restricted Stock.
  - (b) An election to defer Restricted Stock shall constitute a direction by the Director to have the Company, in lieu of currently issuing shares of Restricted Stock, defer under this Plan an amount equal to the value of the Restricted Stock subject to the election as determined at the time of the award. The Restricted Stock deferred by a Director under this Plan for a Term shall be credited as units of stock to a separate sub-account within the Director's Deferred Compensation Account. Notwithstanding Section 2.6(c) of the Plan, any vesting
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restrictions applicable to an award of Restricted Stock deferred under the Plan shall apply to the sub-account attributable to such award until such restrictions lapse in accordance with the original terms of the award.

- (c) Restricted Stock deferred under the Plan shall be deemed invested in the Gannett stock fund during the entire deferral period and the Director shall not have the right to reallocate such deemed investment to any of the other investment options otherwise available under the Plan.
- (d) At the time an election to defer Restricted Stock is made, the Director shall elect the time and form of payment of such deferral and earnings thereon in accordance with Section 2.9 of the Plan, provided, however, that payment of such amounts shall commence in the year the Director leaves the Board. Payments shall be made in shares of Company common stock.
- (e) Any portion of a Director's Deferred Compensation Account attributable to deferred Restricted Stock, whether or not vested, shall not be available for early withdrawal pursuant to Section 2.9(g) of the Plan.

### 3.0 ADMINISTRATION OF THE PLAN

#### 3.1 Statement of Account

Statements setting forth the values of the funds deemed to be held in a Participant's Deferred Compensation Accounts will be sent to each Participant quarterly or more often as the Committee may elect. A Participant shall have two years from the date a statement has been sent to question the accuracy of the statement. If no objection is made to the statement, it shall be deemed to be accurate and thereafter binding on the Participant for all purposes.

#### 3.2 Assignability

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

#### 3.3 Business Days

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

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### 3.4 Administration

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

### 3.5 Amendment

- (a) This Plan may at any time and from time to time be amended or terminated by the Board or the Compensation Committee of the Board. No amendment shall, without the consent of a Participant, adversely affect such Participant's interest in the Plan, i.e., the Participant's benefit accrued to the effective date of the amendment (hereinafter referred to as the "Protected Interest"), as determined by the Committee in its sole discretion.
  - (b) An amendment shall be considered to adversely affect a Participant's interest in the Plan if it has the effect of:
    - (i) reducing the Participant's Protected Interest in his or her Deferred Compensation Accounts;
    - (ii) eliminating or restricting a Participant's right to give investment directions with respect to the Participant's Protected Interest in his or her Deferred Compensation Accounts under Sections 2.6 and 2.7 of the Plan, except that a change in the number or type of funds available shall not be considered an amendment of the Plan as long as the funds available to Participants following such change constitute a broad range of investment alternatives under the standards pertaining to the range of investments set forth in regulations promulgated by the Department of Labor under section 404(c) of ERISA or any successor provision;
    - (iii) eliminating or restricting any timing or payment option available with respect to the Participant's Protected Interest in his or her Deferred Compensation Accounts, or the Participant's right to make and change payment elections with respect to such Protected Interest, under Section 2.9, 2.10 or any other provision of the Plan;
    - (iv) reducing or diminishing any of the change in control protections provided to the Participant under Section 3.7 or any other provision of the Plan; or
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- (v) reducing or diminishing the rights of the Participant under this Section 3.5 with respect to any amendment or termination of the Plan.
- (c) Notwithstanding any in the foregoing to the contrary, any amendment made for the purpose of protecting the favorable tax treatment of amounts deferred under the Plan following a change in applicable law, including for this purpose a change in statute, regulation or other agency guidance, shall not be considered to adversely affect a Participant's interest in the Plan.
- (d) If the Plan is terminated, compensation shall prospectively cease to be deferred as of the date of the termination. Each Participant will be paid the value of his or her Deferred Compensation Accounts, including earnings credited through the payment date based on the Participant's investment allocations, at the time and in the manner provided for in Sections 2.9 and 2.10.

3.6 Liability

- (a) Except in the case of willful misconduct, no Director or employee of the Company, or person acting as the independent fiduciary provided for in Section 3.7, shall be personally liable for any act done or omitted to be done by such person with respect to this Plan.
- (b) The Company shall indemnify, to the fullest extent permitted by law, members of the Committee, persons acting as the independent fiduciary and Directors and employees of the Company, both past and present, to whom are or were delegated duties, responsibilities and authority with respect to the Plan, against any and all claims, losses, liabilities, fines, penalties and expenses (including, but not limited to, all legal fees relating thereto), reasonably incurred by or imposed upon such persons, arising out of any act or omission in connection with the operation and administration of the Plan, other than willful misconduct.

3.7 Change in Control

- (a) Participation. If a change in control occurs, each eligible person who is participating in the Plan on the date of the change in control shall be entitled to continue participating in the Plan and to make additional deferrals under its terms following the change in control, until he or she ceases to meet the criteria for an "eligible person" specified in Section 2.2 hereof (without regard to designation by the Committee) or the Plan is terminated pursuant to Section 3.5. No new persons may be designated as eligible to participate in the Plan on or after a change in control.
  - (b) Legal Expense. If, with respect to any alleged failure by the Company to comply with any of the terms of this Plan subsequent to a change in control, other than any alleged failure relating to a matter within the control of the independent fiduciary and with respect to which the Company is acting pursuant to a determination or direction of the independent fiduciary, a Participant or beneficiary hires legal counsel or institutes any negotiations or institutes or responds to legal action to assert or defend the validity of, enforce his rights under, obtain benefits promised under or recover damages for breach of the terms of this Plan, then, regardless of the outcome, the Company shall pay, as they are incurred, a
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Participant's or beneficiary's actual expenses for attorneys' fees and disbursements, together with such additional payments, if any, as may be necessary so that the net after-tax payments to the Participant or beneficiary equal such fees and disbursements.

- (c) Mandatory Contributions to Rabbi Trust. If a change in control occurs, the Company shall make mandatory contributions to a Rabbi Trust established pursuant to Section 2.6(d), to the extent required by the provisions of such Rabbi Trust.
  - (d) Powers of Independent Fiduciary. Following a change in control, the Plan shall be administered by the independent fiduciary. The independent fiduciary shall assume the following powers and responsibilities from the Committee and the Company:
    - (i) The independent fiduciary shall assume all powers and responsibilities assigned to the Committee under Section 3.4 and all other provisions of the Plan, including, without limitation, the sole power and discretion to:
      - (1) determine all questions arising in the administration and interpretation of the Plan, including factual questions and questions of eligibility to participate and eligibility for benefits;
      - (2) adjudicate disputes and claims for benefits;
      - (3) adopt rules relating to the administration of the Plan;
      - (4) select the investment funds available to Participants under Section 2.6 of the Plan (subject to the requirement that, at all times, such funds constitute a broad range of investment alternatives under the standards pertaining to the range of investments set forth in regulations promulgated by the Department of Labor under section 404(c) of ERISA or any successor provision);
      - (5) determine the amount, timing and form of benefit payments;
      - (6) direct the Company and the trustee of the Rabbi Trust on matters relating to benefit payments;
      - (7) engage attorneys, accountants, actuaries and other professional advisors (whose fees shall be paid by the Company), to assist it in performing its responsibilities under the Plan; and
      - (8) delegate to one or more persons selected by it, including outside vendors, responsibility for fulfilling some or all of its responsibilities under the Plan.
    - (ii) The independent fiduciary, and not the Company or the Executive Compensation Committee, shall have the sole authority to determine the time and method of payment of amounts attributable to contributions made by the Company prior to the change in control under Section 2.11, provided that the independent fiduciary
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may not accelerate the payment of such amounts to a Participant without the Participant's consent.

(iii) The independent fiduciary shall have the sole power and discretion to (1) direct the investment of assets held in the Rabbi Trust, including the authority to appoint one or more investment managers to manage any such assets and (2) remove the trustee of the Rabbi Trust and appoint a successor trustee in accordance with the terms of the trust agreement.

(e) Review of Decisions.

(i) Notwithstanding any provision in the Plan to the contrary, following a change of control, any act, determination or decision of the Company (including its Board or any committee of its Board) with regard to the administration, interpretation and application of the Plan must be reasonable, as viewed from the perspective of an unrelated party and with no deference paid to the actual act, determination or decision of the Company. Furthermore, following a change in control, any decision by the Company shall not be final and binding on a Participant. Instead, following a change in control, if a Participant disputes a decision of the Company relating to the Plan and pursues legal action, the court shall review the decision under a "de novo" standard of review.

(ii) Following a change in control, any act, determination or decision of the independent fiduciary with regard to the administration, interpretation and application of the Plan shall be final, binding, and conclusive on all parties.

(f) Company's Duty to Cooperate. Following a change in control, the Company shall cooperate with the independent fiduciary as may be necessary to enable the independent fiduciary to carry out its powers and responsibilities under the Plan and Rabbi Trust, including, without limitation, by promptly furnishing all information relating to Participants' benefits as the independent fiduciary may reasonably request.

(g) Appointment of Independent Fiduciary. The independent fiduciary responsible for the administration of the Plan following a change in control shall be a committee composed of the individuals who constituted the Company's Benefit Plans Committee immediately prior to the change in control and the Company's chief executive officer immediately prior to the change in control.

If, following a change in control, any individual serving on such committee resigns, dies or becomes disabled, the remaining members of the committee shall continue to serve as the committee without interruption. A successor member shall be required only if there are less than three remaining members on the committee. If a successor member is required, the successor shall be an individual appointed by the remaining member or members of the committee who (i) is eligible to be paid benefits from the assets of the Rabbi Trust or the larger trust of which it is a part and (ii) agrees to serve on such committee.

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If at any time there are no remaining members on the committee (including any successor members appointed to the committee following the change in control), the Trustee shall promptly submit the appointment of the successor members to an arbiter, the costs of which shall be borne fully by the Company, to be decided in accordance with the American Arbitration Association Commercial Arbitration Rules then in effect. The arbiter shall appoint three successor members to the committee who each meet the criteria for membership set forth above. Following such appointments by the arbiter, such successor members shall appoint any future successor members to the committee to the extent required above (i.e., if, at any time, there are less than three remaining members on the committee) and subject to the criteria set forth above.

If one or more successor members are required and there are no individuals remaining who satisfy the criteria for membership on the committee, the remaining committee members or, if none, the Trustee, shall promptly submit the appointment of the successor member or members to an arbiter, and the Company shall bear the costs of arbitration, as provided for in the preceding paragraph.

(h) Change in Control Definition. As used in this Plan, a “change in control” means the first to occur of the following:

- (i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934 (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (1) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (2) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that, for purposes of this Section, the following acquisitions shall not constitute a change in control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or one of its affiliates or (D) any acquisition pursuant to a transaction that complies with clauses (1), (2) and (3) of Section 3.7(h)(iii) below;
  - (ii) Individuals who, as of January 1, 2003, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to such date whose election or nomination for election by the Company’s stockholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;
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- (iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case, unless, following such Business Combination, (1) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then- outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation or entity resulting from such Business Combination (including, without limitation, a corporation or entity that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (2) no Person (excluding any employee benefit plan (or related trust) of the Company or any corporation or entity resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the corporation or entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation or entity, except to the extent that such ownership existed prior to the Business Combination, and (3) at least a majority of the members of the board of directors of the corporation or entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or
- (iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

3.8 Claims

- (a) Claim Denials. The Committee shall maintain procedures with respect to the filing of claims for benefits under the Plan. Pursuant to such procedures, any Participant or beneficiary (hereinafter called “claimant”) whose claim for benefits under the Plan is denied shall receive written notice of such denial. The notice shall set forth:
    - (i) the specific reasons for the denial of the claim;
    - (ii) a reference to the specific provisions of the Plan on which the denial is based;
    - (iii) any additional material or information necessary to perfect the claim and an explanation why such material or information is necessary; and
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- (iv) a description of the procedures for review of the denial of the claim and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under ERISA following a denial on review.

Such notice shall be furnished to the claimant within a reasonable period of time, but no later than 90 days after receipt of the claim by the Plan, unless the Committee determines that special circumstances require an extension of time for processing the claim. In no event shall such an extension exceed a period of 90 days from the end of the initial 90-day period. If such an extension is required, written notice thereof shall be furnished to the claimant before the end of the initial 90-day period, which shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render a decision.

- (b) Right to a Review of the Denial. Every claimant whose claim for benefits under the Plan is denied in whole or in part by the Committee shall have the right to request a review of the denial. Review shall be granted if it is requested in writing by the claimant no later than 60 days after the claimant receives written notice of the denial. The review shall be conducted by the Committee.
- (c) Decision of the Committee on Appeal. At any hearing of the Committee to review the denial of a claim, the claimant, in person or by duly authorized representative, shall have reasonable notice, shall have an opportunity to be present and be heard, may submit written comments, documents, records and other information relating to the claim, and may review documents, records and other information relevant to the claim under the applicable standards under ERISA. The Committee shall render its decision as soon as practicable. Ordinarily decisions shall be rendered within 60 days following receipt of the request for review. If the need to hold a hearing or other special circumstances require additional processing time, the decision shall be rendered as soon as possible, but not later than 120 days following receipt of the request for review. If additional processing time is required, the Committee shall provide the claimant with written notice thereof, which shall indicate the special circumstances requiring the additional time and the date by which the Committee expects to render a decision. If the Committee denies the claim on review, it shall provide the claimant with written notice of its decision, which shall set forth (i) the specific reasons for the decision, (ii) reference to the specific provisions of the Plan on which the decision is based, (iii) a statement of the claimant's right to reasonable access to, and copies of, all documents, records and other information relevant to the claim under the applicable standards under ERISA, and (iv) a statement of the claimant's right to bring a civil action under ERISA. The Committee's decision shall be final and binding on the claimant, and the claimant's heirs, assigns, administrator, executor, and any other person claiming through the claimant.
- (d) Notwithstanding the foregoing, following a change in control, the independent fiduciary shall be responsible for deciding claims and appeals pursuant to the procedures described above. Any decision on a claim by the independent fiduciary shall be final and binding on the claimant, and the claimant's heirs, assigns, administrator, executor, and any other person claiming through the claimant.

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform the Plan in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

### 3.10 Governing Law

To the extent not preempted by federal law, all questions pertaining to the construction, regulation, validity and effect of the provisions of the Plan shall be determined in accordance with the laws of the State of Illinois without regard to the conflict of laws principles thereof.

## 4.0 EMPLOYEES OF PARTICIPATING AFFILIATES

### 4.1 Eligibility of Employees of Affiliated Companies

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

### 4.2 Compensation from Participating Affiliates

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

### 4.3 Rights Subject to Creditors

The right of any Participant who is employed by a Participating Affiliate to receive future payments under the provisions of the Plan shall be a contractual obligation of the Company and the Participating Affiliate at the time the Participant elects to defer compensation. Such a Participant's right to receive future payments is subject to the claims of the creditors of the Company and the Participating Affiliates in the event of the Company's or any Participating Affiliate's insolvency or bankruptcy as provided in the trust agreement. Plan assets may, in the Committee's discretion, be placed in a trust but will nevertheless continue to be subject to the claims of the Company's and the Participating Affiliates' creditors in the event of the Company's or any Participating Affiliate's insolvency or bankruptcy as provided in the trust agreement. In any event, the Plan is intended to be unfunded under Title I of ERISA. If the Committee so permits, Participating Affiliates may also contribute assets to the Rabbi Trust in connection with their Plan obligations under this Article. If, at the election of the Committee, such contributions are not

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separately accounted for through subtrusts, segregated accounts, or similar arrangements, Plan assets held by the Rabbi Trust will be subject to the claims of the Participating Affiliates' creditors in the event of any Participating Affiliate's insolvency or bankruptcy as provided in the trust agreement.

#### 4.4 Certain Distributions

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

#### 4.5 Assignability

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

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

	Thirteen weeks ended	
	Mar. 28, 2004	Mar. 30, 2003
	_____	_____
<i>Basic earnings:</i>		
Net income	\$ 274,408	\$ 249,836
Weighted average number of common shares outstanding	272,321	268,179
Earnings per share — basic	\$ 1.01	\$ 0.93
<i>Diluted earnings:</i>		
Net income	\$ 274,408	\$ 249,836
Weighted average number of common shares outstanding	272,321	268,179
Dilutive effect of outstanding stock options and stock incentive rights	3,186	1,880
Weighted average number of shares outstanding, as adjusted	275,507	270,059
Earnings per share — diluted	\$ 1.00	\$ 0.93

**CERTIFICATIONS**

I, Douglas H. McCorkindale, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gannett Co., Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2004

/s/ Douglas H. McCorkindale  
Douglas H. McCorkindale  
Chairman, President and  
Chief Executive Officer

**CERTIFICATIONS**

I, Gracia C. Martore, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gannett Co., Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - a) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2004

/s/ Gracia C. Martore

Gracia C. Martore  
Senior Vice President and  
Chief Financial Officer

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

In connection with the Quarterly Report of Gannett Co., Inc. ("Gannett") on Form 10-Q for the quarter ended March 28, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas H. McCorkindale, chairman, president and chief executive officer of Gannett, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Gannett.

/s/Douglas H. McCorkindale

Douglas H. McCorkindale  
Chairman, President and  
Chief Executive Officer

May 4, 2004

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

In connection with the Quarterly Report of Gannett Co., Inc. ("Gannett") on Form 10-Q for the quarter ended March 28, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gracia C. Martore, senior vice president and chief financial officer of Gannett, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Gannett.

/s/Gracia C. Martore

Gracia C. Martore  
Senior Vice President and  
Chief Financial Officer

May 4, 2004