Exhibit Index begins on page 13

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

X Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 [No Fee Required] for the fiscal year ended December 31, 2000
or
___ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 [No Fee Required] for the transition period from ______________ to _____________.

Commission file number 1-6961

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

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

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

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

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

Title of each class	Name of each exchange on which registered
Common Stock, Par Value $1.00	New York Stock Exchange

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

None
(Title of Class)

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

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

The aggregate market value of the voting stock held by non-affiliates of the registrant as of March 9, 2001 was $15,724,453,423.

The number of shares outstanding (basic) of the registrant's Common Stock, Par Value $1.00, as of March 9, 2001 was 264,543,040.

Documents incorporated by reference.

(1) Portions of the registrant's Annual Report to Shareholders for the fiscal year ended December 31, 2000 in Parts I, II and III.

(2) Portions of the registrant's Proxy Statement issued in connection with its Annual Meeting of Shareholders to be held on May 8, 2001.

CROSS REFERENCE SHEET

The information required in Parts I, II and III of the Form 10-K is incorporated by reference to sections of the company's 2000 Annual Report to Shareholders ("Annual Report") and its definitive Proxy Statement for the Annual Meeting of Shareholders to be held May 8, 2001 ("Proxy Statement") as described below:

Part I

Item 1.	Business.	Form 10-K Information (Annual Report pp. 55-69); Note 10 - Business Segment Information (Annual Report p. 50).
Item 2.	Properties.	Properties (Annual Report pp. 58, 60 and 62); Corporate Facilities (Annual Report p. 63); Markets We Serve (Annual Report pp. 70-74).
Item 3.	Legal Proceedings.	Note 9 - Commitments and Contingent Liabilities (Annual Report p. 49); Regulation (Annual Report pp. 59 and 62).
Item 4.	Submission of Matters to a Vote of Security Holders.	Not applicable.

Part II

Item 5.	Market for Registrant's Common Equity and Related Stockholder Matters	Gannett Shareholder Services (Annual Report, p. 77); Company Profile (Annual Report, p. 1); Gannett Common Stock Prices (Annual Report p. 22); Dividends (Annual Report p. 33).
Item 6.	Selected Financial Data.	Eleven-Year Summary and Notes to Eleven-Year Summary (Annual Report pp. 52-54).
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations.	Management's Discussion and Analysis of Results of Operations and Financial Position (Annual Report pp. 23-33).
Item 7A.	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 other financial instruments, such as accounts receivable, accounts payable and debt, is not material. The company is exposed to foreign exchange rate risk primarily due to its operations in the United Kingdom, which use British pounds as their functional currency, which is then translated into U.S. dollars.
Item 8.	Financial Statements and Supplementary Data.	Consolidated Financial Statements and Notes to Consolidated Financial Statements (Annual Report pp. 34-50). Effects of inflation and changing prices (Annual Report p. 33); Quarterly Statements of Income (Annual Report pp. 66-67).
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.	None.

Part III

Item 10. Directors and Executive Officers of the Registrant.

Executive Officers of the company are listed below:

Sara M. Bentley - President, Gannett Northwest Newspaper Group, and President and Publisher, Statesman Journal
Thomas L. Chapple - Senior Vice President, General Counsel and Secretary
Richard L. Clapp - Senior Vice President, Human Resources
Susan Clark-Johnson - Chairman and CEO, Phoenix Newspapers, Inc., and Senior Group President, Gannett Pacific Newspaper Group
Michael J. Coleman - Senior Group President, Gannett South Newspaper Group, and President and Publisher, FLORIDA TODAY at Brevard County
Robert T. Collins - President, New Jersey Newspaper Group, and President and Publisher, Asbury Park Press and Home News Tribune, East Brunswick, NJ, and Ocean County Newspapers
Thomas Curley - Senior Vice President, Administration, and President and Publisher, USA TODAY
Philip R. Currie - Senior Vice President, News, Gannett Newspaper Division
Ardyth R. Diercks - Senior Vice President, Gannett Television
Craig A. Dubow - President, Gannett Television
Daniel S. Ehrman, Jr. - Vice President, Planning & Development
Millicent A. Feller - Senior Vice President, Public Affairs and Government Relations
Lawrence P. Gasho - Vice President, Financial Analysis
George R. Gavagan - Vice President and Controller
Denise H. Ivey - President, Gannett Gulf Coast Newspaper Group, and President and Publisher, Pensacola News Journal
John B. Jaske - Senior Vice President, Labor Relations and Assistant General Counsel
Richard A. Mallary - Senior Vice President, Gannett Broadcasting
Gracia C. Martore - Treasurer and Vice President, Investor Relations
Douglas H. McCorkindale - Chairman, President and Chief Executive Officer
Larry F. Miller - Executive Vice President and Chief Financial Officer
Craig A. Moon - President, Piedmont Newspaper Group, and President and Publisher, The Tennessean
Roger Ogden - Vice President, Gannett Television, and President and General Manager, KUSA-TV, Denver
W. Curtis Riddle - Senior Group President, Gannett East Newspaper Group, and President and Publisher, The News Journal, Wilmington, Delaware
Carleton F. Rosenburgh - Senior Vice President, Gannett Newspaper Division
Gary F. Sherlock - President, Gannett Atlantic Newspaper Group, and President and Publisher, The Journal News
Mary P. Stier - President and Publisher, The Des Moines Register and Senior Group President, Gannett Midwest Newspaper Group
Frank J. Vega - President and CEO, Detroit Newspapers
Cecil L. Walker - Chairman and CEO, Gannett Broadcasting Division
Gary L. Watson - President, Gannett Newspaper Division

Information concerning the Executive Officers of the company is included in the Annual Report on pages 18-20. Information concerning the Board of Directors of the company is incorporated by reference to the company's Proxy Statement pursuant to General Instruction G(3) to Form 10-K.

Item 11.	Executive Compensation.	Incorporated by reference to the company's Proxy Statement pursuant to General Instruction G(3) to Form 10-K.
Item 12.	Security Ownership of Certain Beneficial Owners and Management.	Incorporated by reference to the company's Proxy Statement pursuant to General Instruction G(3) to Form 10-K.
Item 13.	Certain Relationships and Related Transactions.	Incorporated by reference to the company's Proxy Statement pursuant to General Instruction G(3) to Form 10-K.

Part IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) Financial Statements, Financial Statement Schedules and Exhibits.

(1) Financial Statements.

The following financial statements of the company and the accountants' report thereon are included on pages 34 through 51 of the company's 2000 Annual Report to Shareholders and are incorporated herein by reference:

Consolidated Balance Sheets as of December 31, 2000 and December 26, 1999.

Consolidated Statements of Income - Fiscal Years Ended December 31, 2000, December 26, 1999, and December 27, 1998.

Consolidated Statements of Cash Flows - Fiscal Years Ended December 31, 2000, December 26, 1999 and December 27, 1998.

Consolidated Statements of Changes in Shareholders' Equity - December 31, 2000, December 26, 1999, and December 27, 1998.

Notes to Consolidated Financial Statements.

Report of Independent Accountants.

(2) Financial Statement Schedules.

The following financial statement schedules are incorporated by reference to "Schedules to Form 10-K Information" appearing on pages 68 and 69 of the company's 2000 Annual Report to Shareholders:

Schedule V - Property, Plant and Equipment.

Schedule VI - Accumulated Depreciation and Amortization of Property, Plant and Equipment.

Schedule VIII - Valuation and Qualifying Accounts.

Schedule X - Supplementary Income Statement Information.

The Report of Independent Accountants on Financial Statement Schedules appears on page 10 of this Form 10-K.

Note: All other schedules are omitted as the required information is not applicable or the information is presented in the consolidated financial statements or related notes.

(3) Pro Forma Financial Information.

Not Applicable.

(4) Exhibits.

See Exhibit Index for list of exhibits filed with this Annual Report on Form 10-K. Management contracts and compensatory plans or arrangements are identified with asterisks on the Exhibit Index.

(b) Reports on Form 8-K.

(1) Current Report on Form 8-K dated February 15, 2000, in connection with the sale of the company's cable business.

(2) Current Report on Form 8-K dated May 2, 2000, in connection with an amendment of the company's Rights Plan Agreement.

(3) Current Report on Form 8-K dated June 28, 2000, in connection with the company's acquisition of Central Newspapers, Inc.

(4) Current Report on Form 8-K dated August 1, 2000, in connection with the company's acquisition of Central Newspapers, Inc.

(5) Current Report on Form 8-K/A dated October 16, 2000, in connection with the company's acquisition of Central Newspapers, Inc.

REPORT OF INDEPENDENT ACCOUNTANTS ON
FINANCIAL STATEMENT SCHEDULES

To the Board of Directors and Shareholders
of Gannett Co., Inc.

Our audits of the consolidated financial statements referred to in our report dated February 8, 2001 appearing on page 51 of the 2000 Annual Report to Shareholders of Gannett Co., Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedules listed in Item 14(a) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/PRICEWATERHOUSECOOPERS LLP
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PRICEWATERHOUSECOOPERS LLP

Washington, D.C.
February 8, 2001

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: February 21, 2001 GANNETT CO., INC. (Registrant)

By /s/Larry F. Miller

Larry F. Miller,
Executive Vice President and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Dated: February 21, 2001 /s/Douglas H. McCorkindale

Douglas H. McCorkindale,
Director, Chairman, President
and Chief Executive Officer

Dated: February 21, 2001 /s/Larry F. Miller

Larry F. Miller,
Executive Vice President and
Chief Financial Officer

Dated: February 21, 2001 /s/H. Jesse Arnelle

H. Jesse Arnelle, Director

Dated: February 21, 2001 /s/Meredith A. Brokaw

Meredith A. Brokaw, Director

Dated: February 21, 2001	/s/James A. Johnson ------------------------------ James A. Johnson, Director
Dated: February 21, 2001	/s/Samuel J. Palmisano ------------------------------ Samuel J. Palmisano, Director
Dated: February 21, 2001	/s/Karen Hastie Williams ------------------------------ Karen Hastie Williams, Director

EXHIBIT INDEX

Exhibit Number	Exhibit	Location
3-1	Second Restated Certificate of Incorporation of Gannett Co., Inc.	Incorporated by reference to Exhibit 3-1 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 26, 1993 ("1993 Form 10-K"). Amendment incorporated by reference to Exhibit 3-1 to the 1993 Form 10-K. Amendment dated May 2, 2000, incorporated by reference to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended March 26, 2000.
3-2	By-laws of Gannett Co., Inc. (reflects all amendments through February 1, 2001)	Attached
4-1	$1,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-1 to the 1993 Form 10-K.
4-2	Amendment Number One to $1,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-2 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended June 26, 1994.
4-3	Amendment Number Two to $1,500,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-3 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 31, 1995.
4-4	Amendment Number Three to $3,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-4 to Gannett Co., Inc.'s Form 10-Q for the fiscal quarter ended September 29, 1996.
4-5	Indenture dated as of March 1, 1983 between Gannett Co., Inc. and Citibank, N.A., as Trustee.	Incorporated by reference to Exhibit 4-2 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 29, 1985.
4-6	First Supplemental Indenture dated as of November 5, 1986 among Gannett Co., Inc., Citibank, N.A., as Trustee, and Sovran Bank, N.A., as Successor Trustee.	Incorporated by reference to Exhibit 4 to Gannett Co., Inc.'s Form 8-K filed on November 9, 1986.
4-7	Second Supplemental Indenture dated as of June 1, 1995, among Gannett Co., Inc., NationsBank, N.A., as Trustee, and Crestar Bank, as Trustee.	Incorporated by reference to Exhibit 4 to Gannett Co., Inc.'s Form 8-K filed on June 15, 1995.
4-8	Rights Plan.	Incorporated by reference to Exhibit 1 to Gannett Co., Inc.'s Form 8-K filed on May 23, 1990. Amendment incorporated by reference to Gannett Co., Inc.'s Form 8-K filed on May 2, 2000.
4-9	Amendment Number Four to $3,000,000,000 Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-9 to Gannett Co., Inc.'s Form 10-Q filed on August 12, 1998.
4-10	$3,000,000,000 Competitive Advance and Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Incorporated by reference to Exhibit 4-10 to Gannett Co., Inc.'s Form 10-Q filed on August 9, 2000.
4-11	Amendment Number One to $3,000,000,000 Competitive Advance and Revolving Credit Agreement among Gannett Co., Inc. and the Banks named therein.	Attached.

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

10-8	Gannett Co., Inc. Transitional Compensation Plan.*	Incorporated by reference to Exhibit 10-13 to Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 30, 1990.
10-9	Employment Agreement dated January 1, 2001 between Gannett Co., Inc. and Douglas H. McCorkindale.*	Attached.
13	Portions of 2000 Annual Report to Shareholders incorporated by reference.	Attached.
21	Subsidiaries of Gannett Co., Inc.	Attached.
23	Consent of Independent Accountants.	Attached.
99-1	Agreement of Plan and Merger dated as of June 28, 2000, among Central Newspapers, Inc., Gannett Co., Inc., and Pacific and Southern Indiana Corp.	Incorporated by reference to Exhibit 2.1 to Central Newspaper, Inc.'s Form 8-K dated June 29, 2000.

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.

[Reflects all amendments through February 1, 2001]

BY-LAWS

OF

GANNETT CO., INC..

ARTICLE I.

Meetings of Stockholders

Section 1. Annual Meetings:

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

Section 2. Special Meetings:

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

Section 3. Place of Meeting:

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

Section 4. Notice of Meetings:

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

Section 5. Organization:

At each meeting of the stockholders, the Chairman of the Board, or in his absence, the Vice Chairman, or in the absence of both officers, an officer selected by the Chairman of the Board, or if the Chairman of the Board has made no selection, an officer selected by the Board, shall act as chairman of the meeting and the Secretary or, in his absence, an Assistant Secretary, if one be appointed, shall act as secretary of the meeting. In case at any meeting none of

the officers who have been designated to act as chairman or secretary of the meeting, respectively, shall be present, a chairman or secretary of the meeting, as the case may be, shall be chosen by the vote of a majority in interest of the stockholders of the Corporation present in person or by proxy and entitled to vote at such meeting.

Section 6. Quorum and Conduct of Meetings.

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

(b) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board of

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

Section 7. Voting.

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

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

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

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

Section 8. List of Stockholders:

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

Section 9. Stockholder Action:

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

ARTICLE II.

Board of Directors

Section 1. General Power:

The property, business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

Section 2. Number and Terms:

Except as otherwise fixed pursuant to the provisions of Article FOURTH of the Certificate of Incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of the directors of the Corporation shall be fixed from time to time by majority vote of the entire Board of Directors. 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:

No one shall be eligible to serve as a member of the Board of Directors after the first annual meeting of shareholders following his or her seventieth birthday, or, in the case of anyone who has at any time served as an executive of this Corporation, after the first annual meeting of shareholders following his or her sixty-fifth birthday or the date on which he or she retires under the Corporation's retirement plan, whichever occurs first. Every person who is elected a director of this Corporation at the 1989 annual meeting of shareholders of this Corporation or thereafter shall at the time of his or her election to the Board, and at all times during his or her tenure as a director, 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.

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

Section 10. First Meeting:

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

Section 11. Regular Meetings:

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

Section 12. Special Meetings:

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

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

Section 13. Quorum and Manner of Acting:

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

Section 14. Written or Electronic Consent:

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

Section 15. Compensation:

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

Section 16. Executive and Other Committees:

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

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

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

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

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

Section 17. Indemnification.

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

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

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

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

ARTICLE III.

Officers

Section 1. Officers Enumerated:

The Board of Directors, as soon as may be practicable after the annual election of Directors, shall elect a Chairman, 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. 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 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.

Section 3. Lost, Destroyed or Mutilated Certificates:

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

Section 4. Record Date:

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

Section 5. Books and Records:

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

ARTICLE V.

Seal

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

ARTICLE VI.

Amendments

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

FIRST AMENDMENT, dated as of October 6, 2000 (this "Amendment"), to the Competitive Advance and Revolving Credit Agreement, dated as of July 28, 2000 (the "Credit Agreement"), among GANNETT CO., INC.., a Delaware corporation ("Gannett"), the several banks and other financial institutions from time to time parties to the Credit Agreement (as more specifically defined therein, the "Lenders"), BANK OF AMERICA, N.A., as administrative agent (in such capacity, the "Administrative Agent"), and THE CHASE MANHATTAN BANK, as syndication agent (in such capacity, the "Syndication Agent").

W I T N E S S E T H :

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

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

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties agree hereto hereby as follows:

A. Definitions. Unless otherwise defined herein, terms defined in the Credit Agreement shall have their defined meanings when used herein.

B. Amendments to Credit Agreement.

1. Amendment to Section 2.2 (Procedure for Revolving Credit Borrowing). Section 2.2 is hereby amended by:

a. deleting in clause (b) thereof the words "one Business Day prior to the requested Borrowing Date" and inserting in lieu thereof the words "on the requested Borrowing Date";

b. deleting in line 4 thereof the words "prior to 12:00 Noon, Dallas, Texas time" and inserting in lieu thereof the words "prior to 11:00 A.M., Dallas, Texas time"; and

c. deleting in lines 15 and 16 thereof the words "prior to 11:00 A.M., Dallas, Texas time" and inserting in lieu of thereof the words "prior to 1:00 P.M., Dallas, Texas time".

2. Amendment to Section 9.1 (Amendments and Waivers). Section 9.1 is hereby amended by inserting in clause (b)(ii) thereof the words "extend or" after the phrase "eliminate or reduce the voting rights of any Lender under this Section 9.1 or" and before the phrase "increase the Commitment of any Lender".

C. Conditions to Effectiveness. The effectiveness of this Amendment shall be subject to the satisfaction of the following conditions precedent:

1. Amendment. The Administrative Agent shall have received counterparts of this Amendment executed by Gannett, the Administrative Agent and the required Lenders.

2. No Default. No Default or Event of Default shall have occurred and be continuing on the Amendment Effective Date (as hereinafter defined) after giving effect to this Amendment.

D. Representations and Warranties. The representations and warranties made by Gannett in the Credit Agreement are true and correct in all material respects on and as of the Amendment Effective Date (after giving effect hereto) as if made on and as of the Amendment Effective Date.

E. Miscellaneous.

1. Effective Date. As used in this Amendment the term "Amendment Effective Date" shall mean the date on which all conditions precedent set forth in Section C hereof shall have been satisfied.

2. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

3. Counterparts. This Amendment may be executed by the parties hereto in any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

4. Continuing Effect. Except as expressly amended hereby, the Credit Agreement as amended by this Amendment shall continue to be and shall remain in

full force and effect. From and after the Amendment Effective Date, all references in the Credit Agreement thereto shall be to the Credit Agreement as amended hereby.

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

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IN WITNESS WHEREOF, the parties have entered this Amendment to be executed and delivered by their respective duly authorized officers as of the day and year first above written.

GANNETT CO., INC..

By: /s/ Gracia Martore

Name: Gracia Martore
Title: Treasurer

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

By: /s/ Pamela S. Kurtzman

Name: Pamela S. Kurtzman
Title: Principal

THE CHASE MANHATTAN BANK, as
Syndication Agent and Lender

By: /s/ John J. Huber III

Name: John J. Hubber III
Title: Managing Director

CITIBANK, N.A.

By: /s/ Elaine Henry

Name: Elaine Henry
Title: Senior Banker

HSBC BANK USA

By: /s/ Rochelle Forster

Name: Rochelle Forster
Title: Senior Vice President

LLOYDS TSB BANK PLC

By: /s/ David Rodway

Name: David Rodway
Title: Assistant Director
R156

By: /s/ Paul D. Brianmonte

Name: Paul D. Brianmonte
Title: Director-Project Finance
(USA) B374

SUNTRUST BANK

By: /s/ Nancy R. Petrash

Name: Nancy R. Petrash
Title: Director
Corporate & Investment
Banking

WESTDEUTSCHE LANDESBANK
GIROZENTRALE

By: /s/ Pascal Kabemba

Name: Pascal Kabemba
Title: Associate Director

By: /s/ Lucie L. Guernsey

Name: Lucie L. Guernsey
Title: Director

BANK OF NEW YORK

By: /s/ Steven J. Correll

Name: Steven J. Correll
Title: Assistance Vice President

WELLS FARGO BANK MINNESOTA,
NATIONAL ASSOCIATION

By: /s/ Bradley A. Hardy

Name: Bradley A. Hardy
Title: Vice President

BANK ONE, NA

By: /s/ Stephen E. McDonald

Name: Stephen E. McDonald
Title: Senior Vice President

PNC BANK, NATIONAL
ASSOCIATION

By: /s/ Steffen W. Crowther

Name: Steffen W. Crowther
Title: Vice President

FIFTH THIRD BANK

By: /s/ Daniel Klus

Name: Daniel Klus
Title:

NORTHERN TRUST COMPANY

By: /s/ Craig Smith

Name: Craig Smith
Title: Vice President

FIRST BANK, NA

By: /s/ Robert A. Flosbach

Name: Robert A. Flosbach
Title: Senior Vice President

FIRST UNION NATIONAL BANK

By: /s/ Bruce W. Loftin

Name: Bruce W. Loftin
Title: Senior Vice President

FIRST HAWAIIAN BANK

By: /s/ Donald C. Young

Name: Donald C. Young
Title: Senior Vice President

FLEET NATIONAL
BANK (successor by
merger to Fleet
Bank, N.A.)

By: /s/ Martin Ollinger

Name: Martin Ollinger
Title: Vice President

Exhibit 10-3

GANNETT CO., INC..
1978 EXECUTIVE LONG-TERM INCENTIVE PLAN
AMENDMENT NO. 11

This amendment to the Gannett Co., Inc. 1978 Executive Long-Term Incentive Plan (the "Plan") is adopted pursuant to resolutions of the Executive Compensation Committee of the Board of Directors of the Company on December 5, 2000 and is effective on that date.

Section 2.4 of the Plan is hereby amended as follows:

2.4 Term and Exercise of Options

Unless otherwise determined by the Committee, each Option granted under the Plan shall become exercisable with respect to 25% of the shares subject thereto on the first anniversary of the date of grant thereof, and with respect to an additional 25% of such shares on each of the second, third and fourth anniversaries of such date of grant. Options may be partially exercised from time to time within such percentage limitations. Options granted under the Plan shall be exercisable during such period or periods as the Committee shall determine; provided, however, that no Option shall be exercisable more than 10 years after the date of grant thereof. Effective with respect to Stock Option grants made on or after December 5, 2000, notwithstanding anything in this Plan to the contrary, upon a participant's termination of employment with Gannett following the participant's (a) death, (b) retirement at or after age 65, (c) early retirement at or after age 55 but before age 65 or (d) permanent disability, as determined under the Gannett Long Term Disability Plan, those Stock Options awarded to such participant shall continue to vest according to their prescribed vesting schedule during such period as they may be exercised under this Plan and the applicable grant agreement.

IN WITNESS WHEREOF, Gannett Co., Inc. has caused this Amendment to be executed by its duly authorized officer as of December 5, 2000.

GANNETT CO., INC..

By:/s/ Richard L. Clapp

Richard L. Clapp
Senior Vice President/Human Resources

Exhibit 10-7

GANNETT CO., INC.. DEFERRED COMPENSATION PLAN
Amendment No. 3 to January 1, 1997 Restatement

This Amendment No. 3 to the Restated Gannett Co., Inc. 1987 Deferred Compensation Plan (the "Plan") is adopted pursuant to the action of the Executive Compensation Committee of the Board of Directors of the Company on December 5, 2000, and is effective on that date.

Section 2.9(c) of the Plan shall read as follows:

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 ten 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.

Section 2.9(f) of the Plan shall read as follows:

Notwithstanding any Payment Commencement Date or Method of Payment selected by a Participant, if:

(1) an employee Participant's employment with the Company terminates 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, or

(2) a director Participant's directorship terminates for any reason other than (i) at or after reaching the prescribed mandatory retirement age from the Board, (ii) by reason of such Participant's death, or (iii) 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.

IN WITNESS WHEREOF, Gannett Co., Inc. has caused this Amendment to be executed by its duly authorized officer as of December 5, 2000.

GANNETT CO., INC..

By: /s/ Richard L. Clapp

Name: Richard L. Clapp
Title: Senior Vice President/
Human Resources

GANNETT CO., INC. DEFERRED COMPENSATION PLAN
Amendment No. 4

The Gannett Co., Inc. Deferred Compensation Plan (the "Plan") is hereby amended as set forth below, effective February 20, 2001:

Section 2.5 of the Plan is amended as follows:

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 initial deferral may relate only to Compensation attributable to the period following the deferral election.

(b) Once made, an election to defer for a particular time period is irrevocable.

(c) A Director may elect to defer Directors' fees payable for services rendered after June 30, 1987, either under the terms of this Plan or under the terms of the Gannett Co., Inc. Plan for the Deferral of Directors' Fees adopted May 1, 1979 (the "Directors' Plan"). Whenever a Director has an account under the Directors' Plan, he or she may elect to have his or her account balance or any part thereof under the Directors' Plan deemed invested in the fund or funds available under this

Plan, as designated by the Director, or under the Directors' Plan. Such elections shall be made by written notice to the Company, and shall be pursuant to Section 2.7 of this Plan. Any amounts allocated to this Plan may be allocated and reallocated as this Plan provides. Except for these changes in computing future account balances, all other terms and conditions of the Directors' Plan and the elections made thereunder shall continue to apply to amounts deferred under the Directors' Plan.

Section 2.10(c) is amended as follows:

(c) The Company will provide election forms to permit Participants to defer Compensation to be earned during that calendar year.

IN WITNESS WHEREOF, Gannett Co., Inc., has caused this Amendment to be executed by its duly authorized officer as of February 20, 2001.

GANNETT CO., INC.

/s/ Richard L. Clapp

By: Richard L. Clapp
Senior Vice President
Human Resources

EMPLOYMENT AGREEMENT

This Agreement is made as of January 1, 2001, between Gannett Co., Inc., a Delaware corporation ("Gannett"), and Douglas H. McCorkindale ("McCorkindale").

Mr. McCorkindale has contributed substantially to the growth and success of Gannett over a period of years. Gannett desires to retain his services until his retirement from Gannett as set forth in this Agreement and to provide the necessary compensation to assure such services.

Gannett and McCorkindale therefore agree as follows:

1. Employment.

Gannett hereby employs McCorkindale as its President and Chief Executive Officer and, effective February 1, 2001, as Chairman of the Board or in such other senior executive position as the Board of Directors and McCorkindale shall mutually agree upon. McCorkindale hereby accepts the employment specified herein, agrees to perform, in good faith, the duties, consistent with his position, prescribed by the Board of Directors, abide by the terms and conditions described in this Agreement and to devote his full working time and best efforts to Gannett. These obligations shall not restrict McCorkindale from engaging in his customary activities as a director or trustee of other business and not-for-profit organizations. Gannett agrees to nominate McCorkindale for election to the Board as a member of the management slate at each annual meeting of stockholders during his employment hereunder at which McCorkindale's director class comes up for election. McCorkindale agrees to serve on the Board if elected.

2. Term of Employment.

The term of employment under this Agreement shall commence on the date first set forth above and shall extend until McCorkindale's normal retirement date (as this term is defined in Gannett's Retirement Plan), provided that the parties may agree to one or more one year extensions of this Agreement commencing on McCorkindale's normal retirement date and each anniversary thereof. This Agreement shall be deemed to have been extended by the parties after McCorkindale's normal retirement date for an indefinite number of one year extensions until either party gives notice, no less than 90 days prior to McCorkindale's normal retirement date or an anniversary thereof, whichever may be relevant, of an unwillingness to extend for another year.

3. Compensation.

During the term of McCorkindale's employment, Gannett shall pay him a base salary at the rate of $1,600,000 per annum, or such greater amount as the Board of Directors shall determine. Such salary shall be payable in accordance with Gannett's standard payroll practices for senior executives. Gannett may pay McCorkindale a bonus in such amount and at such time or times as the Board of Directors shall determine.

4. Reimbursement for Expenses.

McCorkindale shall be expected to incur various reasonable business expenses customarily incurred by persons holding like positions, including but not limited to traveling, entertainment and similar expenses incurred for the benefit of Gannett. Gannett shall reimburse McCorkindale for such expenses from time to time, at McCorkindale's request, and McCorkindale shall account to Gannett for such expenses.

5. Termination of Agreement by Gannett.

(a) Gannett shall have the right to terminate this Agreement under the following circumstances:

(i) Upon the death of McCorkindale.

(ii) Upon notice from Gannett to McCorkindale in the event of an illness or other disability which has incapacitated him from performing his duties for six months as determined in good faith by the Board.

(iii) For good cause upon notice from Gannett. For this purpose, "good cause" means (1) any material misappropriation of funds or property of Gannett by McCorkindale; (2) unreasonable (and persistent) neglect or refusal by McCorkindale to perform his duties as provided in Section 1 hereof and which he does not remedy within thirty days after receipt of written notice from Gannett; (3) the breach by McCorkindale of any provision of Sections 10 or 14 if such breach has had or is likely to have a material adverse affect on the business or financial condition of Gannett; (4) conviction of McCorkindale of a felony; or (5) McCorkindale's voluntary resignation as an employee of Gannett without the prior written consent of Gannett.

(b) If this Agreement is terminated pursuant to Section 5(a) above, McCorkindale's rights and Gannett's obligations hereunder shall forthwith terminate except as expressly provided in this Agreement.

(c) If this Agreement is terminated pursuant to Section 5(a)(i) or (ii) hereof, McCorkindale or, in the case of death, his estate shall be entitled to receive a cash payment equal to the present value (based on Gannett's then current cost of borrowing) of his projected salary and bonuses (prior to any elective deferrals or any other deductions) and the deemed value of all fringe benefits for the balance of the term of this Agreement, payable within 30 days of the date of termination. For this purpose, projected salary and bonuses shall be determined by assuming that annual percentage increases in future calendar years will equal the average annual percentage increase in salary and bonus over the three calendar years preceding the year of determination. The deemed value of fringe benefits in any calendar year shall equal five percent of such year's salary (actual or projected as the case may be) plus the aggregate amount of club dues (not counting dues for the Robert Trent Jones Golf Club to the extent this membership is continued under Section 9) and home security charges paid by Gannett on McCorkindale's behalf in the calendar year prior to the year of termination.

(d) Whenever compensation is payable to McCorkindale hereunder during a time when he is partially or totally disabled, and such disability (except for the provisions hereof) would entitle him to disability income or to salary continuation payments from Gannett or from its insurer under the terms of the Gannett long-term disability plan, or any successor Gannett plan or policy in effect at the time of such disability, the compensation payable to him hereunder shall be inclusive of any such disability income or salary continuation and shall not be in addition thereto.

(e) The failure of this Agreement to be renewed on McCorkindale's normal retirement date or on any anniversary thereof shall not be considered as a termination of the Agreement under this Section.

6. Termination of Agreement by McCorkindale

(a) McCorkindale shall have the right to terminate his employment under this Agreement for "good reason" upon 30 days' notice to Gannett given within 90 days following the occurrence of any of the following events, each of which shall constitute a "good reason" for such termination:

(i) McCorkindale is not elected or retained as President and Chief Executive Officer (or such other senior executive position as McCorkindale may have agreed to serve in) and a director of Gannett.

(ii) Gannett acts to materially reduce McCorkindale's duties and responsibilities hereunder.

(iii) McCorkindale is required to report to anyone other than Gannett's Board of Directors.

(iv) Gannett acts to change the geographic location of the performance of McCorkindale's duties from the Washington, D.C. Metropolitan area.

(b) The failure to renew this Agreement on McCorkindale's normal retirement date or on any anniversary thereof shall not be considered as a termination of the Agreement under this Section.

7. Consequence of Termination or of a Breach by Gannett.

If this Agreement is terminated by McCorkindale pursuant to Section 6 hereof, or by Gannett for any reason other than the reasons specified in Section 5(a), or if Gannett shall terminate McCorkindale's employment under this Agreement in any other way that constitutes Gannett's breach of this Agreement, the following shall apply:

(a) McCorkindale shall be paid all earned but unpaid compensation, accrued vacation and accrued but unreimbursed expenses required to be reimbursed under this Agreement; and

(b) McCorkindale shall receive a cash payment equal to the greater of (1) McCorkindale's total compensation in the year preceding the year of termination (comprised of salary, bonuses and the value of all fringe benefits and deferred compensation) or (2) the present value (based on Gannett's then current cost of borrowing) of McCorkindale's projected salary and bonuses (prior to any elective deferrals or any other deductions) and the deemed value of all fringe benefits for the balance of the term of this Agreement, payable within 30 days of the date of termination. For this purpose, projected salary and bonuses shall be determined by assuming that annual percentage increases in future calendar years will equal the average annual percentage increase in salary and bonus over the three calendar years preceding the year of determination. The deemed value of fringe benefits in any calendar year shall equal five percent of such year's salary (actual or projected as the case may be) plus the aggregate amount of club dues (not counting dues for the Robert Trent Jones Golf Club to the extent this membership is continued under Section 9) and home security charges paid by Gannett on McCorkindale's behalf in the calendar year prior to the year of termination. If McCorkindale has received a change in control payment under Section 11(a)(i), the amount determined under the preceding sentences of this Section 7 shall be reduced (but not below zero) by the amount paid to McCorkindale under Section 11(a)(i); and

(c) McCorkindale shall have his benefits under any non-qualified supplemental retirement plan calculated by assuming his termination date were the normal expiration date of this Agreement and by taking into account the full service and compensation (projected for years after termination as specified in Section 5(c)) that he would have had if he had in fact continued to work until the expiration of this Agreement; and

(d) McCorkindale shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor will any payments hereunder be subject to offset in respect of any claims which Gannett may have against McCorkindale, nor shall the amount of any payment or benefit provided for in this Section 7 be reduced by any compensation earned as a result of McCorkindale's employment with another employer.

8. Post-Termination Consulting Services.

If McCorkindale remains in Gannett's employ to or beyond his normal retirement date, upon the expiration of this Agreement Gannett shall retain McCorkindale for a period of five years to perform consulting services at the request of the then Chief Executive Officer of Gannett. For such services, McCorkindale shall be paid $150,000 per year in advance at the beginning of each year of his retirement. Gannett shall also reimburse McCorkindale, upon the receipt of appropriate documentation, for reasonable expenses which he incurs in providing consulting services at the request of the Chief Executive Officer, or which he incurs at the request of Gannett because of his position as a retired executive officer of Gannett. Gannett's obligations as set forth in this paragraph are unconditional and irrevocable and shall apply irrespective of McCorkindale's incapacitation, prior or subsequent to his retirement, to perform services hereunder.

9. Miscellaneous Additional Benefits.

(a) Pre-Retirement. McCorkindale shall be entitled to receive during his period of active full-time employment with Gannett all benefits, facilities or privileges, in comparable amounts and under comparable terms and conditions, as are made available during such period to any other senior executive of Gannett other than sign-on bonuses and similar one-time benefits, provided that in no event shall the benefits be less favorable than the benefits McCorkindale receives on the effective date of this Agreement.

(b) Post-Retirement. After McCorkindale ceases full-time active employment (whether before or after reaching his normal retirement date), he shall receive all benefits afforded to other retired Gannett Chief Executive Officers and, in accordance with company policies, to other retired executive officers generally. Whether or not they may be provided to other retired Chief Executive Officers or senior executives under the preceding sentence, Gannett shall provide McCorkindale with the following benefits for the remainder of his life:

- Executive Medical coverage, including an annual physical, for himself and dependents up to $25,000 per calendar year, or such higher amount as may be available from time to time to the then senior executives of Gannett

- Gannett shall continue to maintain the active membership in the Robert Trent Jones Golf Club that McCorkindale currently enjoys and permit McCorkindale to continue enjoying its sole use for his life

- All computer and other equipment in his office or home that McCorkindale uses at the time of his retirement shall be transferred to him when he retires

- Cars and financial planning services under no less favorable circumstances than those provided to McCorkindale prior to retirement, and

- Reasonable access to Gannett offices, facilities and services.

10. Restrictive Covenant.

McCorkindale agrees that during his employment hereunder and for as long as he receives post-termination consulting fees under Section 8, he will not, without the written consent of Gannett, as a principal, officer, director, stockholder (except as the owner of less than 5% of the stock of a company whose stock is publicly traded), partner, employee or in any other capacity whatsoever, engage in or become associated with, or advise or assist, any business or enterprise which is engaged in providing any goods or services that are competitive with any goods or services that are or may at any time be offered by Gannett. For the purposes of this Section 10, a business or enterprise shall be deemed to be engaged in providing goods or services that are competitive with any goods or services offered by Gannett if the Board of Directors of Gannett so determines. It is agreed that Gannett's sole remedy in the event of McCorkindale's breach of this Section 10 shall be the termination of all compensation otherwise payable to McCorkindale under Sections 3, 4 or 8 with respect to the period of time after such breach.

11. Change in Control.

(a) In general. Upon a change in control, as defined below, Gannett shall

(i) pay McCorkindale as of the date of the change in control a lump sum cash bonus equal to four times his total annual compensation (comprised of salary and bonuses prior to any elective deferrals or any other deductions and the deemed value of all fringe benefits as determined in Section 5(c)) paid in the calendar year immediately preceding the change in control, such payment to be in lieu of the cash payments payable under Section 7(b).

(ii) treat, to the extent allowed without the need of plan amendment, all incentive pay, stock options and any other contingent executive compensation in which McCorkindale has an interest as if all targets were achieved on the date of the change in control and as if all otherwise unvested benefits became fully vested on such date. If any of such benefits requires action by McCorkindale to exercise his rights under such benefits, McCorkindale shall be given the greater of 90 days following the change in control or the period of time permitted under the relevant plan to exercise his rights, but in no event shall any stock option be exercisable more than 10 years (or such other period as may be prescribed by the Internal Revenue Code for tax-favored stock options) after the date of its grant.

(iii) make available to McCorkindale the retiree benefits specified in Section 9(b).

For purposes of this Agreement, the term "change in control" has the same meaning given it under Gannett's 1978 Executive Long-Term Incentive Plan (or any successor plan) provided that a management buyout under the terms of which Gannett ceases to be a public company shall not be considered as a change in control under this Agreement.

(b) Timing of Payment. Any cash or in-kind payments due as of the date of the change in control shall be paid to McCorkindale as soon as administratively practicable (but in no event later than 30 days) following the change in control.

12. Certain Additional Payments by Gannett.

Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by Gannett to or for the benefit of McCorkindale, whether paid or payable, pursuant to the terms of this Agreement or otherwise (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or similar section or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then McCorkindale shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by McCorkindale of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax imposed upon the Gross-Up Payment, McCorkindale retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Pursuant to Section 13(b) of the Gannett Co., Inc. Transitional Compensation Plan dated December 11, 1990 (the "Transitional Compensation Plan"), any compensation and benefits received by McCorkindale under the terms of the Transitional Compensation Plan will be reduced (but not below zero) by any compensation and benefits received by McCorkindale under the terms of this Agreement.

13. Legal Expenses and Interest.

If, with respect to any alleged failure by Gannett to comply with any of the terms of this Agreement, McCorkindale hires legal counsel with respect to this Agreement or institutes any negotiations or institutes or responds to legal action to assert or defend the validity of, enforce his rights under, or recover damages for breach of this Agreement and thereafter Gannett is found in a judgment no longer subject to review or appeal to have breached this Agreement in any material respect, then Gannett shall indemnify McCorkindale for his 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 McCorkindale equal such fees and disbursements.

14. Trade Secrets.

McCorkindale agrees that unless duly authorized in writing by Gannett, he will neither during his employment by Gannett nor at any time thereafter divulge or use any trade secrets or confidential information first acquired by him during and by virtue of his employment with Gannett.

15. Funding.

Gannett may in its discretion establish a trust to fund any of the payments which are or may become payable to McCorkindale under this Agreement.

16. Notice.

Any and all notices referred to herein shall be sufficient if furnished in writing and sent by registered mail to the parties.

17. Transferability.

The rights, benefits and obligations of Gannett under this Agreement shall be transferable and all covenants and agreements hereunder shall inure to the benefit of and be enforceable by or against its successors and assigns. Whenever the term "Gannett" is used in this Agreement, such term shall mean and include Gannett Co., Inc. and its successors and assigns. The rights and benefits of McCorkindale under this Agreement shall not be transferable other than rights to property or compensation that may pass on his death to his estate or beneficiaries through his will or the laws of descent and distribution and the terms of any Gannett compensation or benefit plan.

18. Severability.

If any provision of this Agreement or the application thereof is held invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any other provisions of this Agreement which can be given effect without the invalid or unenforceable provision, and to this end the provisions of this Agreement are to be severable.

19. Amendment; Waiver.

This Agreement contains the entire agreement of the parties with respect to the employment of McCorkindale by Gannett and upon execution of this Agreement supersedes the Employment Agreement dated as of December 7, 1992, between Gannett and McCorkindale. No amendment or modification of this Agreement shall be valid unless evidenced by a written instrument executed by the parties hereto. No waiver by either party of any breach by the other party of any provision or conditions of this Agreement shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time.

20. Tax Withholding.

Gannett may withhold from any payments due to McCorkindale hereunder, such amounts as its independent public accountants may determine are required to be withheld under applicable federal, state and local tax laws.

21. Governing Law.

This Agreement shall be governed by and construed under and in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws.

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

GANNETT CO., INC.

By: /s/ Stuart T.K. Ho

Chairman of Executive Compensation Committee

/s/ Douglas H. McCorkindale

Douglas H. McCorkindale

Company Profile: Gannett Co., Inc. is a diversified news and information company that publishes newspapers, operates broadcasting stations and is engaged in marketing, commercial printing, a newswire service, data services and news programming. Gannett is an international company with headquarters in Arlington, Va., and operations in 43 states, the District of Columbia, Guam, the United Kingdom, Belgium, Germany, Italy and Hong Kong.

Gannett is the USA's largest newspaper group in terms of circulation. The company's 99 U.S. daily newspapers have a combined daily paid circulation of 7.8 million. They include USA TODAY, the nation's largest-selling daily newspaper, with a circulation of approximately 2.3 million. In addition, Gannett owns a variety of non- daily publications, and USA WEEKEND, a weekly newspaper magazine.

Newsquest plc, a wholly owned Gannett subsidiary acquired in mid- 1999, is one of the largest regional newspaper publishers in the United Kingdom with a portfolio of nearly 300 titles. Its publications include 15 daily newspapers with a combined circulation of approximately 600,000. Newsquest also publishes a variety of non-daily publications, including Berrow's Worcester Journal, the oldest continuously published newspaper in the world.

The company owns and operates 22 television stations covering 17.5 percent of the USA.

Gannett was founded by Frank E. Gannett and associates in 1906 and incorporated in 1923. The company went public in 1967. Its more than 264 million shares of common stock are held by approximately 14,000 shareholders of record in all 50 states and several foreign countries. The company has approximately 53,400 employees.

Board of Directors

Douglas H. McCorkindale
Chairman, president and chief executive officer, Gannett Co., Inc. Formerly: President, chief executive officer and vice chairman, Gannett Co., Inc. (2000-January 2001), Vice chairman and president, Gannett Co., Inc. (1997-2000), Vice chairman and chief financial and administrative officer, Gannett Co., Inc. (1985-1997). Other directorships: Continental Airlines, Inc.; and funds which are part of the Prudential group of mutual funds. Age 61. (b,d,e,f,g)

H. Jesse Arnelle
Of counsel to Winston-Salem, N.C., law firm of Womble, Carlyle, Sandridge & Rice. Other directorships: FPL Group, Inc.; Textron Corporation; Eastman Chemical Co.; Armstrong World Industries; Waste Management, Inc. Age 67. (a,e)

Meredith A. Brokaw
Founder, Penny Whistle Toys, Inc., New York City, and author of children's books. Other directorships: Conservation International, Washington, D.C. Age 60. (b,d,e)

James A. Johnson
Chairman and chief executive officer, Johnson Capital Partners. Other directorships: Cummins Engine Co.; Goldman Sachs Group, Inc.; Target Corporation; Temple-Inland Corporation; United Health Group; KB Home Corporation; Chairman, John F. Kennedy Center for the Performing Arts; Chairman, board of trustees, The Brookings Institution. Age 57. (b,c,d)

Samuel J. Palmisano
President and chief operating officer, International Business Machines Corporation; and a trustee of The Johns Hopkins University. Age 49. (a,c)

Karen Hastie Williams
Partner of Washington, D.C., law firm of Crowell & Moring. Other directorships: The Chubb Corporation; Continental Airlines, Inc.; Washington Gas Light Company; and a trustee of the Fannie Mae Foundation. Age 56. (a,c)

(a) Member of Audit Committee.
(b) Member of Executive Committee.
(c) Member of Executive Compensation Committee.
(d) Member of Management Continuity Committee.
(e) Member of Public Responsibility and Personnel Practices Committee.
(f) Member of Gannett Management Committee.
(g) Member of Contributions Committee.

A Special Thanks

John J. Curley and Stuart T.K. Ho retired from the board on Jan. 31, 2001. Curley is the former chairman and chief executive officer, Gannett Co., Inc. Ho is chairman of the board and president, Capital Investment of Hawaii, Inc. Josephine P. Louis, chairman and chief executive officer of Eximious, Inc. and Eximious Ltd., retired on May 2, 2000. Drew Lewis, former chairman and chief executive officer of Union Pacific Corporation, retired on Nov. 27, 2000.

Company and divisional officers

Gannett's principal management group is the Gannett Management Committee, which coordinates overall management policies for the company. The Gannett Newspaper Operating Committee oversees operations of the company's newspaper division. The Gannett Broadcasting Operating Committee coordinates management policies for the company's television stations. The members of these three groups are identified below and on the following pages.

The managers of the company's various local operating units enjoy substantial autonomy in local policy, operational details, news content and political endorsements.

Gannett`s headquarters staff includes specialists who provide advice and assistance to the company's operating units in various phases of the company's operations.

Below are brief descriptions of the business experience during the last five years of the officers of the company and the heads of its national and regional divisions. Officers serve for a term of one year and may be re-elected. Information about the officer who serves as a director (Douglas H. McCorkindale) can be found above.

Christopher W. Baldwin
Vice president, taxes. Age 57.

Sara M. Bentley
President, Gannett Northwest Newspaper Group, and president and publisher, Statesman Journal, Salem, Ore. Age 49.(2)

James T. Brown
Executive chairman, Newsquest. Age 65.

Thomas L. Chapple
Senior vice president, general counsel and secretary. Age 53.(1)

Richard L. Clapp
Senior vice president/human resources. Age 60.(1)

Susan Clark-Johnson
Chairman and CEO, Phoenix Newspapers, Inc., Senior group president, Gannett Pacific Newspaper Group. Formerly: Senior group president, Gannett Pacific Newspaper Group, and president and publisher, Reno (Nev.) Gazette-Journal (1994-2000). Age 54.(2)

Michael J. Coleman
Senior group president, Gannett South Newspaper Group, and president and publisher, FLORIDA TODAY at Brevard County. Age 57.(2)

Robert T. Collins
President, New Jersey Newspaper Group, and president and publisher, Asbury Park Press, Home News Tribune, East Brunswick, N.J., and Ocean County Newspapers. Formerly: President and publisher, Asbury Park Press and Home News Tribune (1997-1998); president and publisher, Courier-Post, Cherry Hill, N.J. (1993-1997). Age 57.(2)

Thomas Curley
Senior vice president, administration, and president and publisher, USA TODAY. Formerly: President and publisher, USA TODAY (1991-1998). Thomas Curley is the brother of John J. Curley. Age 52.(1)

Philip R. Currie
Senior vice president, news, Newspaper Division. Age 59.(2)

Ardyth R. Diercks
Senior vice president, Gannett Television. Formerly: President and general manager, KSDK-TV, St. Louis (1996-1998); president and general manager, KVUE-TV, Austin, Texas (1994-1996). Age 46.(3)

Craig A. Dubow
President, Gannett Television. Formerly: Executive vice president, Gannett Television (1996-2000); president and general manager, WXIA-TV, Atlanta (1992-1996). Age 46.(3)

Daniel S. Ehrman, Jr.
Vice president, planning and development. Formerly: Senior vice president, Gannett Broadcasting (1995-1997). Age 54.

Millicent A. Feller
Senior vice president, public affairs and government relations. Age 53.(1)

Lawrence P. Gasho
Vice president, financial analysis. Age 58.

George R. Gavagan
Vice president and controller. Formerly: Vice president, corporate accounting services (1993-1997). Age 54.

Denise H. Ivey
President, Gannett Gulf Coast Newspaper Group, and president and publisher, Pensacola (Fla.) News Journal. Age 50.(2)

John B. Jaske
Senior vice president, labor relations and assistant general counsel. Age 56.(1)

Richard A. Mallary
Senior vice president, Gannett Broadcasting. Age 58.(3)

Gracia C. Martore,
Treasurer and vice president, investor relations. Formerly: Vice president, treasury services and investor relations (1996-1998); vice president, treasury services (1993-1996). Age 48.

Myron Maslowsky
Vice president, internal audit. Age 46.

Larry F. Miller
Executive vice president and chief financial officer. Formerly: Senior vice president, financial planning and controller (1991-1997). Age 62.(1)

Craig A. Moon
President, Piedmont Newspaper Group, and president and publisher, The Tennessean, Nashville. Formerly: Vice president, Gannett South Newspaper Group, and president and publisher, The Tennessean (1991-1999). Age 51.(2)

Roger Ogden
Vice president, Gannett Television, and president and general manager, KUSA-TV, Denver, Colo. Age 55.(3)

W. Curtis Riddle
Senior group president, Gannett East Newspaper Group, and president and publisher, The News Journal, Wilmington, Del. Age 49.(2)

Carleton F. Rosenburgh
Senior vice president, Gannett Newspaper Division. Age 61.(2)

Gary F. Sherlock
President, Gannett Atlantic Newspaper Group, and president and publisher, The Journal News, Westchester County, N.Y. Age 55.(2)

Mary P. Stier
Senior group president, Gannett Midwest Newspaper Group, and president and publisher, The Des Moines Register. Formerly: President, Gannett Midwest Newspaper Group, and president and publisher, Rockford (Ill.) Register Star (1993-2000). Age 43.(2)

Wendell J. Van Lare
Vice president, senior labor counsel. Age 55.

Frank J. Vega
President and CEO, Detroit Newspapers. Age 52.(2)

Cecil L. Walker
Chairman and CEO, Gannett Broadcasting Division. Formerly: President and CEO, Gannett Broadcasting Division (1986-2000). Age 64.(1)(3)

Barbara W. Wall
Vice president, senior legal counsel. Age 46.

Gary L. Watson
President, Gannett Newspaper Division. Age 55.(1)(2)

(1) Member of the Gannett Management Committee.
(2) Member of the Gannett Newspaper Operating Committee.
(3) Member of the Gannett Broadcasting Operating Committee.

Gannett Common stock prices

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

Year	Quarter	Low	High
1990	First	$ 19.75	$ 22.19
	Second	$ 17.75	$ 21.13
	Third	$ 14.94	$ 18.75
	Fourth	$ 15.32	$ 18.88
1991	First	$ 17.88	$ 21.32
	Second	$ 19.88	$ 22.19
	Third	$ 19.69	$ 23.32
	Fourth	$ 17.94	$ 21.13
1992	First	$ 21.13	$ 23.94
	Second	$ 20.75	$ 24.57
	Third	$ 21.94	$ 24.13
	Fourth	$ 23.00	$ 26.82
1993	First	$ 25.32	$ 27.69
	Second	$ 23.75	$ 27.38
	Third	$ 23.88	$ 25.69
	Fourth	$ 23.75	$ 29.07
1994	First	$ 26.69	$ 29.19
	Second	$ 25.32	$ 27.44
	Third	$ 24.19	$ 25.82
	Fourth	$ 23.38	$ 26.69
1995	First	$ 25.07	$ 27.50
	Second	$ 26.00	$ 27.88
	Third	$ 26.50	$ 27.75
	Fourth	$ 26.44	$ 32.19
1996	First	$ 29.63	$ 35.38
	Second	$ 32.25	$ 35.82
	Third	$ 32.00	$ 35.07
	Fourth	$ 34.75	$ 39.25
1997	First	$ 35.81	$ 44.75
	Second	$ 40.50	$ 50.66
	Third	$ 48.00	$ 53.00
	Fourth	$ 51.13	$ 61.81
1998	First	$ 57.25	$ 69.94
	Second	$ 65.13	$ 74.69
	Third	$ 55.81	$ 73.56
	Fourth	$ 48.94	$ 68.06
1999	First	$ 61.81	$ 70.25
	Second	$ 61.81	$ 75.44
	Third	$ 66.81	$ 76.94
	Fourth	$ 68.81	$ 79.31
2000	First	$ 61.75	$ 83.25
	Second	$ 59.25	$ 72.13
	Third	$ 49.25	$ 60.06
	Fourth	$ 48.69	$ 63.06
2001	First	$ 61.06	$ 67.74*

* Through Feb. 26, 2001

Management's responsibility for financial statements

The management of the company has prepared and is responsible for the consolidated financial statements and related financial information included in this report. These financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. These financial statements necessarily include amounts determined using management's best judgments and estimates.

The company's accounting and other control systems provide reasonable assurance that assets are safeguarded and that the books and records reflect the authorized transactions of the company. Underlying the concept of reasonable assurance is the premise that the cost of control not exceed the benefit derived. Management believes that the company's accounting and other control systems appropriately recognize this cost/benefit relationship.

The company's independent accountants, PricewaterhouseCoopers LLP, provide an independent assessment of the degree to which management meets its responsibility for fairness in financial reporting. They regularly evaluate the company's system of internal accounting controls and perform such tests and other procedures as they deem necessary to reach and express an opinion on the financial statements. The PricewaterhouseCoopers LLP report appears on page 51.

The Audit Committee of the Board of Directors is responsible for reviewing and monitoring the company's financial reports and accounting practices to ascertain that they are appropriate in the circumstances. The Audit Committee consists of three non-management directors, and meets to discuss audit and financial reporting matters with representatives of financial management, the internal auditors and the independent accountants. The internal auditors and the independent accountants have direct access to the Audit Committee to review the results of their examinations, the adequacy of internal accounting controls and the quality of financial reporting.

Douglas H. McCorkindale	Larry F. Miller
Chairman, President and	Executive Vice President
Chief Executive Officer	and Chief Financial Officer

Management's discussion and analysis of results of operations and financial position

Basis of reporting

Following is a discussion of the key factors that have affected the company's business over the last three fiscal years. This commentary should be read in conjunction with the company's financial statements, the 11-year summary of operations and the Form 10-K information that appear in the following sections of this report.

The company's fiscal year ends on the last Sunday of the calendar year. The company's 2000 fiscal year ended on Dec. 31, 2000, and encompassed a 53-week period. The company's 1999 and 1998 fiscal years each encompassed a 52-week period.

In the fourth quarter of 2000, the company modified its method of accounting with respect to certain of its newspaper subsidiaries that are participants in joint operating agencies, in accordance with a pronouncement of the Financial Accounting Standards Board. Previously, the company included its pro-rata portion of these revenues and expenses generated by the operation of the agencies on a line-by-line basis in its statement of income. In fiscal 2000, the company's operating results from its Detroit and Tucson joint operating agencies are accounted for under the equity method (as a single net amount which is in other operating revenue). All prior years' statements of income have been restated to conform with the new pronouncement. This classification change within the statements of income has no effect on the company's operating income or overall reported results of operations. However, this classification change results in a reduction of reported revenue of approximately $170 million in each of 2000, 1999, and 1998 with a corresponding reduction in operating expenses.

Business acquisitions, exchanges and dispositions

2000

In May 2000, Gannett made a cash offer to acquire the entire issued and to be issued share capital of News Communications & Media plc ("Newscom"). Pursuant to the Offer, Newscom shareholders elected to receive 1800 pence (U.S. $28.44) per share in cash or Loan Notes, valuing the entire issued share capital of Newscom at approximately 444 million British pounds (U.S. $702 million). Gannett also financed the repayment of Newscom's existing debt. On June 5, 2000, the company concluded the acquisition. With the Newscom acquisition, Newsquest (which includes Newscom) now publishes nearly 300 titles in the United Kingdom, including 15 daily newspapers.

On July 21, 2000, the company concluded the acquisition of 19 daily newspapers as well as numerous weekly and niche publications from Thomson Newspapers Inc. for an aggregate purchase price of $1.036 billion. The company acquired eight daily newspapers in Wisconsin, eight daily newspapers in central Ohio, and daily newspapers in Lafayette, La.; Salisbury, Md.; and St. George, Utah (collectively, "Thomson").

The company completed its acquisition of Central Newspapers, Inc. ("Central"), on August 1, 2000, for an approximate cash purchase price of $2.6 billion. The company also retired Central's existing debt of approximately $206 million. Central's properties include The Arizona Republic; The Indianapolis Star; three other dailies in Indiana and one daily in Louisiana; a direct marketing business; CNI Ventures, an Internet and technology investment management group; and other related media and information businesses.

In March 2000, the company completed the acquisition of WJXX-TV, the ABC affiliate in Jacksonville, Fla. Gannett continues to own and operate WTLV-TV, the NBC affiliate in Jacksonville.

The Newscom, Thomson, Central and WJXX-TV acquisitions were recorded under the purchase method of accounting. The aggregate purchase price, including liabilities assumed, for businesses and assets acquired in 2000 including Newscom, Thomson, Central, the Jacksonville television station and certain smaller newspaper publishing operations, totaled approximately $4.8 billion.

The sale of the assets of the company's cable division for $2.7 billion was completed on Jan. 31, 2000. Upon closing, an after-tax gain of approximately $745 million or $2.77 per diluted share was recognized which, along with the cable segment operating results, is reported as discontinued operations in the company's financial statements.

Early in the fourth quarter of 2000, the company contributed the assets of its newspapers, the Marin Independent Journal and the Classified Gazette, to the California Newspapers Partnership (a partnership that includes 21 daily California newspapers) in exchange for an increased ownership interest in the partnership. The company now has a 19.49% ownership interest in the partnership.

1999

In June 1999, Gannett made a cash offer to acquire the stock of Newsquest plc ("Newsquest"). Newsquest's principal activities are publishing and printing regional and local newspapers in England with a portfolio of 180 titles that includes paid-for daily and weekly newspapers and free weekly newspapers. The offer was for 460 pence (U.S. $7.26) in cash or loan notes for each of 200.4 million fully diluted shares, for a total price of approximately 922 million British pounds (U.S. $1.5 billion). Gannett also financed the repayment of Newsquest's existing debt. In late July 1999, the company concluded the acquisition, which was recorded under the purchase method of accounting.

In June 1999, the company completed a broadcast station transaction under which it exchanged its ABC affiliate KVUE-TV in Austin, Texas, and received KXTV-TV, the ABC affiliate in Sacramento, Calif., plus cash consideration. For financial reporting purposes, the company recorded the exchange as two simultaneous but separate events; that is, a sale of its Austin TV station for which a non-operating gain was recognized and the acquisition of the Sacramento station accounted for under the purchase method. In its second quarter, the company reported a net non-operating gain of $55 million ($33 million after tax) principally as a result of this transaction.

The aggregate purchase price, including liabilities assumed, for businesses and assets acquired in 1999, including Newsquest, the Sacramento television station and certain smaller non-daily newspaper publishing operations, totaled approximately $1.8 billion.

In March 1999, the company contributed The San Bernardino County Sun to the California Newspapers Partnership in exchange for a partnership interest.

1998

In the first quarter of 1998, the company sold its five remaining radio stations, its alarm security business and its newspaper in St. Thomas, Virgin Islands. The company also contributed its newspaper in Saratoga Springs, N.Y., to the Gannett Foundation. The company recorded a net non-operating gain of $307 million ($184 million after tax), principally as a result of these transactions.

The company purchased television stations WCSH-TV (NBC) in Portland, Maine, and WLBZ-TV (NBC) in Bangor, Maine, early in the first quarter and WLTX-TV (CBS) in Columbia, S.C., in April 1998.

In the third quarter of 1998, the company sold five small-market daily newspapers in Ohio, Illinois and West Virginia and completed the acquisition of several newspapers in New Jersey, including The Daily Record in Morristown and the Ocean County Observer in Toms River. Also in the third quarter of 1998, the company completed a transaction with TCI Communications, Inc., under which it exchanged its subscribers and certain cable system assets in the suburban Chicago area for subscribers and certain cable system assets of TCI in Kansas.

The aggregate purchase price for businesses and assets acquired in 1998 was approximately $370 million in cash. These acquisitions were accounted for under the purchase method of accounting.

Results of continuing operations

Note that the company's results of continuing operations discussed below do not include results from the cable business which was sold in January 2000. All cable operating results have been reclassified in the statements of income and related discussions as discontinued operations.

Consolidated summary

Operating earnings reached another record level in 2000. A consolidated summary of the company's results is presented below. Note that this summary separates from ongoing results the second quarter 1999 net non-operating gain of $55 million ($33 million after tax) principally from the exchange of the Austin television station for the Sacramento television station, and the first quarter 1998 net non-operating gain of $307 million ($184 million after tax) principally from the sale of radio and alarm security businesses.

In millions of dollars, except per share amounts

	2000	Change	1999	Change	1998	Change
Operating revenues	$ 6,222	22%	$ 5,095	8%	$ 4,709	9%
Operating expenses	$ 4,405	25%	$ 3,532	6%	$ 3,323	9%
Operating income	$ 1,817	16%	$ 1,563	13%	$ 1,386	10%
Income from continuing operations, excluding gains on sale/exchange of properties	$ 972	10%	$ 886	13%	$ 782	15%
After-tax gains on sale/exchange of properties			$ 33		$ 184	
Income from continuing operations, as reported	$ 972	6%	$ 919	(5%)	$ 966	42%
Earnings per share from continuing operations, excluding gains on sale/exchange of properties						
Basic	$ 3.65	15%	$ 3.18	15%	$ 2.76	15%
Diluted	$ 3.63	15%	$ 3.15	15%	$ 2.74	15%
Earnings per share from gains on sale/exchange of properties						
Basic			$ .11		$ .65	
Diluted			$ .11		$ .64	
Earnings per share from continuing operations, as reported						
Basic	$ 3.65	11%	$ 3.29	(4%)	$ 3.41	42%
Diluted	$ 3.63	11%	$ 3.26	(4%)	$ 3.38	42%

A discussion of operating results of the company's newspaper and broadcasting segments, along with other factors affecting net income follows. Operating cash flow amounts presented with business segment information represent operating income plus depreciation and amortization of intangible assets. Such cash flow amounts vary from net cash flow from operating activities presented in the Consolidated Statements of Cash Flows because cash payments for interest and taxes are not reflected therein, nor are the cash flow effects of non-operating items, discontinued operations or changes in certain operations-related balance sheet accounts.

Newspapers

In addition to its domestic local newspapers, the company's newspaper publishing operations include USA TODAY, USA WEEKEND, Newsquest (including Newscom operations acquired in 2000), which publishes daily and non-daily newspapers in the United Kingdom, and Gannett Offset commercial printing. The newspaper segment in 2000 contributed 87% of the company's revenues and 84% of its operating income. Record earnings were achieved by the newspaper segment in 2000, reflecting the results from the newly acquired Newscom, Thomson and Central operations and gains at most other U.S. and Newsquest newspapers.

Newspaper earnings were aided during the first part of 2000 by favorable newsprint price comparisons. However, the last half of 2000 saw a marked increase over 1999 prices. For the year, newsprint prices were 3% higher than 1999.

Newspaper operating results were as follows:

In millions of dollars

	2000	Change	1999	Change	1998	Change
Revenues	$5,434	24%	$4,367	10%	$3,988	11%
Expenses	$3,912	27%	$3,075	7%	$2,879	11%
Operating income	$1,522	18%	$1,292	16%	$1,109	11%
Operating cash flow	$1,825	22%	$1,499	16%	$1,294	11%

Newspaper operating revenues: Newspaper operating revenues are derived principally from advertising and circulation sales, which accounted for 73% and 21%, respectively, of total newspaper revenues in 2000. Ad revenues also include those derived from advertising placed with newspaper Internet products. Other newspaper publishing revenues are mainly from commercial printing businesses and also include earnings from the company's 50% owned joint operating agencies in Detroit and Tucson. The table below presents these components of reported revenues for the last three years.

Newspaper publishing revenues, in millions of dollars

	2000	Change	1999	Change	1998	Change
Advertising	$3,973	28%	$3,115	12%	$2,773	12%
Circulation	$1,121	15%	$ 971	1%	$ 958	6%
Commercial printing and other	$ 340	21%	$ 281	9%	$ 257	16%
Total	$5,434	24%	$4,367	10%	$3,988	11%

In the tables that follow, newspaper advertising linage, circulation volume statistics and related revenue results are presented on a pro forma basis for newspapers owned at the end of 2000, including the acquired properties from Newscom, Central and Thomson. The tables and related commentary include the portion of revenue and linage data for the company's newspapers participating in joint operating agencies, consistent with prior years.

For Newsquest, advertising and circulation revenues are fully reflected in the amounts below, as are daily paid circulation volumes. Advertising linage for Newsquest is not reflected, however.

Advertising revenues, in millions of dollars (pro forma)

	2000	Change	1999	Change	1998	Change
Local	$1,312	1%	$1,301	1%	$1,287	4%
National	$ 792	10%	$ 717	13%	$ 632	9%
Classified	$1,860	4%	$1,782	7%	$1,662	9%
Total Run-of-Press	$3,964	4%	$3,800	6%	$3,581	7%
Preprint and other advertising	$ 693	10%	$ 630	8%	$ 585	3%
Total ad revenue	$4,657	5%	$4,430	6%	$4,166	6%

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

	2000	Change	1999	Change	1998	Change
Local	42.8	(1%)	43.1	1%	42.8	2%
National	4.6	11%	4.1	16%	3.5	6%
Classified	57.3	6%	54.0	9%	49.4	8%
Total Run-of-Press	104.7	3%	101.2	6%	95.7	5%
Preprint distribution (millions)	10,556	7%	9,869	4%	9,444	6%

Reported newspaper advertising revenues for 2000 were $858 million greater than in 1999, a 28% increase, while pro forma revenues presented above reflect a 5% increase. The variance in these two comparisons relates principally to the full year effect of the Newsquest acquisition in 1999 and the Newscom, Thomson and Central acquisitions in 2000. Reported and pro forma newspaper revenue comparisons are positively impacted by the additional 53rd week in 2000.

Pro forma local ad revenues were up 1% with linage down 1% for the full year. Ad spending by some of the largest retailers declined for the year, reflecting closings and consolidations. These revenue declines were offset by revenue increases from small and medium sized advertisers through expanded sales and marketing efforts.

Pro forma national ad revenues rose 10% with linage up 11%, driven principally by USA TODAY, which reported a 12% gain in revenues on an 8% linage gain. National ad revenue growth also was strong in Phoenix and at several other larger daily newspaper properties.

Pro forma classified revenues in 2000 rose 4% on a 6% linage gain. Employment ad revenue gains were the strongest, followed by real estate and automotive. The continued strong economy throughout most of the year and tight labor market in the United States and the United Kingdom were key factors in these revenue gains, along with added marketing and sales resources.

Revenues from the company's United Kingdom operations were unfavorably impacted by the decline in the exchange rate for British pounds during 2000. If the exchange rate had remained constant year-over-year, pro forma local, national and classified ad revenues would have increased 2%, 11% and 6%, respectively.

Advertising and other revenue from Internet activities for the newspaper segment totaled approximately $62 million in 2000 and $39 million in 1999. The company has Web sites at nearly all of its newspapers and other operating properties within the newspaper segment.

In millions, as reported

Year	Newspaper advertising revenues
1991	$1,747
1992	$1,773
1993	$1,847
1994	$1,982
1995	$2,078
1996	$2,281
1997	$2,480
1998	$2,773
1999	$3,115
2000	$3,973

Looking to 2001, for our domestic newspapers, modest ad revenue and volume growth is anticipated in most categories depending on the health of the U.S. economy and the extent of further closings or consolidations within certain key industries, particularly retail. Changes in national economic levels, consumer confidence, and unemployment rates and the level of general economic growth will impact revenues at all of the company's newspapers. Modest price increases are generally planned at most properties, and the company will continue to expand and refine marketing and sales efforts. More robust ad revenue growth is anticipated in 2001 for our Newsquest properties, depending on continued strong growth in the United Kingdom's economy.

Newspaper circulation revenues rose $150 million or more than 15% in 2000, due to incremental circulation revenues from the 1999 and 2000 acquisitions. On a pro forma basis, circulation revenues increased 1% in 2000.

For local newspapers, morning circulation accounts for approximately 78% of total daily volume, while evening circulation accounts for 22%. On a pro forma basis, local morning, evening and Sunday circulation volumes declined 1%. Selected circulation price increases were implemented in 2000 at certain newspapers. Also during 2000, the Green Bay (Wis.) Press-Gazette converted from an evening to a morning publication.

USA TODAY's average daily circulation for 2000 rose 0.4% to 2,284,024. USA TODAY reported an average daily paid circulation of 2,257,774 in the ABC Publisher's Statement for the six months ended Sept. 24, 2000, a 1% increase over the comparable period a year ago.

In millions, as reported

Year	Newspaper circulation revenues
1991	$734
1992	$763
1993	$781
1994	$789
1995	$816
1996	$873
1997	$903
1998	$958
1999	$971
2000	$1,121

The company expects modest circulation revenue growth at most of its newspaper properties in 2001 with circulation price increases planned at certain newspapers.

Pro forma circulation volume for the company's local newspapers is summarized in the table below:

Average net paid circulation volume, in thousands (pro forma)

	2000	Change	1999	Change	1998	Change
Local Newspapers:						
Morning	4,728	(1%)	4,758	(1%)	4,820	2%
Evening	1,356	(1%)	1,366	(2%)	1,394	(2%)
Total daily	6,084	(1%)	6,124	(1%)	6,214	1%
Sunday	7,154	(1%)	7,260	(2%)	7,375	(1%)

Reported newspaper advertising revenues for 1999 were $342 million greater than in 1998, a 12% increase, while pro forma revenues presented above reflect a 6% increase. The variance in these two comparisons relates principally to the Newsquest properties acquired in July 1999.

Pro forma local ad revenues and linage were up slightly for the full year. Ad spending by the larger retailers in our markets declined for the year, reflecting closings and consolidations, but this was mostly offset by greater revenue from expanded sales and marketing efforts directed toward small- and medium-sized advertisers.

Pro forma national ad revenues and linage rose 13% and 16%, respectively, driven principally by USA TODAY, which reported a 19% gain in revenues on a 14% linage gain. National ad revenue growth also was strong at USA WEEKEND and at several large daily newspaper properties.

Pro forma classified revenue in 1999 rose 7% on a 9% linage gain. Employment ad revenue gains were the strongest, followed by automotive and then real estate. The continued strong economy and the tight labor market were key factors in these revenue gains, along with added marketing and sales resources.

Newspaper circulation revenues rose $13 million or slightly more than 1% in 1999. Incremental circulation revenues from Newsquest offset declines in domestic circulation revenue. On a pro forma basis, circulation revenues remained even.

On a pro forma basis, local morning circulation declined 1%, evening circulation declined 2% and Sunday circulation declined 2%. Selected circulation price increases were implemented in 1999 at certain newspapers. During 1999, the St. Cloud (Minn.) Times and The Daily Journal at Vineland, N.J., converted from evening to morning publications.

USA TODAY's average daily circulation for 1999 rose 0.1% to 2,274,621. USA TODAY reported an average daily paid circulation of 2,235,808 in the ABC Publisher's Statement for the six months ended Sept. 26, 1999, a 1% increase over the comparable period in 1998.

Reported newspaper advertising revenues for 1998 were $293 million greater than in 1997, a 12% increase, while pro forma revenues presented above reflect a 6% increase. This reported/pro forma variance relates principally to newspaper acquisitions in 1998 and 1997.

Pro forma local ad revenues and linage in 1998 rose 4% and 2%, respectively. Most local newspapers achieved gains in this category, particularly from medium and smaller accounts. Ad spending by major retailers was slightly lower in 1998. The overall gains in local revenues were spurred by the strong economy and enhanced sales and marketing efforts.

Pro forma national ad revenues and linage rose 9% and 6%, respectively, in 1998 fueled principally by USA TODAY, which reported a 12% gain in total ad revenues and a 9% linage gain. Ad revenue growth at USA TODAY in 1998 followed a 12% gain in 1997 and a 30% gain in 1996.

Pro forma classified revenues in 1998 rose 9% on an 8% linage gain. Employment advertising revenue gains were the strongest, followed by real estate and automotive.

Newspaper circulation revenues rose $55 million or 6% in 1998. Incremental revenue from the newspaper businesses acquired in 1997 and 1998 contributed significantly to the gains, although most of the company's local newspapers, along with USA TODAY and USA WEEKEND, reported higher circulation revenue as well. On a pro forma basis, local morning circulation rose 2%. Average evening circulation was 2% lower, continuing the national trend. Average Sunday circulation was 1% lower in 1998.

During 1998, the Battle Creek (Mich.) Enquirer converted from an evening to a morning publication, and the 10 daily Gannett Suburban Newspapers were consolidated into one morning and Sunday publication, The Journal News, based in Westchester County, N.Y.

Selected circulation price increases were implemented in 1998 at certain newspapers.

USA TODAY's average daily paid circulation for 1998 rose 2% to 2,271,767. USA TODAY reported an average daily paid circulation of 2,213,255 in the ABC Publisher's Statement for the six months ended Sept. 27, 1998, a 2% increase over the comparable period in 1997.

Newspaper operating expense: Newspaper operating costs rose $836 million, or 27%, in 2000. The increase was primarily due to incremental costs from the 1999 and 2000 acquisitions. Newsprint expense for the year, including the effect of acquisitions, was 20% higher in 2000. Both consumption and average newsprint prices were higher by 17% and 3%, respectively. The increase in consumption was tempered by a large number of newspapers converting to the new 50-inch web width format. Generally, a conversion from a 54-inch web width to a 50-inch web width will result in a more than 7% savings in newsprint consumption. Payroll costs for newspaper operations rose 26% in 2000, primarily due to the newly acquired properties and the impact of the 53rd week in 2000.

For 2001, newsprint consumption is expected to be significantly higher due to the full year impact of the 2000 acquisitions. This increase in consumption in 2001 will be tempered by the full year impact of web width reductions implemented in 2000 and planned web width reductions for 2001. For 2001, newsprint prices are expected to be higher than in 2000, particularly in the first half of the year.

Newspaper operating expenses rose $197 million, or 7%, in 1999. The increase was caused principally by incremental costs from Newsquest properties acquired in July 1999. Newsprint expense for the year, including the effect of acquisitions, was 6% lower than in 1998. While consumption rose nearly 7% (due principally to Newsquest), average newsprint prices declined 12%.

Payroll costs for newspaper operations rose 10% in 1999, in part because of the Newsquest acquisition but also because of staffing increases in marketing and ad sales and modest pay increases.

Newspaper operating expenses rose $276 million or 11% in 1998. The increase was caused principally by incremental costs from newspaper properties acquired in 1997 and 1998. Newsprint expense for the year, including the effect of acquisitions, was 18% higher than in 1997. Both consumption and average prices were higher by approximately 9%.

Payroll costs for newspaper operations rose 9% in 1998, in part because of acquired properties but also because of increases in headcount, particularly in marketing and ad sales, and pay increases.

Newspaper operating income: The company's newspapers produced record earnings in 2000. Operating profit rose $231 million or 18%. The increases are due largely to contributions from the Newsquest, Newscom, Thomson and Central acquisitions. But other U.S. local newspapers reported earnings gains as well.

Newsquest financial results were translated from British pounds to U.S. dollars using a weighted average rate of $1.50 for 2000, as compared to $1.62 in 1999, which mitigated some of the strong earnings growth.

For 2001, newspaper operating profits are expected to show continued growth, reflecting full year results for the 2000 acquisitions, modest revenue gains, strict cost controls and the benefit of further web width reductions to partially offset higher newsprint prices.

Newspaper operating profit rose $182 million or 16% in 1999. The Newsquest properties acquired in July 1999 contributed to the profit gain. Earnings were strong at Detroit, the company's New Jersey Group and at USA WEEKEND. Most of the company's local U.S. newspapers reported earnings gains. For USA TODAY, 1999 saw operating profit growth. Newsquest financial results were translated from British pounds to U.S. dollars using a weighted average rate of $1.62 for the period it was owned in 1999.

Newspaper operating profit rose $107 million or 11% in 1998. While newspaper properties acquired in 1997 and 1998 contributed significant earnings, most of the company's local newspapers also reported higher profits. Earnings gains at Detroit and at USA TODAY were among the strongest.

Broadcasting

The company's broadcasting operations at the end of 2000 included 22 television stations in markets reaching 17.5 percent of U.S. television homes.

Over the last three years, reported broadcasting revenues, expenses, operating income and operating cash flows were as follows:

In millions of dollars

	2000	Change	1999	Change	1998	Change
Revenues	$789	8%	$729	1%	$721	3%
Expenses	$429	10%	$391	4%	$377	1%
Operating income	$360	7%	$338	(2%)	$344	5%
Operating cash flow	$425	6%	$400	(1%)	$404	5%

Total broadcast revenues rose $60 million or 8% for 2000. Revenues were bolstered by strong political and issue advertising, revenues from the Australia Olympics on our NBC stations and the impact of the 53rd week in 2000. Local and national advertising revenues increased 2% and 19%, respectively, over 1999. Political and issue advertising in key states contributed to the increase in national revenues.

Reported operating expenses for broadcast were up 10% due to the WJXX-TV acquisition and the full year impact of the 1999 Austin/Sacramento station exchange. On a pro forma basis, operating costs were up 7%. Pro forma payroll was up 6%.

For 2001, television revenues and earnings comparisons versus 2000 levels will be challenging, as 2000 benefited significantly from the Summer Olympics and political and issue advertising.

A summary of pro forma revenues for television stations owned at the end of 2000 follows:

Pro forma broadcast revenues, in millions of dollars

	2000	Change	1999	Change	1998	Change
Revenues	$789	8%	$732	(1%)	$736	6%

Total broadcast reported revenues rose $7 million or 1% for 1999. However, on a pro forma basis, giving effect to the Austin/Sacramento station exchange, total station revenues were down 1% for the year. Pro forma local revenues rose 5% for the year, while national revenues were down 7%. The decline in national ad revenue in comparison with 1998 reflects in part revenue gains in 1998 on CBS stations for the Winter Olympics and on NBC affiliates for the Super Bowl and the Seinfeld program, and from political and issue advertising.

Reported operating expenses for broadcast were up 4%, reflecting the impact of the Austin/Sacramento station exchange. On a pro forma basis, operating costs were down slightly. Pro forma payroll was up 1%.

Total reported broadcasting revenues rose $18 million or 3% in 1998. On a pro forma basis, broadcasting revenues rose 6% for the year. Pro forma local and national advertising revenues increased 6% and 9%, respectively, over 1997, reflecting strong advertising demand for NBC programming (12 company stations were NBC affiliates) and overall growth in the economy. Advertising revenues benefited from the Super Bowl broadcast on the company's NBC stations and the Winter Olympics airing on its CBS stations. Strong political advertising contributed to the overall revenue growth as well.

Reported operating expenses for broadcast were up 1% for 1998. On a pro forma basis, operating expenses increased 2%, with payroll costs up 4% and program costs up 1% over 1997. Operating income in 1998 from broadcasting reached a record high, climbing $15 million to $344 million. The 5% increase was the result of continued strong demand for television advertising in most markets throughout the year and cost controls.

In millions, as reported

Year	Broadcasting revenues
1991	$357
1992	$371
1993	$397
1994	$407
1995	$466
1996	$687
1997	$704
1998	$721
1999	$729
2000	$789

Consolidated operating expenses

Over the last three years, the company's consolidated operating expenses were as follows:

Consolidated operating expenses, in millions of dollars

	2000	Change	1999	Change	1998	Change
Cost of sales	$3,057	24%	$2,460	4%	$2,364	10%
Selling, general and admin expenses	$ 972	23%	$ 792	12%	$ 705	5%
Depreciation	$ 195	15%	$ 169	3%	$ 164	7%
Amortization of intangible assets	$ 180	63%	$ 111	23%	$ 90	11%

Cost of sales for 2000 were up $598 million or 24%, reflecting the full-year effect of the 1999 Newsquest acquisition, increased costs from the Newscom, Thomson and Central acquisitions and the impact of an extra week in 2000 over 1999. Newsprint expense increased 20% due primarily to a 17% increase in consumption, principally from acquisitions. Average newsprint prices increased 3% compared to 1999.

SG&A was up 23% for the year also due primarily to the new businesses acquired in 1999 and 2000 and the extra week in 2000.

Depreciation expense increased 15% during the year as a result of the Newsquest, Newscom, Thomson and Central acquisitions. Likewise, amortization of intangibles rose $70 million or 63% due to the 1999 and 2000 acquisitions.

Cost of sales for 1999 were up $95 million or 4%, reflecting increased costs from businesses acquired in 1998 and 1999, particularly Newsquest. Newsprint expense decreased 6% despite a 7% increase in consumption (including acquisitions). Average newsprint prices dropped 12% as compared to 1998.

SG&A was up 12% for the year due primarily to the Newsquest acquisition and generally higher newspaper advertising expenses.

Depreciation expense increased 3% during the year as a result of the Newsquest acquisition. Amortization of intangibles rose $21 million or 23% due to 1998 and 1999 acquisitions, principally Newsquest.

Cost of sales for 1998 increased $221 million or 10%. Newsprint expense rose 18% for the year because of a 9% increase in consumption (including acquisitions) and 9% higher average newsprint prices. Other costs from businesses acquired in 1997 and 1998 also contributed to this increase.

SG&A rose 5% for 1998, mainly because of incremental newspaper advertising expenses from properties acquired in 1997 and 1998.

Depreciation expense in 1998 was up 7% from the prior year due to increased depreciation expense from capital additions and newly acquired properties. Amortization of intangibles rose $9 million or 11% because of costs associated with 1997 and 1998 acquisitions.

Payroll and newsprint costs (along with certain other production material costs), the largest elements of the company's operating expenses, are presented below, expressed as a percentage of total pre-tax operating expenses.

	2000	1999	1998
Payroll and employee benefits	44.0%	45.0%	45.1%
Newsprint and other production material	18.2%	19.2%	21.0%

Non-operating income and expense

Interest expense in 2000 increased $125 million due to significant commercial paper borrowings to fund the 1999 Newsquest acquisition, the Newscom acquisition in June 2000, the Thomson and Central acquisitions in the third quarter of 2000 and share repurchases. Higher interest rates in 2000, particularly in the second half of the year, also contributed to the increase, along with the 53rd week in 2000. The daily average commercial paper outstanding balance was $3.1 billion during 2000 and $1.3 billion during 1999. During the second half of 2000, the daily average outstanding balance was $4.9 billion. The weighted average interest rate was 6.5% for 2000 and 5.2% for 1999. The increase, however, was tempered by the pay-down of commercial paper borrowings from the net proceeds on the sale of the cable business in the first quarter of 2000 and from operating cash flows. The company's financing activities are discussed further in the financial position section of this report. Interest expense in 2001 is expected to be significantly higher than 2000 due to the full year impact of increased commercial paper borrowings discussed above. Interest rates have declined significantly in the first quarter of 2001 following actions by the Federal Reserve Board.

Interest income in 2000 increased $21 million over 1999 due primarily to interest earned on marketable securities from cable sale proceeds in the first half of the year. Non-operating expense in 2000 includes costs associated with minority investments in Internet businesses.

Interest expense for 1999 increased $15 million or 19%, reflecting significantly increased commercial paper borrowings in the second half of 1999 as a result of the Newsquest acquisition.

Other non-operating income for 1999 includes the second quarter net non-operating gain of $55 million principally from the exchange of the television stations discussed above.

Interest expense for 1998 decreased $19 million or 19%, reflecting the paydown of fixed-rate debt and commercial paper borrowings from operating cash flow and the proceeds from the sale of certain businesses.

Other non-operating income for 1998 includes the first quarter net non-operating gain of $307 million principally from the sale of radio and alarm security businesses.

Provision for income taxes

The company's effective income tax rate for continuing operations was 39.6% in 2000, 39.8% in 1999 and 40.0% in 1998. The decrease in the effective tax rate each year reflects lower state taxes and lower taxes on foreign operations.

Income from continuing operations

In 2000, the company reported income from continuing operations of $972 million or $3.63 per diluted share, both record highs, up 10% and 15%, respectively, from record results in 1999 (excluding the 1999 net non-operating gain principally from the television station exchange transaction discussed on page 24).

The company's operating income was $1.817 billion for the year, an increase of $254 million or 16%. Each of the company's segments reported higher earnings for the year, with interest expense up $125 million over 1999 as previously discussed.

In 1999, the company reported income from continuing operations of $919 million or $3.26 per diluted share. However, this reflects the net non-operating gain principally from the television station exchange transaction discussed on page 24. This net gain totaled $55 million pre-tax ($33 million after tax or $.11 per diluted share).

For 1998, the company reported income from continuing operations of $966 million or $3.38 per diluted share. This amount reflects the net non-operating gain principally from the sale of radio and alarm security businesses in the first quarter of the year. This net gain totaled $307 million pre-tax ($184 million after tax or $.64 per diluted share).

For purposes of evaluating the company's earnings progress from ongoing operations, the earnings summary below excludes the effect of these non-operating gains in 1999 and 1998.

In millions of dollars, except per share amounts

Earnings summary excluding 1999 and 1998 net non-operating gains

	2000	Change	1999	Change	1998	Change
Operating income	$ 1,817	16%	$ 1,563	13%	$ 1,386	10%

Non-operating expense						
Interest expense	(219)	132%	(95)	19%	(80)	(19%)
Other	11	159%	4	-	(1)	(87%)
Total	(208)	130%	(91)	12%	(81)	(25%)
Income before income taxes	1,609	9%	1,472	13%	1,305	13%
Provision for income taxes	637	9%	586	12%	523	10%
Income from continuing operations	$ 972	10%	$ 886	13%	$ 782	15%
Earnings per share from continuing operations - diluted	$ 3.63	15%	$ 3.15	15%	$ 2.74	15%

Excluding non-recurring items, the company's reported earnings from continuing operations in 1999 were $886 million, a 13% increase with diluted earnings per share at $3.15, up 15%; operating income reached $1.563 billion, an increase of $177 million or 13%.

The strong, record showing in operating income and after-tax results for 1999 came from newspapers. Broadcast earnings were down 2%. Interest expense was 19% higher.

Excluding non-recurring items, 1998 income from continuing operations was $782 million or $2.74 per diluted share, both up 15%. Operating income reached $1.386 billion, an increase of $124 million or 10%. Both the newspaper and broadcasting segments reported higher earnings for the year, with record results at USA TODAY and strong improvement at The Detroit News. Lower interest costs and a lower effective tax rate also contributed.

In millions

Year	Income from Continuing Operations
1991	$292
1992	$341**
1993	$389
1994	$455
1995	$457
1996	$503*
1997	$681
1998	$782*
1999	$886*
2000	$972

* Before net non-recurring gains from sale/exchange of businesses
** Before effect of accounting principle changes

Discontinued operations

As part of the Multimedia purchase in 1995, the company acquired cable television and alarm security operations. In 1998, the company sold its alarm security business, which had been reported within the cable segment. On Jan. 31, 2000, the company completed the sale of its cable division for $2.7 billion. Upon closing, an after-tax gain of approximately $745 million or $2.77 per diluted share was recognized, which along with the cable segment operating results, are reported as discontinued operations in the company's financial statements.

After-tax earnings from the cable business for the period it was owned, up to the date of sale, are also reported as income from discontinued operations and amounted to $2.4 million or $.01 per diluted share in 2000, $38.5 million or $.14 per diluted share in 1999 and $33.5 million or $.12 per diluted share in 1998.

Net Income

The company reported net income of $1.719 billion or $6.41 per diluted share in 2000, which includes after-tax earnings from discontinued operations of $747 million or $2.78 per diluted share.

Average diluted shares outstanding for 2000 totaled 268,118,000, compared to 281,608,000 in 1999. Basic shares totaled 266,426,000 for 2000 and 279,048,000 for 1999. The decline in diluted and basic shares outstanding in 2000 is primarily due to the company's repurchase of 14.7 million shares during the first half of 2000.

The company's return on shareholders' equity, based on earnings from continuing operations, is presented in the table below.

Return on shareholders' equity (before non-recurring gains and accounting principle changes) in percentages

Year	Return on shareholders' equity
1991	16.2
1992	21.9
1993	22.3
1994	24.4
1995	23.0
1996	19.8
1997	21.3
1998	21.0
1999	20.6
2000	20.0

The percentage return on equity for 2000, 1999 and 1998 has declined from the prior years because non-recurring gains from the sale/exchange of businesses are included in shareholders' equity, but are excluded from the amount of earnings from continuing operations used in the calculation.

Financial Position

Liquidity and capital resources

The principal changes in the company's financial position for 2000 relate to the sale of the cable business in January 2000 for approximately $2.7 billion, share repurchases totaling $967 million in the first half of 2000 and the Newscom, Thomson and Central acquisitions, with an aggregate cost of approximately $4.6 billion, which were funded primarily by commercial paper borrowings.

Changes in property, plant and equipment in 2000 reflect capital spending of $351 million plus amounts recorded in connection with the acquisitions in 2000, offset by the sale of cable division assets. The increase in intangible assets is due to amounts recorded in connection with the 2000 acquisitions with increases in working capital balances likewise due to the newly acquired properties, offset by the sale of cable division assets. The increase in investments and other assets in 2000 is primarily the result of the company's contribution of the Marin Independent Journal and the Classified Gazette to the California Newspapers Partnership in exchange for an increased interest in the partnership.

The company repurchased approximately 14.7 million shares of common stock at a cost of approximately $967 million in the first half of 2000.

The company's foreign currency translation adjustment, related to Newsquest (including the newly acquired Newscom properties in June 2000) and reported as part of shareholders' equity, totaled ($66.4 million), net of tax, at Dec. 31, 2000. This reflects the weakening of the pound against the U.S. dollar since the Newsquest and Newscom acquisition dates. Newsquest's assets and liabilities were translated from British pounds to U.S. dollars at the Dec. 31, 2000 exchange rate of $1.49.

The company's consolidated operating cash flow (defined as operating income plus depreciation and amortization of intangible assets) totaled $2.193 billion in 2000 compared to $1.843 billion in 1999 and $1.639 billion in 1998. The operating cash flow increase of 19% reflects significant operating income growth for the company's newspaper segment largely due to 1999 and 2000 acquisitions. The table below presents operating cash flow as a percent of revenue over the last ten years.

Year	Operating cash flow, as a percent of revenue
1991	24.2
1992	25.5
1993	27.6
1994	29.0
1995	28.7
1996	30.9
1997	34.7
1998	34.8
1999	36.2
2000	35.2

Working capital, or the excess of current assets over current liabilities, totaled $128 million at the end of 2000 and $191 million at the end of 1999. Certain key measurements of the elements of working capital for the last three years are presented in the following chart:

Working capital measurements

	2000	1999	1998
Current ratio	1.1-to-1	1.2-to-1	1.2-to-1
Accounts receivable turnover	7.4	7.0	7.2
Newsprint inventory turnover	7.3	7.3	7.5

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 A1 by Moody's Investors Service. The company has a shelf registration statement with the Securities and Exchange Commission under which up to $1.5 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 which may be raised through borrowings or the issuance of equity securities.

Note 4 to the company's financial statements on page 42 of this report provides further information concerning commercial paper transactions and the company's $6.06 billion revolving credit agreements.

The company has a capital expenditure program (not including business acquisitions) of approximately $335 million planned for 2001, including approximately $91 million for land and buildings or renovation of existing facilities, including costs associated with the new USA TODAY and corporate headquarters facility, which will be completed in the third quarter of 2001, $223 million for machinery and equipment, and $21 million for vehicles and other assets. Management reviews the capital expenditure program periodically and modifies it as required to meet current business needs. It is expected that the 2001 capital program will be funded from operating cash flow.

Capital stock

In 2000, the company announced authorizations to repurchase up to $1 billion of its common stock and during 2000, the company repurchased approximately 14.7 million shares of common stock at a cost of $967 million.

In 1998, the company announced authorizations to repurchase up to $750 million of its company stock. During 1998, the company repurchased a total of approximately 6 million shares of common stock at a cost of $329 million and in 1999, the company purchased approximately 2.4 million shares of its common stock at a cost of $163 million. Certain of the shares previously acquired by the company have been reissued in settlement of employee stock awards.

An employee 401(k) Savings Plan was established in 1990, which includes a company matching contribution in the form of Gannett stock. To fund the company's matching contribution, an Employee Stock Ownership Plan (ESOP) was formed which acquired 2,500,000 shares of Gannett stock from the company for $50 million. The stock purchase was financed with a loan from the company.

The company's common stock outstanding at Dec. 31, 2000, totaled 264,271,861 shares, compared with 277,926,431 shares at Dec. 26, 1999.

Dividends

Dividends declared on common stock amounted to $228 million in 2000, compared with $229 million in 1999, reflecting fewer shares outstanding in 2000, net of an increase in the dividend rate.

Year	Dividends declared per share
1991	$ .62
1992	$ .63
1993	$ .65
1994	$ .67
1995	$ .69
1996	$ .71
1997	$ .74
1998	$ .78
1999	$ .82
2000	$ .86

In October 2000, the quarterly dividend was increased from $.21 to $.22 per share.

Cash dividends		Payment date	Per share
2000	4th Quarter	Jan. 2, 2001	$.22
	3rd Quarter	Oct. 2, 2000	$.22
	2nd Quarter	July 3, 2000	$.21
	1st Quarter	April 3, 2000	$.21
1999	4th Quarter	Jan. 3, 2000	$.21
	3rd Quarter	Oct. 1, 1999	$.21
	2nd Quarter	July 1, 1999	$.20
	1st Quarter	April 1, 1999	$.20

Effects of inflation and changing prices and other matters

The company's results of operations and financial condition have not been significantly affected by inflation and changing prices. In all of its principal businesses, subject to normal competitive conditions, the company generally has been able to pass along rising costs through increased selling prices. Further, the effects of inflation and changing prices on the company's property, plant and equipment and related depreciation expense have been reduced as a result of an ongoing capital expenditure program and the availability of replacement assets with improved technology and efficiency.

The company is exposed to foreign exchange rate risk primarily due to its acquisition of Newsquest, which uses the British pound as its functional currency which is then translated into U.S. dollars.

Effective Jan. 1, 2001, the company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No.133), as amended. Based on the company's current activities, the adoption of this standard is not expected to have any effect on the company's results of operations or financial position. At Dec. 31, 2000, the company is not a party to any material derivative contracts.

Certain factors affecting forward-looking statements

Certain statements in the company's 2000 Annual Report to Shareholders and its Annual Report on Form 10-K 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 which 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 television markets leading to decreased circulation or local, national or classified advertising; (c) a decline in general newspaper readership patterns as a result of competitive alternative media or other factors; (d) an increase in newsprint or syndication programming costs over the levels anticipated; (e) labor disputes which may cause revenue declines or increased labor costs; (f) acquisitions of new businesses or dispositions of existing businesses; (g) a decline in viewership of major networks and local news programming; (h) rapid technological changes and frequent new product introductions prevalent in electronic publishing; (i) an increase in interest rates; (j) a weakening in the British pound to U.S. dollar exchange rate; and (k) general economic and business conditions.

Consolidated balance sheets
In thousands of dollars

	Dec. 31, 2000	Dec. 26, 1999
Assets		
Current assets		
Cash	$ 69,954	$ 46,148
Marketable securities, at cost, which approximates market	123,242	12
Trade receivables (less allowance for doubtful receivables of $37,465 and $30,694, respectively)	875,363	800,682
Other receivables	56,469	80,753
Inventories	128,321	95,014
Prepaid expenses	48,987	52,613
Total current assets	1,302,336	1,075,222
Property, plant and equipment		
Land	216,049	182,138
Buildings and improvements	1,101,696	886,655
Cable systems (Note 2)		424,907
Machinery, equipment and fixtures	2,525,182	2,259,362
Construction in progress	292,274	130,850
Total	4,135,201	3,883,912
Less accumulated depreciation	(1,673,802)	(1,660,060)
Net property, plant and equipment	2,461,399	2,223,852
Intangible and other assets		
Excess of acquisition cost over the value of assets acquired (less accumulated amortization of $947,855 and $867,606, respectively)	8,740,804	5,398,227
Investments and other assets (Note 5)	475,872	309,145
Total intangible and other assets	9,216,676	5,707,372
Total assets	$ 12,980,411	$ 9,006,446

Consolidated balance sheets
In thousands of dollars

	Dec. 31, 2000	Dec. 26, 1999
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable		
Trade	$ 455,390	$ 312,277
Other	37,853	36,312
Accrued liabilities		
Compensation	144,535	120,581
Interest	4,051	5,230
Other	177,318	145,684
Dividend payable	58,118	58,297
Income taxes (Note 7)	144,599	77,553
Deferred income	152,137	127,844
Total current liabilities	1,174,001	883,778
Deferred income taxes (Note 7)	274,829	479,547
Long-term debt (Note 4)	5,747,856	2,463,250
Postretirement medical and life insurance liabilities (Note 6)	403,528	304,400
Other long-term liabilities	276,787	245,825
Total liabilities	7,877,001	4,376,800
Shareholders' equity (Notes 4 and 8)		
Preferred stock, par value $1: Authorized, 2,000,000 shares: Issued, none		
Common stock, par value $1: Authorized, 800,000,000 shares and 400,000,000 shares, respectively: Issued, 324,420,732 shares, as to both years	324,421	324,421
Additional paid-in capital	170,715	153,267
Retained earnings	6,995,965	5,504,810
Accumulated other comprehensive (loss) income	(66,274)	25,377
	7,424,827	6,007,875
Less Treasury stock, 60,148,871 shares and 46,494,301 shares, respectively, at cost	(2,307,793)	(1,359,263)
Deferred compensation related to ESOP (Note 8)	(13,624)	(18,966)
Total shareholders' equity	5,103,410	4,629,646
Commitments and contingent liabilities (Note 9)		
Total liabilities and shareholders' equity	$ 12,980,411	$ 9,006,446

Consolidated statements of income
In thousands of dollars

Fiscal year ended	Dec. 31, 2000	Dec. 26, 1999	Dec. 27, 1998
Net operating revenues			
Newspaper advertising	$ 3,972,936	$ 3,115,250	$ 2,773,247
Newspaper circulation	1,120,991	971,114	958,456
Broadcasting	788,767	728,642	721,298
All other	339,624	280,356	256,030
Total	6,222,318	5,095,362	4,709,031
Operating expenses			
Cost of sales and operating expenses, exclusive of depreciation	3,057,252	2,459,749	2,364,338
Selling, general and administrative expenses, exclusive of depreciation	971,895	792,421	705,416
Depreciation	195,428	169,460	163,776
Amortization of intangible assets	180,487	110,631	89,687
Total	4,405,062	3,532,261	3,323,217
Operating income	1,817,256	1,563,101	1,385,814
Non-operating income (expense)			
Interest expense	(219,228)	(94,619)	(79,412)
Interest income	27,209	5,739	19,318
Other (Note 2)	(16,397)	52,966	286,005
Total	(208,416)	(35,914)	225,911
Income before income taxes	1,608,840	1,527,187	1,611,725
Provision for income taxes	636,900	607,800	645,300
Income from continuing operations	971,940	919,387	966,425
Discontinued operations			
Income from the operation of discontinued operations, net of income taxes of $1,598, $27,700, and $24,200, respectively	2,437	38,541	33,488
Gain on sale of cable business, net of income taxes of $889,300	744,700		
Net income	$ 1,719,077	$ 957,928	$ 999,913
Earnings per share - basic			
Earnings from continuing operations	$ 3.65	$ 3.29	$ 3.41
Earnings from discontinued operations:			
Discontinued operations, net of tax	.01	.14	.12
Gain on sale of cable business, net of tax	2.79		
Net income per share - basic	$ 6.45	$ 3.43	$ 3.53
Earnings per share - diluted			
Earnings from continuing operations	$ 3.63	$ 3.26	$ 3.38
Earnings from discontinued operations:			
Discontinued operations, net of tax	.01	.14	.12
Gain on sale of cable business, net of tax	2.77		
Net income per share - diluted	$ 6.41	$ 3.40	$ 3.50

Consolidated statements of cash flows
In thousands of dollars

Fiscal year ended	Dec. 31, 2000	Dec. 26, 1999	Dec. 27, 1998
Cash flows from operating activities			
Net income	$ 1,719,077	$ 957,928	$ 999,913
Adjustments to reconcile net income to operating cash flows			
Discontinued operations, net of tax	(747,137)	(38,541)	(33,488)
Income taxes on sale of cable business	(889,300)		
Depreciation	195,428	169,460	163,776
Amortization of intangibles	180,487	110,631	89,687
Deferred income taxes	(169,290)	21,983	40,105
Other, net, including gains on sales	(4,484)	(49,269)	(360,944)
Decrease (increase) in receivables	39,850	(70,014)	(29,732)
(Increase) decrease in inventories	(16,091)	(7,624)	11,054
Increase (decrease) in accounts payable	8,833	(34,805)	(14,777)
Increase in interest and taxes payable	186,133	11,555	7,951
Change in other assets and liabilities, net	(1,179)	75,582	96,990
Net cash flow from operating activities	502,327	1,146,886	970,535
Cash flows from investing activities			
Purchase of property, plant and equipment	(350,580)	(258,443)	(244,425)
Payments for acquisitions, net of cash acquired	(4,264,214)	(1,496,649)	(369,804)
Change in other investments	(78,531)	(10,383)	(13,835)
Proceeds from sale of certain assets	2,714,362	38,450	665,001
Net cash (used for) provided by investing activities	(1,978,963)	(1,727,025)	36,937
Cash flows from financing activities			
Proceeds from (payments of) long-term debt	2,799,161	915,865	(470,207)
Dividends paid	(228,391)	(226,274)	(218,853)
Cost of common shares repurchased	(967,242)	(163,228)	(328,956)
Proceeds from issuance of common stock	21,225	33,681	23,953
Net cash provided by (used for) financing activities	1,624,753	560,044	(994,063)
Effect of currency exchange rate change	(1,081)	68	
Increase (decrease) in cash and cash equivalents	147,036	(20,027)	13,409
Balance of cash and cash equivalents at beginning of year	46,160	66,187	52,778
Balance of cash and cash equivalents at end of year	$ 193,196	$ 46,160	$ 66,187

Consolidated statements of changes in shareholders' equity
In thousands of dollars
Fiscal years ended
December 27, 1998,
December 26, 1999
and December 31, 2000

	Common stock $1 par value	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Deferred compensation related to ESOP	Total
Balance: Dec. 28, 1997	$ 324,421	$ 104,366	$ 3,995,712		$ (916,708)	$(28,055)	$ 3,479,736
Net income, 1998			999,913				999,913
Dividends declared, 1998: $.78 per share			(220,718)				(220,718)
Treasury stock acquired					(328,956)		(328,956)
Stock options exercised		4,870			19,285		24,155
Stock issued under incentive plan		(1,255)			3,302		2,047
Tax benefit derived from stock incentive plans		18,064					18,064
Compensation expense related to ESOP						5,177	5,177
Tax benefit from ESOP			406				406
Balance: Dec. 27, 1998	$ 324,421	$ 126,045	$ 4,775,313		$(1,223,077)	$(22,878)	$ 3,979,824
Net income, 1999			957,928				957,928
Foreign currency translation adjustment, net of taxes of $9,130				$ 14,280			14,280
Unrealized gain on securities, net of taxes of $7,095				11,097			11,097
Total comprehensive income							983,305
Dividends declared, 1999: $.82 per share			(228,781)				(228,781)
Treasury stock acquired					(163,228)		(163,228)
Stock options exercised		7,916			23,490		31,406
Stock issued under incentive plan		(2,154)			3,552		1,398
Tax benefit derived from stock incentive plans		21,460					21,460
Compensation expense related to ESOP						3,912	3,912
Tax benefit from ESOP			350				350
Balance: Dec. 26, 1999	$ 324,421	$ 153,267	$ 5,504,810	$ 25,377	$(1,359,263)	$(18,966)	$ 4,629,646
Net income, 2000			1,719,077				1,719,077
Foreign currency translation adjustment, net of tax benefit of $51,555				(80,638)			(80,638)
Unrealized loss on securities, net of reclassification adjustments during the period, net of tax benefit of $7,041				(11,013)			(11,013)
Total comprehensive income							1,627,426
Dividends declared, 2000: $.86 per share			(228,212)				(228,212)
Treasury stock acquired					(967,242)		(967,242)
Stock options exercised		6,467			13,261		19,728
Stock issued under incentive plan		41			5,451		5,492
Tax benefit derived from stock incentive plans		10,940					10,940
Compensation expense related to ESOP						5,342	5,342
Tax benefit from ESOP			290				290
Balance: Dec. 31, 2000	$ 324,421	$ 170,715	$ 6,995,965	$(66,274)	$(2,307,793)	$(13,624)	$ 5,103,410

Notes to consolidated financial statements

Note 1
Summary of significant accounting policies

Fiscal year: The company's fiscal year ends on the last Sunday of the calendar year. The company's 2000 fiscal year ended on Dec. 31, 2000, and encompassed a 53-week period. The company's 1999 and 1998 fiscal years each encompassed 52-week periods.

Consolidation: The consolidated financial statements include the accounts of the company and its subsidiaries after elimination of all significant intercompany transactions and profits. Certain prior-year information has been reclassified to conform with the current year presentation.

Operating agencies: Certain of the company's newspaper subsidiaries are participants in joint operating agencies. Each joint operating agency performs the production, sales and distribution functions for the subsidiary and another newspaper publishing company under a joint operating agreement. Prior to fiscal 2000, the company included its appropriate portion of the revenues and expenses generated by the operation of the agencies on a line-by-line basis in its statement of income.

Effective in fiscal 2000, the company modified its method of accounting for its 50% owned joint operating agencies, in accordance with a pronouncement of the Financial Accounting Standards Board. The company's operating results in the Detroit and Tucson joint operating agencies are now accounted for under the equity method, reported as a single net amount which is in other operating revenues. All prior years' statements of income have been restated to conform with the new pronouncement. This classification change within the statements of income has no effect on the company's operating income or overall reported results of operations.

Inventories: Inventories, consisting principally of newsprint, printing ink, plate material and production film for the company's newspaper publishing operations, are valued at the lower of cost (first-in, first-out) or market.

Property and depreciation: Property, plant and equipment is recorded at cost, and depreciation is provided generally on a straight-line basis over the estimated useful lives of the assets. The principal estimated useful lives are: buildings and improvements, 10 to 40 years; machinery, equipment and fixtures, four to 30 years. Major renewals and improvements and interest incurred during the construction period of major additions are capitalized. Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred.

Excess of acquisition cost over fair value of assets acquired: The excess of acquisition cost over the fair value of assets acquired represents the cost of intangible assets at the time operating properties were purchased. In accordance with Opinion 17 of the Accounting Principles Board of the American Institute of Certified Public Accountants, the excess acquisition cost of operating properties arising from acquisitions accounted for as purchases since Oct. 31, 1970, ($9.63 billion at Dec. 31, 2000) is being amortized generally over 40 years on a straight-line basis.

Valuation of Long-Lived Assets: The company evaluates the carrying value of long-lived assets to be held and used, including the excess of acquisition cost over fair value of assets acquired, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying value of a long-lived asset, including the excess of acquisition cost over fair value of assets acquired, is considered impaired when the projected undiscounted future cash flows from the related business unit are less than its carrying value. The company measures impairment based on the amount by which the carrying value exceeds the fair market value. Fair market value is determined primarily using the projected future cash flows discounted at a rate commensurate with the risk involved. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair market values are reduced for the cost to dispose.

Other assets: The company's television stations are parties to program broadcast contracts. These contracts are recorded at the gross amount of the related liability when the programs are available for telecasting. Program assets are classified as current (as a prepaid expense) or noncurrent (as an other asset) in the Consolidated Balance Sheets, based upon the expected use of the programs in succeeding years. The amount charged to expense appropriately matches the cost of the programs with the revenues associated with them. The liability for these contracts is classified as current or noncurrent in accordance with the payment terms of the contracts. The payment period generally coincides with the period of telecast for the programs, but may be shorter.

Retirement plans: Pension costs under the company's retirement plans are actuarially computed. The company's policy is to fund costs accrued under its qualified pension plans.

Postretirement benefits other than pensions: The company recognizes the cost of postretirement medical and life insurance benefits on an accrual basis over the working lives of employees expected to receive such benefits.

Income taxes: The company accounts for certain income and expense items differently for financial reporting purposes than for income tax reporting purposes. Deferred income taxes are provided in recognition of these temporary differences.

Per share amounts: The company reports earnings per share on two bases, basic and diluted. All basic income per share amounts are based on the weighted average number of common shares outstanding during the year. The calculation of diluted earnings per share also considers the assumed dilution from the exercise of stock options and from stock incentive rights.

Foreign currency translation: The income statement of Newsquest (including Newscom operations acquired in 2000) has been translated to U.S. dollars using the average currency exchange rates in effect during the relevant period. Newsquest's balance sheet has been translated using the currency exchange rate as of the end of the accounting period. The impact of currency exchange rate changes on the translation of Newsquest's balance sheet is included in comprehensive income, net of tax, and is classified as accumulated other comprehensive income (loss) in shareholders' equity.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses. Actual results could differ from these estimates.

Discontinued operations: In connection with the sale of the cable business in early fiscal 2000, the cable operating results are presented in the consolidated statements of income and related discussions as discontinued operations. The cable business (along with the alarm security business sold in 1998) was previously reported as a separate segment by the company.

New accounting pronouncements: Effective Jan. 1, 2001, the company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" as amended. Based on the company's current activities, the adoption of this standard is not expected to have any effect on the company's results of operations or financial position.

Refer to "Operating agencies" on page 39 for a discussion of changes in the company's accounting for operating results of its 50% owned joint operating agencies.

Note 2
Acquisitions, exchanges and dispositions

2000: In May 2000, Gannett made a cash offer to acquire the entire issued and to be issued share capital of News Communications & Media plc ("Newscom"). Pursuant to the Offer, Newscom shareholders elected to receive 1800 pence (U.S. $28.44) per share in cash or Loan Notes, valuing the entire issued share capital of Newscom at approximately 444 million British pounds (U.S. $702 million). Gannett also financed the repayment of Newscom's existing debt. On June 5, 2000, the company concluded the acquisition. With the Newscom acquisition, Newsquest (which includes Newscom) now publishes nearly 300 titles in the United Kingdom, including 15 daily newspapers.

On July 21, 2000, the company concluded the acquisition of 19 daily newspapers as well as numerous weekly and niche publications from Thomson Newspapers Inc., for an aggregate purchase price of $1.036 billion. The company acquired eight daily newspapers in Wisconsin, eight daily newspapers in central Ohio, and single daily newspapers in Lafayette, La.; Salisbury, Md.; and St. George, Utah (collectively, "Thomson").

The company completed its acquisition of Central Newspapers, Inc. ("Central") on August 1, 2000, for an approximate cash purchase price of $2.6 billion. The company also retired Central's existing debt of approximately $206 million. Central's properties include The Arizona Republic; The Indianapolis Star; three other dailies in Indiana and one daily in Louisiana; a direct marketing business; CNI Ventures, an Internet and technology investment management group; and other related media and information businesses.

In March 2000, the company completed the acquisition of WJXX-TV, the ABC affiliate in Jacksonville, Fla. Gannett continues to own and operate WTLV-TV, the NBC affiliate in Jacksonville.

The Newscom, Thomson, Central and WJXX-TV acquisitions were recorded under the purchase method of accounting.

The aggregate purchase price, including liabilities assumed, for businesses and assets acquired in 2000 including Newscom, Thomson, Central, the Jacksonville television station and certain smaller newspaper publishing operations, totaled approximately $4.8 billion, of which $4.4 billion represents excess of acquisition cost over fair value of assets acquired. The purchase price allocations for Newscom, Thomson and Central are preliminary. The final allocations will be based on a complete evaluation of assets acquired and liabilities assumed.

The sale of the assets of the company's cable division for $2.7 billion was completed on Jan. 31, 2000. Upon closing, an after-tax gain of approximately $745 million or $2.77 per diluted share was recognized which, along with the cable segment operating results, is reported as discontinued operations in the company's financial statements.

Early in the fourth quarter of 2000, the company contributed the assets of its newspapers, the Marin Independent Journal and the Classified Gazette, to the California Newspapers Partnership (a partnership that includes 21 daily California newspapers) in exchange for an increased ownership interest in the partnership. The company now has a 19.49% ownership interest in the partnership.

1999: In June 1999, Gannett made a cash offer to acquire the stock of Newsquest plc ("Newsquest"). Newsquest's principal activities are publishing and printing regional and local newspapers in England with a portfolio of 180 titles that include paid-for daily and weekly newspapers and free weekly newspapers. The offer was for 460 pence (U.S. $7.26) in cash or loan notes for each of 200.4 million fully diluted shares, for a total price of approximately 922 million British pounds (U.S. $1.5 billion). Gannett also financed the repayment of Newsquest's existing debt. In late July 1999, the company concluded the acquisition, which was recorded under the purchase method of accounting.

In June 1999, the company completed a broadcast station transaction under which it exchanged its ABC affiliate KVUE-TV in Austin, Texas, and received KXTV-TV, the ABC affiliate in Sacramento, Calif., plus cash consideration. For financial reporting purposes, the company recorded the exchange as two simultaneous but separate events; that is, a sale of its Austin TV station for which a non-operating gain was recognized and the acquisition of the Sacramento station accounted for under the purchase method. In its second quarter, the company reported a net non-operating gain of $55 million ($33 million after tax) principally as a result of this transaction.

The aggregate purchase price, including liabilities assumed, for businesses and assets acquired in 1999 including Newsquest, the Sacramento television station and certain smaller non-daily newspaper publishing operations, totaled approximately $1.8 billion.

In March 1999, the company contributed The San Bernardino County Sun to the California Newspapers Partnership in exchange for a partnership interest.

1998: In the first quarter of 1998, the company sold its five remaining radio stations, its alarm security business and its newspaper in St. Thomas, Virgin Islands. The company also contributed its newspaper in Saratoga Springs, N.Y., to the Gannett Foundation. The company recorded a net non-operating gain of $307 million ($184 million after tax), principally as a result of these transactions.

The company purchased television stations WCSH-TV (NBC) in Portland, Maine, and WLBZ-TV (NBC) in Bangor, Maine, early in the first quarter and WLTX-TV (CBS) in Columbia, S.C., in April 1998.

In the third quarter of 1998, the company sold five small-market daily newspapers in Ohio, Illinois and West Virginia and completed the acquisition of several newspapers in New Jersey, including The Daily Record in Morristown and the Ocean County Observer in Toms River. Also in the third quarter of 1998, the company completed a transaction with TCI Communications, Inc., under which it exchanged its subscribers and certain cable system assets in the suburban Chicago area for subscribers and certain cable system assets of TCI in Kansas.

The aggregate purchase price for businesses and assets acquired in 1998 was approximately $370 million in cash. These acquisitions were accounted for under the purchase method of accounting.

An unaudited earnings summary of the company's income from continuing operations, excluding the net non-operating gains in 1999 and 1998 discussed above, is as follows:

In millions of dollars, except per share amounts (unaudited)

	2000	Change	1999	Change	1998	Change
Income from continuing operations	$ 972	10%	$ 886	13%	$ 782	15%
Earnings per share from continuing operations						
- Basic	$ 3.65	15%	$ 3.18	15%	$ 2.76	15%
- Diluted	3.63	15%	$ 3.15	15%	$ 2.74	15%

The following table summarizes, on an unaudited, pro forma basis, the estimated combined results of operations of the company and its subsidiaries as though the fiscal year 2000 and 1999 acquisitions, exchanges and dispositions noted above were made at the beginning of 1999. On this basis, these transactions would have resulted in a pro-forma decrease in income per diluted share from continuing operations for 2000 and 1999 of $.15 and $.12, respectively (excluding the 1999 net non-operating gain previously discussed). However, this pro forma combined statement does not necessarily reflect the results of operations as they would have been if the combined companies had constituted a single entity during those years.

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

Fiscal year	2000	1999
Operating revenues*	$6,880	$6,598
Income before taxes*	$1,543	$1,419
Income*	$ 932	$ 854
Income per share* - Basic	$ 3.50	$ 3.06
Income per share* - Diluted	$ 3.48	$ 3.03

*from continuing operations

Note 3
Statement of cash flows

For purposes of this statement, the company considers its marketable securities, which are readily convertible into cash (with original maturity dates of less than 90 days) and consist of short-term investments in government securities, commercial paper and money market funds, as cash equivalents.

Cash paid in 2000, 1999 and 1998 for income taxes and for interest (net of amounts capitalized) was as follows:

In thousands of dollars

	2000	1999	1998
Income taxes	$1,454,465	$596,873	$626,409
Interest	$ 209,240	$100,547	$ 84,808

The 2000 income taxes paid amount includes amounts paid in connection with the company's sale of the cable business.

Liabilities assumed in connection with 2000 acquisitions totaled $578 million, with $485 million related to Newscom and Central outstanding debt obligations. Liabilities assumed in connection with 1999 acquisitions totaled approximately $365 million, with $181 million related to Newsquest outstanding debt obligations. Liabilities assumed in connection with 1998 acquisitions totaled approximately $17 million.

In December 2000, the company issued 118,352 shares of common stock in settlement of previously granted stock incentive rights for the four year period 1997-2000 and the $6.3 million compensation liability for these rights was transferred to shareholders' equity. In January following the years ended 1999 and 1998, the company issued 137,168 and 161,646 shares of common stock, respectively, in settlement of stock incentive rights whose four-year grant periods ended in December of those years and the compensation liabilities for those rights, which equaled $6.3 million and $5.5 million, respectively, were transferred to shareholders' equity.

Note 4
Long-term debt

The long-term debt of the company is summarized below.

In thousands of dollars

	Dec. 31, 2000	Dec. 26, 1999
Unsecured promissory notes	$5,461,205	$2,113,763
Notes due 5/1/00, interest at 5.85%	--	249,982
Other indebtedness	286,651	99,505
Total long-term debt	$5,747,856	$2,463,250

The unsecured promissory notes at Dec. 31, 2000, were due from Jan. 4, 2001 to Mar. 23, 2001, with rates varying from 6.4% to 6.63%.

The unsecured promissory notes at Dec. 26, 1999, were due from Dec. 27, 1999, to Jan. 31, 2000, with rates varying from 5.50% to 6.03%.

At Dec. 31, 2000, the unsecured promissory notes were supported by the $6.06 billion revolving credit agreements discussed below and, therefore, are classified as long-term debt.

The maximum amount of such promissory notes outstanding at the end of any period during 2000 and 1999 was $5.7 billion and $2.2 billion, respectively. The daily average outstanding balance was $3.1 billion during 2000 and $1.3 billion during 1999. The weighted average interest rate was 6.5% for 2000 and 5.2% for 1999.

Other indebtedness includes the loan notes issued by the company to the former shareholders of Newsquest plc and Newscom plc in connection with their acquisitions, as more fully discussed in Note 2. The notes bear interest at .5% below the London Interbank Offered Rate subject to a cap of 6.75%. Interest is payable semiannually. The notes are due on Dec. 31, 2006 and Dec. 31, 2007, respectively, but may be redeemed by the company on each interest payment date. The remaining other indebtedness at Dec. 31, 2000, has maturities ranging from 2001 to 2013 at interest rates ranging from 5% to 10%.

At Dec. 31, 2000, the company had $6.06 billion of credit available under two revolving credit agreements. The agreements provide for revolving credit periods which permit borrowings from time to time to the maximum commitments. The 1998 $3.0 billion agreement revolving credit period extends to July 1, 2003. The 2000 $3.06 billion agreement consists of a $1.53 billion 364-day facility which extends to July 2001 and a $1.53 billion 5-year facility which extends to July 2005. At the end of the 364-day period, any borrowings outstanding under the 364-day credit facility are convertible into a 2-year term loan at Gannett's option.

The commitment fee rate for the 1998 revolving credit agreement may range from .07% to .175%, depending on Standard & Poor's or Moody's credit rating of the company's senior unsecured long-term debt. The rate in effect on Dec. 31, 2000 was .09%. At the option of the company, the interest rate on borrowings under this agreement may be at the prime rate, at rates ranging from .13% to .35% above the London Interbank Offered Rate or at rates ranging from .255% to .50% above a certificate of deposit-based rate. The prime rate was 9.5% at the end of 2000 and 8.5% at the end of 1999. The percentages that apply depend on Standard & Poor's or Moody's credit rating of the company's senior unsecured long-term debt.

The commitment fee rates for the 2000 revolving credit agreement may range from .05% to .09%, depending on Standard & Poor's or Moody's credit rating of the company's senior unsecured long-term debt. The rates in effect on Dec. 31, 2000, were .05% for the 364-day facility and .07% for the 5-year facility. At the option of the company, the interest rate on borrowings under this agreement may be at .13% to .19% above the prime rate, the Eurodollar base rate or the Federal Funds Effective Rate plus .50%. The percentages that apply depend on Standard & Poor's or Moody's credit rating of the company's senior unsecured long-term debt.

The revolving credit agreements contain a restrictive provision that requires the maintenance of net worth of at least $2.5 billion. At Dec. 31, 2000, and Dec. 26, 1999, net worth was $5.1 billion and $4.6 billion, respectively.

Approximate annual maturities of long-term debt, assuming that the company had used the $6.06 billion revolving credit agreements as of the balance sheet date to refinance existing unsecured promissory notes on a long-term basis, are as follows:

In thousands of dollars

2001	
2002	
2003	$ 3,931,205
2004	
2005	1,530,000
Later years	286,651
Total	$ 5,747,856

At Dec. 31, 2000, and Dec. 26, 1999, the company estimates that the amount reported on the balance sheet for financial instruments, including long-term debt, cash and cash equivalents, trade and other receivables, and other long-term liabilities, approximates fair value.

Note 5
Retirement plans

The company and its subsidiaries have various retirement plans, including plans established under collective bargaining agreements and separate plans for joint operating agencies, 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. Benefits under the Gannett Retirement Plan are based on years of service and final average pay. The company's retirement plan assets include marketable securities such as common stocks, bonds and U.S. government obligations and interest-bearing deposits. The tables below also include the assets and obligations of the former Central Newspapers, Inc. Retirement Plan, which was merged into the Gannett Retirement Plan effective December 31, 2000, and Newscom's Retirement Plan.

The company's pension costs for 2000, 1999 and 1998 are presented in the following table:

In thousands of dollars

	2000	1999	1998
Service cost - benefits earned during the period	$ 61,905	$ 60,834	$ 51,249
Interest cost on benefit obligation	129,601	103,412	94,171
Expected return on plan assets	(194,010)	(146,168)	(135,484)
Amortization of transition asset	(28)	(984)	(4,226)
Amortization of prior service credit	(9,498)	(3,754)	(3,773)
Amortization of actuarial (gain) loss	(4,306)	1,407	443
Pension expense for company-sponsored retirement plans	(16,336)	14,747	2,380
Union and other pension cost	7,432	5,071	5,357
Pension cost	$ (8,904)	$ 19,818	$ 7,737

The following table provides a reconciliation of benefit obligations, plan assets and funded status of the company's retirement plans. The related amounts that are recognized in the Consolidated Balance Sheets for the company's retirement plans also are provided.

In thousands of dollars

	Dec. 31, 2000	Dec. 26, 1999
Change in benefit obligation		
Net benefit obligation at beginning of year	$ 1,470,403	$ 1,474,411
Service cost	61,905	60,834
Interest cost	129,601	103,412
Plan participants' contributions	6,080	1,947
Plan amendments		253
Actuarial loss (gain)	45,636	(185,452)
Acquisitions/plan mergers	444,522	106,090
Gross benefits paid	(111,864)	(91,092)
Net benefit obligation at end of year	$ 2,046,283	$ 1,470,403
Change in plan assets		
Fair value of plan assets at beginning of year	$ 1,763,141	$ 1,470,826
Actual return on plan assets	29,546	264,905
Plan participants' contributions	6,080	1,947
Employer contributions	8,471	5,354
Acquisitions/plan mergers	614,594	111,201
Gross benefits paid	(111,864)	(91,092)
Fair value of plan assets at end of year	$ 2,309,968	$ 1,763,141
Funded status at end of year	$ 263,685	$ 292,738
Unrecognized net actuarial gain	(6,024)	(218,942)
Unrecognized prior service credit	(197,324)	(35,783)
Unrecognized net transition asset	(200)	(232)
Net amount recognized at end of year	$ 60,137	$ 37,781
Amounts recognized in Consolidated Balance Sheet		
Prepaid benefit cost	$ 142,807	$ 111,232
Accrued benefit cost	$ 82,670	$ 73,451

The net benefit obligation was determined using an assumed discount rate of 7.625% and 8.0% at the end of 2000 and 1999, respectively. The assumed rate of compensation increase was 4.5% and 5% at the end of 2000 and 1999, respectively. The assumed long-term rate of return on plan assets used in determining pension cost was 10%. Retirement plan assets include 1,242,300 shares of the company's common stock valued at $78 million and $101 million at the end of 2000 and 1999, respectively.

Note 6
Postretirement benefits other than pensions

The company provides health care and life insurance benefits to certain retired employees who meet age and service requirements. The cost of providing retiree health care and life insurance benefits is actuarially determined and accrued over the service period of the active employee group.

Postretirement benefit cost for health care and life insurance for 2000, 1999 and 1998 included the following components:

In thousands of dollars

	2000	1999	1998
Service cost - benefits earned during the period	$ 5,247	$ 3,796	$ 3,118
Interest cost on net benefit obligation	19,865	14,901	14,378
Amortization of prior service credit	(7,018)	(8,478)	(5,578)
Amortization of actuarial (gain) loss	(240)	20	235
Net periodic postretirement benefit cost	$ 17,854	$ 10,239	$ 12,153

The table below provides a reconciliation of benefit obligations and funded status of the company's postretirement benefit plans:

In thousands of dollars

	Dec. 31, 2000	Dec. 26, 1999
Change in benefit obligation		
Net benefit obligation at beginning of year	$ 215,593	$ 238,346
Service cost	5,247	3,796
Interest cost	19,865	14,901
Plan participants' contributions	5,626	4,656
Actuarial loss (gain)	40,801	(28,142)
Acquisitions/plan mergers	102,000	3,392
Gross benefits paid	(25,365)	(21,356)
Net benefit obligation at end of year	$ 363,767	$ 215,593
Change in plan assets		
Fair value of plan assets at beginning of year	-	-
Employer contributions	19,739	16,700
Plan participants' contributions	5,626	4,656
Gross benefits paid	(25,365)	(21,356)
Fair value of plan assets at end of year	-	-
Funded status at end of year	$ 363,767	$ 215,593
Unrecognized net actuarial (loss) gain	(19,950)	21,519
Unrecognized prior service credit	59,711	67,288
Accrued postretirement benefit cost	$ 403,528	$ 304,400

At Dec. 31, 2000, the accumulated postretirement benefit obligation was determined using a discount rate of 7.625% and a health care cost trend rate of 8% for pre-age 65 benefits, decreasing to 5% in the year 2005 and thereafter. For post-age 64 benefits, the health care cost trend rate used was 12%, decreasing to 5% in the year 2005 and thereafter.

At Dec. 26, 1999, the accumulated postretirement benefit obligation was determined using a discount rate of 8.0% and a health care cost trend rate of 7.5% for pre-age 65 benefits, decreasing to 5% in the year 2005 and thereafter. For post-age 64 benefits, the health care cost trend rate used was 5.5%, declining to 5% in the year 2001 and thereafter.

The company's policy is to fund the above-mentioned benefits as claims and premiums are paid.

The effect of a 1% increase in the health care cost trend rate used would result in increases of approximately $27 million in the 2000 postretirement benefit obligation and $2 million in the aggregate service and interest components of the 2000 expense. The effect of a 1% decrease in the health care cost trend rate used would result in decreases of approximately $24 million in the 2000 postretirement benefit obligation and $2 million in the aggregate service and interest components of the 2000 expense.

Note 7
Income taxes

The provision for income taxes on income from continuing operations consists of the following:

In thousands of dollars

2000	Current	Deferred	Total
Federal	$518,413	$13,414	$531,827
State and other	75,865	1,963	77,828
Foreign	25,041	2,204	27,245
Total	$619,319	$17,581	$636,900

In thousands of dollars

1999	Current	Deferred	Total
Federal	$505,902	$14,791	$520,693
State and other	72,927	2,132	75,059
Foreign	10,863	1,185	12,048
Total	$589,692	$18,108	$607,800

In thousands of dollars

1998	Current	Deferred	Total
Federal	$528,800	$31,144	$559,944
State and other	80,609	4,747	85,356
Total	$609,409	$35,891	$645,300

In addition to the income tax provision presented above for continuing operations, the company also recorded federal and state income taxes payable on discontinued operations of $891 million in 2000, $28 million in 1999 and $24 million in 1998.

The provision for income taxes on continuing operations exceeds the U.S. federal statutory tax rate as a result of the following differences:

Fiscal year	2000	1999	1998
U.S. statutory tax rate	35.0%	35.0%	35.0%
Increase in taxes resulting from:			
State/other income taxes net of federal income tax benefit	3.1	3.2	3.5
Goodwill amortization not deductible for tax purposes	2.2	1.7	1.9
Other, net	(0.7)	(0.1)	(0.4)
Effective tax rate	39.6%	39.8%	40.0%

Deferred income taxes reflect temporary differences in the recognition of revenue and expense for tax reporting and financial statement purposes.

Deferred tax liabilities and assets were composed of the following at the end of 2000 and 1999:

In thousands of dollars

	Dec. 31, 2000	Dec. 26, 1999
Liabilities		
Accelerated depreciation	$ 341,786	$ 403,846
Accelerated amortization of deductible intangibles	117,302	114,547
Pension	26,858	15,085
Other	109,963	148,258
Total deferred tax liabilities	595,909	681,736
Assets		
Accrued compensation costs	(75,411)	(63,095)
Postretirement medical and life	(157,737)	(118,310)
Other	(87,932)	(20,784)
Total deferred tax assets	(321,080)	(202,189)
Net deferred tax liabilities	$ 274,829	$ 479,547

Note 8
Capital stock, stock options, incentive plans

The company's earnings per share from continuing operations (basic and diluted) for 2000, 1999 and 1998 are presented below:

In thousands, except per share amounts

	2000	1999	1998
Income from continuing operations	$971,940	$919,387	$966,425
Weighted average number of common shares outstanding (basic)	266,426	279,048	283,097
Effect of dilutive securities			
Stock options	1,557	2,217	2,197
Stock incentive rights	135	343	417
Weighted average number of common shares outstanding (diluted)	268,118	281,608	285,711
Earnings per share from continuing operations (basic)	$ 3.65	$ 3.29	$ 3.41
Earnings per share from continuing operations (diluted)	$ 3.63	$ 3.26	$ 3.38

The 2000, 1999 and 1998 diluted earnings per share amounts exclude the effects of 5,366,310, 3,150,090 and 2,500,210 stock options outstanding, respectively, as their inclusion would be antidilutive.

In 1998, the Board authorized the company to repurchase up to $750 million of company stock. In 2000, the Board approved an authorization for the company to repurchase up to $1 billion in additional common stock. The company purchased approximately 6 million shares of common stock in 1998 for $329 million, approximately 2.4 million shares in 1999 for $163 million, and approximately 14.7 million shares in 2000 for $967 million.

In May 2000, the company's shareholders approved an amendment to the company's certificate of incorporation to increase the authorized number of shares to 802,000,000, of which 800,000,000 shares shall be common stock and 2,000,000 shares shall be preferred stock, both with a $1 par value.

The company's 1978 Executive Long-Term Incentive Plan (the Plan) provides for the granting of stock options, stock incentive rights and option surrender rights to executive officers and other key employees. The Plan restricts the granting of options to any participant in any fiscal year to no more than 350,000 shares of common stock and the exercise period for any stock options presently issued under the Plan is 10 years after the date of the grant thereof. The Plan provides that shares of common stock subject to a stock option or other award that is canceled or forfeited again be available for issuance under the Plan.

Stock options are granted to purchase common stock of the company at not less than 100% of the fair market value on the day the option is granted. The exercise period is eight years for options granted prior to Dec. 10, 1996, and 10 years for options granted on or subsequent to that date. The options become exercisable at 25% per year after a one-year waiting period.

In December 2000, the company elected not to grant stock incentive rights. These rights entitled employees to receive one share of common stock at the end of a four-year incentive period conditioned on the employees' continued employment with the company. In lieu of receiving stock incentive rights, employees may receive stock options. Previously granted stock incentive rights will continue to mature over their original four-year term.

Under the Plan, all outstanding awards will be vested if there is a change in control of the company. Stock options become 100% exercisable immediately upon a change in control. Option surrender rights have been awarded, which relate one-for-one to all outstanding stock options. These rights are effective only upon a change in control and entitle the employee to receive cash for option surrender rights equal to 100% of the difference between the exercise price of the related stock option and the change-in-control price (which is the highest price paid for a share of stock as part of the change in control). The Plan also provides for the payment in cash of the value of stock incentive rights based on the change-in-control price.

A summary of the status of the company's stock option and stock incentive rights awards as of Dec. 31, 2000, Dec. 26, 1999, and Dec. 27, 1998, and changes thereto during the years then ended is presented below:

2000 Stock Option Activity	Shares	Weighted average exercise price
Outstanding at beginning of year	12,406,841	$ 52.57
Granted	5,714,830	55.07
Exercised	(846,478)	30.18
Canceled	(507,380)	64.44
Outstanding at end of year	16,767,813	54.19
Options exercisable at year end	7,478,604	45.85
Weighted average fair value of options granted during the year	$ 19.63	

1999 Stock Option Activity	Shares	Weighted average exercise price
Outstanding at beginning of year	10,572,736	$ 43.59
Granted	3,180,365	74.21
Exercised	(1,158,304)	30.04
Canceled	(187,956)	52.47
Outstanding at end of year	12,406,841	52.57
Options exercisable at year end	6,236,725	38.43
Weighted average fair value of options granted during the year	$ 25.04	

1998 Stock Option Activity	Shares	Weighted average exercise price
Outstanding at beginning of year	9,234,421	$ 36.00
Granted	2,514,210	65.00
Exercised	(931,604)	26.91
Canceled	(244,291)	40.49
Outstanding at end of year	10,572,736	43.59
Options exercisable at year end	5,365,913	31.93
Weighted average fair value of options granted during the year	$ 17.32	

Further information about stock options outstanding at Dec. 31, 2000, follows:

Range of exercise prices	Number outstanding at 12/31/00	Weighted average remaining contractual life (yrs)	Weighted average exercise price	Number exercisable at 12/31/00	Weighted average exercise price
$23-28	1,428,658	2.5	$ 25.56	1,428,658	$ 25.56
32-38	2,934,780	5.8	$ 35.18	2,934,780	$ 35.18
41-49	31,460	7.0	$ 46.17	31,460	$ 46.17
50-60	7,006,605	9.5	$ 55.84	1,098,319	$ 59.50
61-68	2,396,295	9.0	$ 64.93	1,181,048	$ 64.97
70-75	2,970,015	9.9	$ 74.28	804,339	$ 74.09
	16,767,813	8.2	$ 54.19	7,478,604	$ 45.85

Stock Incentive Rights

As discussed above, the company elected not to grant stock incentive rights in December 2000. Awards made earlier in 2000, and in 1999 and in 1998 were as follows:

	2000	1999	1998
Awards granted	10,700	169,290	168,785

Awards for 1998 are for the four-year period 1999-2002. Awards for 1999 and 2000 are for the four-year period 2000-2003.

In December 2000, 118,352 shares of common stock were issued in settlement of previously granted stock incentive rights for the incentive period ended December 2000.

Shares available: Shares available for future grants under the Plan totaled 11,721,088 at Dec. 31, 2000.

Pro forma results: SFAS No. 123, "Accounting for Stock-Based Compensation," establishes a fair value-based method of accounting for employee stock-based compensation plans and encourages companies to adopt that method. However, it also allows companies to continue to apply the intrinsic value-based method currently prescribed under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25). The company has chosen to continue to report stock-based compensation in accordance with APB 25, and provides the following pro forma disclosure of the effects of applying the fair value method to all applicable awards granted. Under APB Opinion 25 and related Interpretations, no compensation cost has been recognized for its stock options.

The compensation cost that has been charged against income for its stock incentive rights was $6.5 million for 2000, $8 million for 1999 and $7 million for 1998. Those charges were based on the grant price of the stock incentive rights recognized over the four-year earnout periods. 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:

In thousands, except per share amounts

	2000	1999	1998
Net income			
As reported	$ 1,719,077	$ 957,928	$ 999,913
Pro forma	$ 1,693,339	$ 942,733	$ 991,385
Income from continuing operations			
As reported	$ 971,940	$ 919,387	$ 966,425
Pro forma	$ 946,202	$ 904,192	$ 957,897
Net income per share - basic			
As reported	$ 6.45	$ 3.43	$ 3.53
Pro forma	$ 6.36	$ 3.38	$ 3.50
Net income per share - diluted			
As reported	$ 6.41	$ 3.40	$ 3.50
Pro forma	$ 6.32	$ 3.35	$ 3.47
Income from continuing operations per share - basic			
As reported	$ 3.65	$ 3.29	$ 3.41
Pro forma	$ 3.55	$ 3.24	$ 3.38
Income from continuing operations per share - diluted			
As reported	$ 3.63	$ 3.26	$ 3.38
Pro forma	$ 3.53	$ 3.21	$ 3.35

The fair value of each option is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 2000, 1999 and 1998, respectively: dividend yield of 1.26%, 1.38%, and 1.69%; expected volatility of 27.04%, 22.31% and 20.62%; risk-free interest rates of 5.63%, 6.34% and 4.66%; and expected lives of seven years each.

SFAS No. 123 applies to stock compensation awards granted in fiscal years that began after Dec. 15, 1994. Options are granted by the company primarily in December and begin vesting over a four-year period. Options granted in December 1995 and thereafter are subject to the pronouncement. To calculate the pro forma amounts shown above, compensation cost was recognized over the four-year period of service during which the options will be earned. As a result, options granted in December of each year (beginning with December 1995) impact pro forma amounts for following years but not the year in which they were granted.

401(k) Savings Plan

In 1990, the company established a 401(k) Savings Plan. Most employees of the company (other than those covered by a collective bargaining agreement) who are scheduled to work at least 1,000 hours during each year of employment are eligible to participate in the Plan. Employees may elect to save up to 15% of compensation on a pre-tax basis subject to certain limits. The company matches with company common stock to 50% of the first 6% of employee contributions. To fund the company's matching contribution, an Employee Stock Ownership Plan (ESOP) was formed in 1990 which acquired 2,500,000 shares of Gannett stock from the company for $50 million. The stock purchase was financed with a loan from the company, and the shares are pledged as collateral for the loan. The company makes monthly contributions to the ESOP equal to the ESOP's debt service requirements less dividends. All dividends received by the ESOP are used to pay debt service. As the debt is paid, shares are released as collateral and are available for allocation to participants.

The company follows the shares allocated method in accounting for its ESOP. The cost of shares allocated to match employee contributions or to replace dividends that are used for debt service are accounted for as compensation expense. The cost of unallocated shares is reported as deferred compensation in the financial statements. The company, at its option, may repurchase shares from employees who leave the Plan. The shares are purchased at fair market value, and the difference between the original cost of the shares and fair market value is expensed at the time of purchase. All of the shares initially purchased by the ESOP are considered outstanding for earnings per share calculations. Dividends on allocated and unallocated shares are recorded as reductions of retained earnings.

Compensation expense for the 401(k) match and repurchased shares was $9.1 million in 2000, $8.9 million in 1999 and $7.3 million in 1998. The ESOP shares as of the end of 2000 and 1999 were as follows:

	2000	1999
Allocated shares	1,825,911	1,559,218
Shares released for allocation	44,332	44,812
Unreleased shares	629,757	895,970
Shares distributed to terminated participants	(72,337)	(53,563)
ESOP shares	2,427,663	2,446,437

In May 1990, the Board of Directors declared a dividend distribution of one Preferred Share Purchase Right ("Right") for each common share held, payable to shareholders of record on June 8, 1990. The Rights become exercisable when a person or group of persons acquires or announces an intention to acquire ownership of 15% or more of the company's common shares. Holders of the Rights may acquire an interest in a new series of junior participating preferred stock, or they may acquire an additional interest in the company's common shares at 50% of the market value of the shares at the time the Rights are exercised. The Rights are redeemable by the company at any time prior to the time they become exercisable, at a price of $.01 per Right.

In May 2000, the company announced that its Board of Directors approved an amendment to its Shareholder Rights Plan to extend the expiration date of the Rights to May 31, 2010 and increase the initial exercise price of each preferred stock purchase right to $280.

In November 1999, the Board authorized 2,000,000 shares of common stock to be registered in connection with a savings related share option plan, available to eligible employees of Newsquest.

Note 9

Commitments and contingent liabilities

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

Leases: Approximate future minimum annual rentals payable under non-cancelable operating leases are as follows:

In thousands of dollars

2001	$ 49,689
2002	33,738
2003	29,694
2004	24,986
2005	22,999
Later years	80,300
Total	$241,406

Total minimum annual rentals have not been reduced for future minimum sublease rentals aggregating approximately $8 million. Total rental costs reflected in continuing operations were $62 million for 2000, $48 million for 1999 and $43 million for 1998.

Program broadcast contracts: The company has commitments under program broadcast contracts totaling $92.3 million for programs to be available for telecasting in the future.

The company presently owns a 64% interest in WKYC-TV and National Broadcasting Company (NBC) owns a 36% interest. In December 1998, the company entered into a Put-Call agreement with NBC which later was amended. Terms of the agreement permit (but don't require) either party to initiate a purchase/sale of some or all of NBC's shares in WKYC-TV over a six-year period. A put was made by NBC in each of April 1999 and December 2000 whereby Gannett acquired an additional 7% and 6%, respectively of WKYC shares. The company's maximum aggregate remaining potential commitment under the agreement is approximately $156 million.

In December 1990, the company adopted a Transitional Compensation Plan ("Plan") which provides termination benefits to key executives whose employment is terminated under certain circumstances within two years following a change in control of the company. Benefits under the Plan include a severance payment of up to three years' compensation and continued life and medical insurance coverage.

Note 10
Business operations and segment information

The company has determined that its reportable segments based on its management and internal reporting structure are newspaper publishing, which is the largest segment of its operations; and secondly, broadcasting (television). As discussed in Note 2, the cable division's operating results, identifiable assets and capital expenditures have been retroactively excluded from the segment data presented herein as the division has been reclassified in the statements of income and related discussions as discontinued operations.

The newspaper segment at the end of 2000 consisted of 99 U.S. daily newspapers in 40 states and one U.S. territory, including USA TODAY, a national, general-interest daily newspaper; and USA WEEKEND, a magazine supplement for newspapers. The newspaper segment also includes Newsquest (including Newscom, acquired in 2000) which is a regional newspaper publisher in the United Kingdom with a portfolio of about 300 titles that includes 15 paid-for daily newspapers, paid-for weekly newspapers, free weekly newspapers and other publications. The newspaper segment in the U.S. also includes over 300 non-daily publications, a nationwide network of offset presses for commercial printing and several smaller businesses. Newsprint, which is the principal product used in newspaper publishing, has been and may continue to be subject to significant price changes from time to time.

As discussed in Note 1, the company modified its method of accounting for its 50% owned joint operating agencies in Detroit and Tucson to the equity method of accounting (as a single net amount which is in other operating revenue for the newspaper segment). All prior years have been restated. This classification change within the statements of income has no effect on the company's operating income or overall reported results of operations. However, this change results in a reduction of reported revenue of approximately $170 million in 2000, 1999 and 1998 with a corresponding reduction in operating expenses.

The broadcasting segment's activities for 2000 include the operation of 22 U.S. television stations reaching 17.5 percent of U.S. television homes.

The company's foreign revenues in 2000 and 1999 totaled approximately $674 million and $239 million, respectively, principally from publications distributed in the United Kingdom. The company's long-lived assets in foreign countries totaled approximately $2.4 billion at Dec. 31, 2000, principally in the United Kingdom.

Separate financial data for each of the company's business segments is presented in the table which follows. The accounting policies of the segments are those described in Note 1. The company evaluates the performance of its segments based on operating income and operating cash flow. Operating income represents total revenue less total operating expenses, including depreciation and amortization of intangibles. In determining operating income by industry segment, general corporate expenses, interest expense, interest income, and other income and expense items of a non-operating nature are not considered, as such items are not allocated to the company's segments. Operating cash flow represents operating income plus depreciation and amortization of intangible assets. Corporate assets include cash and marketable securities, certain investments, long-term receivables and plant and equipment primarily used for corporate purposes. Interest capitalized has been included as a corporate capital expenditure for purposes of segment reporting.

In thousands of dollars
Business segment financial information

	2000	1999	1998
Operating revenues			
Newspaper publishing	$ 5,433,551	$ 4,366,720	$ 3,987,733
Broadcasting	788,767	728,642	721,298
	$ 6,222,318	$ 5,095,362	$ 4,709,031
Operating income			
Newspaper publishing	$ 1,522,350	$ 1,291,665	$ 1,109,221
Broadcasting	359,955	337,537	343,512
Corporate (3)	(65,049)	(66,101)	(66,919)
	$ 1,817,256	$ 1,563,101	$ 1,385,814
Depreciation and amortization			
Newspaper publishing	$ 302,544	$ 207,720	$ 184,718
Broadcasting	65,210	62,861	60,023
Corporate (3)	8,161	9,510	8,722
	$ 375,915	$ 280,091	$ 253,463
Operating cash flow (4)			
Newspaper publishing	$ 1,824,894	$ 1,499,385	$ 1,293,939
Broadcasting	425,165	400,398	403,535
Corporate (3)	(56,888)	(56,591)	(58,197)
	$ 2,193,171	$ 1,843,192	$ 1,639,277
Identifiable assets (1)			
Newspaper publishing	$ 10,434,274	$ 5,599,506	$ 3,682,839
Broadcasting	1,978,438	1,915,976	1,872,351
Corporate (3)	567,699	378,437	355,236
	$ 12,980,411	$ 7,893,919	$ 5,910,426
Capital expenditures (2)			
Newspaper publishing	$ 199,885	$ 169,259	$ 164,479

Broadcasting	49,829	24,831	25,548
Corporate (3)	100,866	51,055	32,032
	$ 350,580	$ 245,145	$ 222,059

(1) Excludes assets related to discontinued operations totaling $1,112,527 in 1999 and $1,069,054 in 1998.

(2) Excludes capital expenditures made for discontinued operations totaling $13,298 for 1999 and $22,366 for 1998.

(3) Corporate amounts represent those not directly related to the company's two business segments.

(4) Operating cash flow amounts represent operating income plus depreciation and amortization of intangible assets.

Report of Independent Accountants

To the Board of Directors and Shareholders of Gannett Co., Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of cash flows and of changes in shareholders' equity present fairly, in all material respects, the financial position of Gannett Co., Inc. and its subsidiaries at Dec. 31, 2000 and Dec. 26, 1999, and the results of their operations and their cash flows for each of the three years in the period ended Dec. 31, 2000 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
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Washington, D.C.
February 8, 2001

11-year summary
In thousands of dollars, except per share amounts

	2000	1999	1998	1997	1996
Net operating revenues					
Newspaper advertising	$ 3,972,936	$ 3,115,250	$ 2,773,247	$ 2,479,828	$ 2,281,071
Newspaper circulation	1,120,991	971,114	958,456	903,309	872,969
Broadcasting	788,767	728,642	721,298	703,558	686,936
All other	339,624	280,356	256,030	221,470	177,237
Total (Notes a and b, see page 54)	6,222,318	5,095,362	4,709,031	4,308,165	4,018,213
Operating expenses					
Costs and expenses	4,029,147	3,252,170	3,069,754	2,812,218	2,776,171
Depreciation	195,428	169,460	163,776	152,964	147,721
Amortization of intangible assets	180,487	110,631	89,687	80,741	75,043
Total	4,405,062	3,532,261	3,323,217	3,045,923	2,998,935
Operating income	1,817,256	1,563,101	1,385,814	1,262,242	1,019,278
Non-operating (expense) income					
Interest expense	(219,228)	(94,619)	(79,412)	(98,242)	(135,563)
Other	10,812	58,705 (11)	305,323 (9)	(9,047)	155,825 (7)
Income before income taxes	1,608,840	1,527,187	1,611,725	1,154,953	1,039,540
Provision for income taxes	636,900	607,800	645,300	473,600	442,900
Income from continuing operations	971,940	919,387 (11)	966,425 (9)	681,353	596,640 (7)
Discontinued operations:					
Income from the operation of discontinued businesses (net of income taxes) (12)	2,437	38,541	33,488	31,326	51,867
Gain on sale of discontinued businesses (net of income taxes) (13)	744,700				294,580
Total	747,137	38,541	33,488	31,326	346,447
Income before cumulative effect of accounting principle changes	1,719,077	957,928	999,913	712,679	943,087
Cumulative effect on prior years of accounting principle changes for:					
Income taxes					
Retiree health and life insurance benefits					
Net income	$ 1,719,077	$ 957,928	$ 999,913	$ 712,679	$ 943,087
Operating cash flow (5)	$ 2,193,171	$ 1,843,192	$ 1,639,277	$ 1,495,947	$ 1,242,042
Per share amounts (1)					
Income from continuing operations before cumulative effect of accounting principle changes: basic / diluted	$3.65/$3.63	$3.29/$3.26 (11)	$3.41/$3.38 (9)	$2.41/$2.39	$2.12/$2.11(7)
Net income: basic / diluted	$6.45/$6.41	$3.43/$3.40	$3.53/$3.50	$2.52/$2.50	$3.35/$3.33
Dividends declared (2)	.86	.82	.78	.74	.71
Weighted average number of common shares outstanding in thousands (2):					
basic	266,426	279,048	283,097	283,360	281,782
diluted	268,118	281,608	285,711	285,610	283,426
Financial position					
Working capital	$ 128,335	$ 191,444	$ 178,418	$ 146,057	$ 47,609
Long-term debt excluding current maturities	5,747,856	2,463,250	1,306,859	1,740,534	1,880,293
Shareholders' equity	5,103,410	4,629,646	3,979,824	3,479,736	2,930,818
Total assets	12,980,411	9,006,446	6,979,480	6,890,351	6,349,597
Selected financial percentages and ratios					
Percentage increase (decrease)					
Earnings from continuing operations, after tax (4)	9.6%	13.3%(10)	14.9%(8)	35.4%	10.2%(6)
Earnings from continuing operations, after tax, per share:basic/diluted (4)	14.8%/15.2%	14.9%/14.9%(10)	14.5%/14.6%(8)	36.9%/34.3%	8.0%/9.9%(6)
Dividends declared per share	4.9%	5.1%	5.4%	4.2%	2.9%
Return on equity (3)	20.0%	20.6%	21.0%	21.3%	19.8%
Credit ratios					
Long-term debt to shareholders' equity	112.6%	53.2%	32.8%	50.0%	64.2%
Times interest expense earned	8.3X	17.1X	21.3X	12.8X	8.7X

	1995	1994	1993	1992	1991	1990
Net operating revenues						
Newspaper advertising	$ 2,078,190	$ 1,982,260	$ 1,846,791	$ 1,773,460	$ 1,747,118	$ 1,810,825
Newspaper circulation	816,474	789,375	781,205	762,729	733,943	691,332
Broadcasting	466,187	406,608	397,204	370,613	357,383	396,693
All other	144,636	218,000	202,040	184,035	149,489	137,562
Total (Notes a and b, see page 54)	3,505,487	3,396,243	3,227,240	3,090,837	2,987,933	3,036,412
Operating expenses						
Costs and expenses	2,499,696	2,410,404	2,336,668	2,303,468	2,265,948	2,219,438
Depreciation	141,151	146,054	147,248	139,080	139,268	135,294
Amortization of intangible assets	47,509	44,110	43,771	39,197	39,621	39,649
Total	2,688,356	2,600,568	2,527,687	2,481,745	2,444,837	2,394,381
Operating income	817,131	795,675	699,553	609,092	543,096	642,031
Non-operating (expense) income						
Interest expense	(52,175)	(45,624)	(51,250)	(50,817)	(71,057)	(71,567)
Other	3,754	14,945	5,350	7,814	14,859	10,689
Income before income taxes	768,710	764,996	653,653	566,089	486,898	581,153
Provision for income taxes	312,084	309,600	264,400	224,900	194,400	226,600
Income from continuing operations	456,626	455,396	389,253	341,189	292,498	354,553
Discontinued operations:						
Income from the operation of discontinued businesses (net of income taxes) (12)	20,636	10,003	8,499	4,491	9,151	22,410
Gain on sale of discontinued businesses (net of income taxes) (13)						
Total	20,636	10,003	8,499	4,491	9,151	22,410
Income before cumulative effect of accounting principle changes	477,262	465,399	397,752	345,680	301,649	376,963
Cumulative effect on prior years of accounting principle changes for:						
Income taxes				34,000		
Retiree health and life insurance benefits				(180,000)		
Net income	$ 477,262	$ 465,399	$ 397,752	$ 199,680	$ 301,649	$ 376,963
Operating cash flow (5)	$ 1,005,791	$ 985,839	$ 890,572	$ 787,369	$ 721,985	$ 816,974
Per share amounts (1)						
Income from continuing operations before cumulative effect of accounting principle changes: basic / diluted	$1.63/$1.62	$1.58/$1.57	$1.33/$1.32	$1.18/$1.18	$.97/$.96	$1.11/$1.10
Net income: basic / diluted	$1.70/$1.69	$1.61/$1.60	$1.36/$1.35	$.69/$.69	$1.00/$.99	$1.18/$1.17
Dividends declared (2)	.69	.67	.65	.63	.62	.61
Weighted average number of common shares outstanding in thousands (2):						
basic	280,312	288,552	292,948	288,296	301,566	320,094
diluted	282,323	290,148	294,659	290,174	303,267	322,830
Financial position						
Working capital	$ 41,312	$ 123,783	$ 302,818	$ 199,896	$ 192,266	$ 168,487
Long-term debt excluding current maturities	2,767,880	767,270	850,686	1,080,756	1,335,394	848,633
Shareholders' equity	2,145,648	1,822,238	1,907,920	1,580,101	1,539,487	2,063,077
Total assets	6,503,800	3,707,052	3,823,798	3,609,009	3,684,080	3,826,145
Selected financial percentages and ratios						
Percentage increase (decrease)						
Earnings from continuing operations, after tax (4)	0.3%	17.0%	14.1%	16.6%	(17.5%)	(5.3%)
Earnings from continuing operations, after tax, per share:basic/diluted (4)	3.2%/3.2%	18.8%/18.9%	12.3%/11.9%	22.0%/22.9%	(12.4%)/(12.7%)	(4.6%)/(5.2%)
Dividends declared per share	3.0%	3.1%	3.2%	1.6%	2.5%	9.0%
Return on equity (3)	23.0%	24.4%	22.3%	21.9%	16.2%	17.5%
Credit ratios						
Long-term debt to shareholders' equity	129.0%	42.1%	44.6%	68.4%	86.7%	41.1%
Times interest expense earned	15.7X	17.8X	13.8X	12.1X	7.9X	9.1X

(1) Per share amounts have been based upon average number of shares outstanding during each year, giving retroactive effect to adjustment in (2).
(2) Shares outstanding and dividends declared have been converted to a comparable basis by reflecting retroactively the 2-for-1 stock split effective Oct. 6, 1997.
(3) Based upon average shareholders' equity (and income from continuing operations before non-recurring gains and accounting principle changes).
(4) Before cumulative effect of accounting principle changes.
(5) Operating cash flow represents operating income plus depreciation and amortization of intangible assets.
(6) Excludes 1996 after-tax gain on exchange of broadcast stations of $93 million or $.33 per share.
(7) Includes pre-tax gain on exchange of broadcast stations of $158 million (after-tax gain of $93 million or $.33 per share).

(8) Excludes 1998 $184 million after-tax net non-operating gain principally from the disposition of the radio and alarm security businesses ($.65 per share-basic and $.64 per share-diluted).

(9) Includes pre-tax net non-operating gain principally from the disposition of the radio and alarm security businesses of $307 million (after-tax gain of $184 million or $.65 per share-basic and $.64 per share-diluted).

(10) Excludes 1999 $33 million after-tax net non-operating gain principally from the exchange of KVUE-TV for KXTV-TV ($.11 per share).

(11) Includes pre-tax net non-operating gain principally from the exchange of KVUE-TV for KXTV-TV of $55 million (after-tax gain of $33 million or $.11 per share).

(12) Includes results from businesses sold and accounted for as discontinued operations (cable - 1995 to 2000; security - 1995 to 1998; entertainment - 1995 to 1996; outdoor - 1990 to 1996).

(13) Includes gain from businesses sold and accounted for as discontinued operations (cable - 2000; outdoor - 1996).

Note: The amounts above reflect the classification change made to report the operating results from the company's 50% owned joint operating agencies on the equity method of accounting (as a net amount in other operating revenue).

Notes to 11-year summary

(a) The company and its subsidiaries made the acquisitions listed below during the period. The results of operations of these acquired businesses are included in the accompanying financial information from the date of acquisition. Note 2 of the consolidated financial statements on page 40 contains further information concerning certain of these acquisitions.

(b) During the period, the company sold or otherwise disposed of substantially all of the assets or capital stock of certain other subsidiaries and divisions of other subsidiaries. Note 2 of the consolidated financial statements on page 40 contains further information concerning certain of these dispositions.

Acquisitions	1990-2000
1990	
March 28	Great Falls (Mont.) Tribune
May 17	Ye Olde Fishwrapper
June 18	The Shopper Advertising, Inc.
Sept. 7	Desert Community Newspapers
Dec. 27	North Santiam Newspapers
Dec. 28	Pensacola Engraving Co.
1991	
Feb. 11	The Add Sheet
April 3	New Jersey Publishing Co.
Aug. 30	The Times Journal Co., including The Journal Newspapers, The Journal Printing Co. (now Springfield Offset) and Telematch
Oct. 3	Gulf Breeze Publishing Co.
1992	
April 24	Graphic Publications, Inc.
1993	
Jan. 30	The Honolulu Advertiser
April 24	Tulare Advance-Register
1994	
May 2	Nursing Spectrum
June 9	Altoona Herald-Mitchellville Index and the Eastern ADvantage
Dec. 1	KTHV-TV, Little Rock
1995	
Dec. 4	Multimedia, Inc.
1996	
Dec. 9	WTSP-TV, Tampa-St. Petersburg, Fla.
1997	
Jan. 31	WZZM-TV, Grand Rapids, Mich.
Jan. 31	WGRZ-TV, Buffalo, N.Y.
May 5	Printed Media Companies
May 27	KNAZ-TV, Flagstaff, Ariz.
May 27	KMOH-TV, Kingman, Ariz.
July 18	Mary Morgan, Inc.
Aug. 1	Army Times Publishing Co., Inc.
Oct. 24	New Jersey Press, Inc.
1998	
Jan. 5	WCSH-TV, Portland, Maine
Jan. 5	WLBZ-TV, Bangor, Maine
April 30	WLTX-TV, Columbia, S.C.
May 31	Classified Gazette, San Rafael, Calif.
July 7	Ocean County Observer, Toms River, N.J.
July 7	Daily Record, Morristown, N.J.
July 7	Manahawkin Newspapers, Manahawkin, N.J.
Aug. 31	TCI Cable Kansas
Aug. 31	New Castle County Shopper's Guide, Brandywine Valley Weekly and Autos plus, Wilmington, Del.
1999	
March 17	The Reporter, Melbourne, Fla.
March 29	Lehigh Acres News-Star, Lehigh Acres, Fla.
June 1	Dealer Magazine, Reno, Nev.
June 1	KXTV-TV, Sacramento, Calif.
July 26	Newsquest plc, United Kingdom
Sept. 28	Tucker Communications, Inc., Westchester Co., N.Y.
Sept. 29	Pennypower Shopping News, Branson & Springfield, Mo.
2000	
Jan. 3	The Pioneer Republican and other publications, Iowa
Jan. 4	Buyers' Digest, Franklin County, Vt.
Feb. 1	The Clarion, Redcar, United Kingdom
Mar. 17	WJXX-TV, Jacksonville, Fla.
Mar. 31	Mason Valley News and Fernley Leader-Dayton Courier, Lyon Co., Nev.
Apr. 7	Brevard Technical Journal, Brevard County, Fla.
May 10	Dickson Shoppers, Middle Tennessee
June 2	Greenville Parent Magazine, Greenville County, S.C.
June 5	News Communications & Media plc, United Kingdom
June 30	Space Coast Press, Brevard County, Fla.
July 21	Certain assets of Thomson Newspapers Inc., including 8 dailies in Wisconsin; 8 dailies in central Ohio; daily

	newspapers in Lafayette, La.; Salisbury, Md.; and St. George, Utah; and numerous weeklies and niche publications.
Aug. 1	Central Newspapers, Inc., including The Arizona Republic, The Indianapolis Star, and other daily newspapers in Indiana and Louisiana; and related media and information businesses.
Sept. 7	Daily World, Opelousas, La.
Oct. 30	Windsor Beacon, Windsor, Colo.
Dec. 1	50+ Lifestyles and other monthly magazines, Des Moines, Iowa

Form 10-K information

Business of the company

Gannett Co., Inc. is a diversified information company that operates primarily in the U.S. and the United Kingdom. Approximately 89% of its revenues are from domestic operations. In addition to operations in the United Kingdom, it has limited foreign operations in certain European and Asian markets. Its corporate headquarters is in Arlington, Va., near Washington, D.C. It was incorporated in New York in 1923 and was reincorporated in Delaware in 1972.

The company presently reports two principal business segments: newspaper publishing and television broadcasting.

The company's newspapers make up the largest newspaper group in the U.S. in circulation. In 2000, the company acquired Newscom plc, one of the largest regional publishers in the United Kingdom; 19 daily newspapers and numerous weekly and niche publications from Thomson Newspapers Inc.; and Central Newspapers, Inc., with six daily newspapers and other related media and information businesses. At the end of 2000, the company operated 114 daily newspapers, with a total average daily circulation of approximately 8.4 million, including USA TODAY. The company also publishes USA WEEKEND, a weekend newspaper magazine, and in excess of 300 non-daily publications in the United States and nearly 300 non-daily publications in the United Kingdom.

The newspaper segment includes the following: Gannett News Service, which provides news services for its newspaper operations; Gannett Retail Advertising Group, which represents the company's local newspapers in the sale of advertising to national and regional retailers and service providers; and Gannett Offset, which is composed of the Gannett Offset print group and Gannett Marketing Services Group. The Gannett Offset print group includes seven non-heatset printing plants and two heatset printing facilities. Gannett Offset's dedicated commercial printing plants are located in Atlanta, Ga.; Chandler, Ariz.; Minneapolis, Minn.; Miramar, Fla.; Nashville, Tenn.; Norwood, Mass.; Pensacola, Fla.; St. Louis, Mo.; and Springfield, Va. Gannett Marketing Services Group coordinates the sale of direct-marketing services through: Telematch, a database management and data enhancement company; Gannett Direct Marketing Services, a direct-marketing company with operations in Louisville, Ky.; and Gannett TeleMarketing, a telephone sales and marketing company. The company also owns USATODAY.com and other Internet services at most of its local newspapers and television stations; Gannett Media Technologies International, which develops and markets software and other products for the publishing industry; Nursing Spectrum, publisher of biweekly periodicals specializing in advertising for nursing employment; Army Times Publishing Company, which publishes military and defense newspapers; and a 19.49% interest in California Newspapers Partnership, a partnership that includes 21 daily California newspapers.

On Dec. 31, 2000, the broadcasting division included 22 television stations in markets with more than 17.9 million households.

The company's cable business was sold on Jan. 31, 2000, and its results for 2000 and prior years are treated as discontinued operations in the company's statements of income and related discussions elsewhere in this report.

Newspaper publishing/United States

On Dec. 31, 2000, the company operated 99 daily newspapers, including USA TODAY, and more than 300 non-daily local publications, in 40 states and Guam. The Newspaper Division is headquartered in Arlington, Va., and on Dec. 31, 2000, it had approximately 41,000 full-time and part-time employees.

USA TODAY was introduced in 1982 as the country's first national, general-interest daily newspaper. It is available in all 50 states and is available to readers on the day of publication in the top 100 metropolitan markets in the U.S.

USA TODAY is produced at facilities in Arlington, Va., and is transmitted via satellite to offset printing plants around the country. It is printed at Gannett plants in 21 U.S. markets and under contract at offset plants in 15 other U.S. markets. It is sold at newsstands and vending machines generally at 50 cents a copy. Mail subscriptions are available nationwide and abroad, and home and office delivery is offered in many markets. Approximately 67% of its net paid circulation results from single-copy sales at newsstands or vending machines and the remainder is from home and office delivery, mail and other sales.

For 2000, USA TODAY's advertising revenues and volume rose 12% and 8%, respectively.

USA TODAY International is printed from satellite transmission under contract in London, Frankfurt, Hong Kong, Milan and Belgium, and is distributed in Europe, the Middle East, Africa and Asia. It is available in more than 60 foreign countries.

USATODAY.com reached more than 25 million visitors per month by the end of 2000 and its revenue increased 18%.

Gannett News Service (GNS) is headquartered in Arlington, Va., and has bureaus in eight other states (see page 72 for more information). GNS provides national and regional news coverage and sports, features, photo and graphic services to Gannett newspapers. GNS also is distributed by syndication to several non-Gannett newspapers, including ones in Chicago, Salt Lake City, Boston and Seattle.

The newspaper publishing segment also includes USA WEEKEND, which is distributed as a weekend newspaper magazine in 555 newspapers throughout the country, with a total circulation of 22.7 million as of January 2001.

Also included is Nursing Spectrum, publisher of biweekly periodicals advertising nursing employment. Nursing Spectrum's circulation reaches over a million registered nurses each month, or almost half of the registered nurses in the United States. By the end of 2000, Nursing Spectrum's award-winning Web site had about 500,000 unique visitors each month.

At the end of 2000, 70 of the company's daily newspapers, including USA TODAY, were published in the morning and 29 were published in the evening.

Individually, Gannett newspapers are the leading news and information source with strong brand recognition in their markets. Their durability lies in the quality of their management, their flexibility, their focus on such customer-directed programs as Complete Community Coverage in News, cross-branding of the daily newspaper, online, and weekly products, ADQ, and their capacity to invest in new technology. Collectively, they form a powerful network to distribute news and advertising information across the nation.

News departments across Gannett continued to emphasize coverage of local news as the key to successful news reporting. Under the Complete Community Coverage model developed in 2000, the vast majority of newsrooms expanded the amount of local news on their Web sites. The objective is to be the primary source of local news and information, reaching more people interested in local news in more ways.

To advance that objective in 2000, online training sessions were held for top editors and many online newsroom editors. An internal corporate News Web site was established to provide further guidance for newsrooms on a variety of topics, ranging from readership information to online delivery of news.

To help expand the readership base, especially among younger readers, a new weekly section on technology was developed. Called "e, your guide to personal technology," the section is produced at Gannett News Service and distributed electronically or on CD-ROM to all Gannett newspapers. The newspapers use part or all of the section for their readers. Local advertising staffs provide advertising content for the section. Additionally, an online version is produced by the corporate Digital Production Center and made available for each newspaper Web site. Gannett Broadcast Web sites have begun using the online version as well.

All of the company's daily newspapers receive Gannett News Service. In addition, all subscribe to The Associated Press, and some receive various supplemental news and syndicated features services.

In 2000, Gannett News Service staffers joined with USA TODAY reporters and editors to provide Gannett newspapers with coverage of the two national political conventions, the Summer Olympics in Australia, and the presidential debates and election.

In 2000, the company continued to implement plans to increase its revenues from medium and smaller advertisers in each market it serves. Revenues from these types of advertisers increased again in 2000. Initiatives focused on sales and rate management and the construction of pre-packaged programs scalable to the company's largest and smallest markets. Sales management initiatives included allocating proper resources to increase the number and quality of sales calls, improving sales compensation and providing consistent sales training. Rate management programs focused on selling multiple advertising insertions and reviewing rates and rate structures to assure they match the opportunities in the market. The company operates an extranet site to provide its advertising management with up-to-date information and sales programs 24 hours a day, seven days a week. The company regularly calculates market potential and adjusts its strategic plans accordingly. Significant efforts will continue to be taken in 2001 to make the company's personnel increasingly competitive in their leadership, strategic thinking and marketing skills.

The newspaper division's continuous improvement quality initiative, known as ADQ, produced its sixth straight year of sharply improving ad and bill quality. ADQ, which has reduced credit costs significantly since its 1995 start-up, is being introduced to the newspapers acquired in 2000.

The online strategy at Gannett local newspapers has been consistent from the start of our online efforts. This has been built around several major principles. First, the expenditures for the business must be justified by additional revenues, additional customers and additional profits. Second, the company concentrates on serving our local markets. The reason a consumer will turn to the local newspaper's online site is local news and information. This differentiates the paper, which is the known and trusted source for such information today, from other Internet sites. This will be a major factor allowing newspapers to compete successfully as Internet information providers. Lastly, the company takes advantage of the natural synergies between the local newspaper and local Web site. The local content already available, the customer relationships, the news and advertising sales forces, and the promotional vehicle, are all advantages for the newspaper. The company's strategy is to use these advantages to create the best content, create packaged advertising products that serve the advertisers, hold costs down, and leverage the known and trusted brand of the newspaper.

This strategy has served Gannett well in the development of our newspaper Internet efforts. The aggressive local focus, including advertising sales efforts, combined with effective use of national economies of scale and standardized technology resulted in solid results in 2000.

Pro forma advertising revenue for local newspaper Web sites increased by 88% in 2000, which followed a 68% increase in 1999. Recent traffic on our sites was more than 40 million visitors and over 150 million pages viewed per month. Twenty-five of local Gannett newspapers' Web sites made a profit in 2000.

The company achieved these results in a year that Web sites for virtually all smaller market Gannett newspapers were launched. New launches were accomplished through centralized production to provide consistent high quality Web sites while limiting costs. Except for a few small markets, all Gannett newspapers now have operational Web sites.

The company is also pursuing opportunities to develop national Internet businesses. Through minority partnerships and investments, the strength of a large and broad base of the company's and other newspaper franchises is leveraged with sophisticated, flexible Internet capabilities. The business plans of these ventures are developing to deliver information, services and advertising both nationally and locally. These ventures are also the source of additional content, advertising opportunities and technical resources that augment our local newspaper efforts to build and improve their Internet businesses.

Two such businesses which are important to the company's Internet plans include Classified Ventures and InfiNet. Classified Ventures, owned by a consortium of media companies, operates Internet businesses on the national level in the real estate and automotive categories by networking local newspaper sites and offerings. Along with the new national opportunities for Classified Ventures, the company's local newspaper sites are also enhanced by new customers, content and technology from their association with Classified Ventures and its other participating newspapers.

InfiNet, a partnership with other major media companies which provides Internet site hosting expertise, enables the company's papers to have better, more cost-efficient and reliable basic hosting technology than could be provided on a site-by-site basis.

The senior executive of each newspaper is the publisher, and the newspapers have advertising, business, information systems, circulation, news, market development, human resources, online and production departments.

Newsroom editorial system replacements were installed in Brevard, Fort Myers, Bridgewater, Tucson, Nashville and Asheville in 2000. In 2001, new editorial systems will be installed in Lansing, Rochester, the Wisconsin Winnebego group of six newspapers, Battle Creek, St. George and Salisbury. The newer systems have Web-conversion capabilities that make it easier and quicker for newspapers to post stories to their Web sites.

Gannett newsrooms continue to make the conversion to digital photography, which enables our newspapers to provide photos with very late-breaking stories and to be more competitive on their Web sites. By the end of 2001, 45 Gannett news photo departments are expected to be 100 percent digital.

The Mobile Advertising Sales System, or MASS, is Gannett's sales force automation software. Designed to run on laptops and be used on sales calls, the technology provides account executives with up-to-date customer and order information; an electronic Rate Calculator for pricing retail ads; productivity tools for managing their accounts and schedules; and software for sales presentations. Twenty-five percent of Gannett's newspapers have eliminated handwritten ad insertion orders and are utilizing the MASS software to electronically enter and process them on the laptops.

A new laptop-based sales program was tested at three newspapers in 2000. Called the Rate Matrix, it is a program for selling multiple ads across multiple product lines and packaging them into one buy for the customer. This program embodies significant change from how newspapers traditionally sell advertising, which is by individual product. A typical Rate Matrix package might include a retail display ad that runs four times, a classified help wanted ad, a print and deliver insert targeted to specific zones, and an online banner ad. The test newspapers used a new laptop-based sales tool, called the Rate Matrix Calculator, to calculate package prices while on sales calls. Based on the program's success at test newspapers, it will be rolled out to more newspapers in 2001.

Gannett Creative Link was launched in early 2000 as a means for Gannett newspapers to share published and speculative ads. It is a Web based system that enables account executives and artists to view and use advertising concepts created by other Gannett newspapers.

Gannett Media Technologies International (GMTI) transitioned from delivering its Celebro for Real Estate on desktop computers to providing real estate and other application services via the Internet. Celebro.com automates the scheduling and production of real estate ads, freeing newspapers from production requirements. Real Estate companies are now linked directly to GMTI's database servers running automation software that builds the ads and sends complete, digitized ad files to our newspapers for pagination and printing. GMTI converted a number of Gannett newspapers to Celebro.com in 2000 including Cincinnati, Detroit, Nashville, Tucson, Louisville and Ft. Collins. Thirteen non-Gannett newspapers and six Real Estate companies are also using Celebro.com's ASP solution. Notable non-Gannett properties purchasing Celebro.com in 2000 include the San Francisco Newspaper Agency, Coldwell Banker Moore in Denver and The News-Tribune in Tacoma, Washington.

In mid-2000, GMTI launched its Celebro.com CarsPlus service producing auto ads at the Rockford Register Star. GMTI also signed an agreement with Classified Ventures linking its Celebro CarsPlus print advertising automation software to cars.com Web-based used car database to facilitate one-stop multimedia advertising packages.

Celebro CityServer, GMTI's software for building online shopping and commerce guides on Web sites, moved from pilot test to first-stage rollout to 25 Gannett properties this year.

The Digital Collections integrated asset management system has now been installed at 66 Gannett newspapers and 16 non-Gannett newspapers. DC Version 4.0, a revision based on non-proprietary Web browsers coupled with an Oracle database, was introduced in 2000. This version increases the number of data types that can be stored, bringing to users the capability to archive and re-purpose digital assets that include audio and video files.

In addition, DC Version 4.0 has an interface to MagnaCash incorporated in the product. This will enable publishers to market their archives and allow consumers to charge the purchased articles to credit card accounts.

With respect to newspaper production, 67 daily newspaper plants print by the offset process, and 14 plants print using various letterpress processes. To date, there are 70 newspapers (including certain of the new acquisitions) that have converted to the new 50 inch web width format. Readers have found this new format size to be easier to handle and use. The 50 inch format change equates to more than a seven percent savings in newsprint consumption. More of the company's newspapers are scheduled for web width reduction in 2001.

In recent years, improved technology for all of the newspapers has resulted in greater speed and accuracy and in a reduction in the number of production hours worked. The company expects this trend to continue in 2001.

The principal sources of newspaper revenues are circulation and advertising.

Circulation: Thirty of the company's local newspapers reported gains in daily circulation in 2000, and 13 increased Sunday circulation. Home-delivery prices for the company's newspapers are established individually for each newspaper and range from $1.50 to $2.86 per week for daily newspapers and from $.71 to $2.33 per copy for Sunday newspapers. Price increases for certain elements of local circulation volume were initiated at 34 newspapers in 2000 and similar targeted increases are planned at 27 newspapers in 2001.

Additional information about the circulation of the company's newspapers may be found on pages 26-27, 60 and 70-72 of this annual report.

Advertising: The newspapers have advertising departments that sell retail, classified and national advertising. The Gannett Retail Advertising Group also sells advertising on behalf of the company's local newspapers to national and regional retailers and service providers. The company also contracts with outside representative firms that specialize in the sale of national advertising. Analyses of newspaper advertising revenues are presented on pages 26 and 60 of this report.

Retail advertising is display advertising associated with local merchants, such as department and grocery stores. Classified advertising includes ads listed together in sequence by the nature of the ads, such as automobile sales, real estate sales and "help wanted." National advertising is display advertising principally from advertisers who are promoting products or brand names nationally. Retail and national advertising may appear in the newspaper itself or in preprinted sections. Generally there are different rates for each category of advertising, and the rates for each newspaper are set independently, varying from city to city.

The newspapers have made continuing efforts to serve their readers and advertisers by introducing complete market coverage programs and by targeting specific market segments desired by many advertisers through the use of specially zoned editions and other special publications.

Continuing and comprehensive efforts are also underway to combine Web site and newspaper marketing and advertising sales opportunities.

Competition: The company's newspapers compete with other media for advertising principally on the basis of their advertising rates and their performance in helping to sell the advertisers' products or services. They compete for circulation principally on the basis of their content and price. While most of the company's newspapers do not have daily newspaper competitors that are published in the same city, in certain of the company's larger markets, there is such direct competition. Most of the company's newspapers compete with other newspapers published in nearby cities and towns and with free distribution and paid advertising weeklies, as well as other print and non-print media.

The rate of development of opportunities in, and competition from, emerging electronic communications services, including those related to the Internet, is increasing. Through internal development programs, acquisitions and partnerships, the company's efforts to explore new opportunities in news, information and communications businesses have expanded and will continue to do so.

At the end of 2000, The Cincinnati Enquirer, The Detroit News, The Honolulu Advertiser and the Tucson (Ariz.) Citizen were published under joint operating agreements with non-Gannett newspapers located in the same cities. All of these agreements provide for joint business, advertising, production and circulation operations and a contractual division of profits. The editorial and reporting staffs of the company's newspapers, however, are separate and autonomous from those of the non-Gannett newspapers. Refer to Note 1 in the notes to consolidated financial statements for a discussion of an accounting method change with respect to two of the company's newspaper subsidiaries that are participants in joint operating agencies.

Properties: Generally, the company owns the plants that house all aspects of the newspaper publication process. In the case of USA TODAY, at Dec. 31, 2000, 15 non-Gannett printers were used to print the newspaper in U.S. markets where there are no company newspapers with appropriate facilities. Five non-Gannett printers in foreign countries are used to print USA TODAY International. USA WEEKEND and Nursing Spectrum are also printed under contracts with commercial printing companies. Many of the company's newspapers have outside news bureaus and sales offices, which generally are leased. In a few markets, two or more of the company's newspapers share combined facilities; and in certain locations, facilities are shared with other newspaper properties. The company's newspaper properties have rail siding facilities or access to main roads for newsprint delivery purposes and are conveniently located for distribution purposes.

During the past five years, new or substantial additions or remodeling of existing facilities have been completed or are at some stage of construction at 25 of the company's newspaper operations. Gannett continues to make significant investments in renovations or new facilities, where the investment improves the products for its readers and advertisers as well as productivity and operating efficiency. The company's facilities are adequate for present operations.

Regulation: Gannett is committed to protecting the environment. The company's goal is to ensure its facilities comply with federal, state, local and foreign environmental laws and to incorporate appropriate environmental practices and standards in our operations. The company employs a corporate environmental manager responsible for overseeing not only regulatory compliance but also preventive measures. The company is one of the industry leaders in the use of recycled newsprint. The company increased its domestic purchases of newsprint containing some recycled content from 42,000 metric tons in 1989 to 885,000 metric tons in 2000. The company's newspapers use inks, photographic chemicals, solvents and fuels. The use and disposal of these substances may be regulated by federal, state and local agencies. Through its environmental compliance plan, the company is taking effective measures to comply with environmental laws. Any release into the environment may create obligations to private and governmental entities under a variety of statutes and rules regulating the environment.

Some of the company's newspaper subsidiaries have been included among the potentially responsible parties in connection with the alleged disposal of ink or other chemical wastes at disposal sites which have been subsequently identified as inactive hazardous waste sites by the U.S. Environmental Protection Agency or comparable state agencies. Generally, the company's subsidiaries are de minimus parties. At one such site, the amount in controversy may exceed $100,000. The company believes its liability is substantially less and is defending the case. The company provides for costs associated with these matters in accordance with generally accepted accounting principles. The company does not believe that these matters will have any significant impact on its financial position or results of operations.

Additional information about the company's newspapers may be found on pages 70-73 of this report.

Newspapers/United Kingdom

In the second quarter of 2000, the company purchased all of the stock of News Communications & Media plc ("Newscom"), a large, regional newspaper publisher in the United Kingdom, with 114 publications in total, including 4 evening dailies. In addition, Newscom operates a contract printing and magazine publishing business. The 2000 Newscom acquisition increased the group's presence in the prosperous southern area of the United Kingdom. The acquisition was accounted for under the purchase method of accounting. This acquisition has been integrated into the company's existing U.K. operation, Newsquest. Altogether, Newsquest now publishes nearly 300 titles in the United Kingdom, including 15 daily newspapers.

Newsquest manages its newspaper publishing activities around geographic clusters to maximize the use of management, finance, printing and personnel resources. This approach enables the group to offer readers and advertisers a range of attractive products covering the market. The clustering of titles and, usually, the publication of a free newspaper alongside a paid-for newspaper allows cross-selling of advertising among newspapers serving the same or contiguous markets, thus satisfying the needs of its advertisers and audiences. At the end of 2000, Newsquest had 16 such clusters in the United Kingdom. Newsquest's policy is to produce free and paid-for newspapers with an attractive level of quality local editorial content. Newsquest also distributes a substantial volume of advertising leaflets in the communities it serves and it offers a travel/vacation booking service.

Newsquest's full year pro forma revenues for 2000 were in excess of $700 million (including Newscom). As with U.S. newspapers, advertising is the largest component of revenue, comprising approximately 82%. Circulation revenue represents 11% and printing activities account for much of the remainder. Printing revenue increased in 2000 mainly as a result of the contract printing activities acquired with Newscom. Compared to U.S. newspaper operations, ad revenue at Newsquest is a greater percent of total revenue and circulation revenue is a lesser percent, reflecting the greater volume and importance of free non-daily publications among Newsquest's titles.

Newsquest is actively seeking to maximize the value of its local information expertise through development of opportunities offered by the Internet. Through internal growth and in partnership with other businesses, Newsquest has established a number of local and national Web sites which offer news and other information of special interest to its communities, as well as classified and retail advertising and shopping services. During 2000, Newsquest became a minority investor in FS Auctions, the auction subsidiary of one of the U.K.'s largest Internet service providers, and in Schoolsnet, an education oriented site. These investee operations complement the local editorial content and classified advertising offered by Newsquest newspapers.

Newsquest owns certain of the plants where its newspapers are produced and leases other facilities. Its headquarters is in Morden, Surrey. All of its properties are adequate for present purposes. A listing of Newsquest publishing centers and key properties may be found on page 74. A new printing plant is being developed at Lostock to replace the existing press and add color capacity.

At the end of 2000, Newsquest had approximately 8,400 full-time and part-time employees. Newsquest employees have local staff councils for consultation and communication with Newsquest subsidiary management. Newsquest provides its employees with the option to participate in a retirement plan that incorporates life insurance and a stock option linked savings plan.

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

Key revenue and expense data - for all newspapers combined

The table that follows summarizes the circulation volume and revenues of U.S. newspapers owned by the company at the end of 2000, including USA TODAY. The table also includes circulation revenue for all Newsquest publications and circulation volume for Newsquest's fifteen paid daily newspapers. This table assumes that all newspapers owned by the company at the end of 2000 were owned during all years shown. For 2000, the amounts are based on a 53-week period.

For purposes of presenting pro forma information, the tables and related commentary below include net paid circulation and its pro rata portion of the revenue and linage data for the company's newspapers participating in joint operating agencies, consistent with prior years.

Circulation: newspapers owned on Dec. 31, 2000

	Circulation revenues in thousands	Daily net paid circulation	Sunday net paid circulation
2000	$1,306,780	8,368,000	7,154,000
1999	$1,290,559	8,399,000	7,260,000
1998	$1,290,236	8,486,000	7,375,000
1997	$1,259,935	8,399,000	7,452,000
1996	$1,198,944	8,369,000	7,536,000

The following chart summarizes the advertising linage (in six-column inches) and advertising revenues of the newspapers owned by the company at the end of 2000. For Newsquest, advertising revenues are reflected, but linage is not. The chart assumes that all of the newspapers owned at the end of 2000 were owned throughout the years shown. For 2000, the amounts are based on a 53-week period.

Advertising: newspapers owned on Dec. 31, 2000

	Advertising revenues (ROP) in thousands	Inches of advertising, excluding preprints
2000	$3,964,193	104,700,000
1999	$3,800,395	101,253,000
1998	$3,580,739	95,696,000
1997	$3,347,434	90,826,000
1996	$3,045,551	84,940,000

Total newspaper ad revenues on a pro forma basis rose 5% in 2000. Most major advertising classifications showed solid year-over-year growth during 2000. Ad spending by larger retailers declined for the year, reflecting closings and consolidations, but this was mostly offset by greater revenue from small and medium sized advertisers. Classified advertising revenues grew 4% on the strength of employment, automotive, and real estate categories. National advertising revenues increased 10%. Preprint revenues grew 10%.

The company's newspaper segment advertising and other revenues from Internet activities totaled approximately $62 million in 2000 and $39 million in 1999.

For 2001, ad revenue and volume growth is anticipated in all categories. Generally modest price increases are planned at most properties, and the company will continue to expand and refine sales and marketing efforts. Changes in economic factors such as interest rates, employment levels and the rate of general economic growth will have an impact on revenue at all of the company's newspapers.

Raw materials: Newsprint is the basic raw material used to publish newspapers. During 2000, the company's total newsprint consumption was 1,211,000 metric tons, including the company's portion of newsprint consumed at joint operating agencies, consumption by USA WEEKEND, USA TODAY tonnage consumed at non-Gannett print sites and consumption by Newsquest. Newsprint consumption was up 17% in 2000 due principally to consumption by acquired properties in 2000 and 1999. Newsprint consumption savings were realized due to web width reductions at a number of the company's properties in 1999 and 2000. The company purchases newsprint from 24 North American, European and other offshore suppliers under contracts that expire at various times through 2010.

During 2000, all of the company's newspapers consumed some recycled newsprint. For the year, more than 80% of the company's domestic newsprint purchases contained recycled content.

In 2000, newsprint supplies were adequate. The company believes that the available sources of newsprint, together with present inventories, will continue to be adequate to supply the needs of its newspapers.

The average cost per ton of newsprint consumed in 2000 increased 3% compared to the 1999 average cost.

Broadcasting

On December 31, 2000, the company's television division, headquartered in Arlington, Va., included 22 television stations in markets with a total of more than 17.9 million households. On March 17, 2000, the company completed the acquisition of WJXX-TV, the ABC affiliate in Jacksonville, Fla. The company continues to own WTLV-TV, the NBC affiliate in Jacksonville.

At the end of 2000, the broadcasting division had approximately 3,100 full-time and part-time employees. Broadcasting revenues accounted for approximately 13% of the company's reported operating revenues from continuing operations in 2000, 14% in 1999 and 15% in 1998.

The principal sources of the company's broadcasting revenues are: 1) local advertising focusing on the immediate geographic area of the stations; 2) national advertising; 3) compensation paid by the networks for carrying commercial network programs; and 4) payments by advertisers to television stations for other services, such as the production of advertising material. The advertising revenues derived from a station's local news programs make up a significant part of its total revenues.

Advertising rates charged by a television station are based primarily upon the station's ability to attract viewers, demographics and the number of television households in the area served by the station. Practically all national advertising is placed through independent advertising representatives. Local advertising time is sold by each station's own sales force.

Generally, a network provides programs to its affiliated television stations, sells commercial advertising announcements within the network programs and compensates the local stations by paying an amount based on the television station's network affiliation agreement.

For all of its stations, the company is party to network affiliation agreements. The company's three ABC affiliates have agreements which expire between 2005-2007. The agreements for all of its six CBS affiliates run through 2004-2005. The company's 13 NBC affiliated stations have agreements that will expire in December 2005. The company will continue to receive compensation under these new agreements at the 2000 compensation level with the exception of one smaller market station.

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

Properties: The company's broadcasting facilities are adequately equipped with the necessary television broadcasting equipment. The company owns transmitter sites in 23 locations and leases sites in 8 others.

During the past five years, new broadcasting facilities or substantial improvements to existing facilities were completed in Phoenix, Jacksonville, Knoxville, Columbia and Atlanta. A new facility was completed in December 2000 in Cleveland. Facility expansion to accommodate Digital Television (DTV) was completed at five sites in 1998/1999 and three sites in 2000. Additional station facilities may be converted to DTV in future years. The company's broadcast facilities are adequate for present purposes.

Competition: In each of its broadcasting markets, the company's stations compete for revenues with other network-affiliated and independent television and radio broadcasters and with other advertising media, such as cable television, newspapers, magazines and outdoor advertising. The stations also compete in the emerging local electronic media space, which includes Internet or Internet-enabled devices and any digital spectrum opportunities associated with DTV. The company's broadcasting stations compete principally on the basis of their market share, advertising rates and audience composition.

Local news is most important to a station's success, and there is a growing emphasis on other forms of programming that relate to the local community. Network and syndicated programming constitute the majority of all other programming broadcast on the company's television stations, and the company's competitive position is directly affected by viewer acceptance of this programming. Other sources of present and potential competition for the company's broadcasting properties include pay cable, home video and audio recorders and video disc players, direct broadcast satellite and low power television. Some of these competing services have the potential of providing improved signal reception or increased home entertainment selection, and they are continuing development and expansion.

Pursuant to the Satellite Home Viewer Improvement Act of 1999, several of the company's television stations are currently being delivered by satellite carriers to subscribers within the stations' market. The company has entered into retransmission consent agreements with satellite carriers that authorize such delivery that expire in mid-2004. This law also permits satellite carriers to retransmit distant network television stations into areas served by local television stations if it is determined, using FCC-approved signal strength measurement standards, that local stations do not deliver an acceptable viewing signal.

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

Television broadcast licenses are granted for periods of eight years. They are renewable by broadcasters upon application to the FCC and usually are renewed except in rare cases in which a conflicting application, a petition to deny, a complaint or an adverse finding as to the licensee's qualifications results in loss of the license. The company believes it is in substantial compliance with all applicable provisions of the Communications Act and FCC Regulations.

FCC Regulations also prohibit concentrations of broadcasting control and regulate network programming. FCC Regulations governing multiple ownership limit, or in some cases, prohibit the common ownership or control of most communications media serving common market areas (for example, television and radio; television and daily newspapers; radio and daily newspapers; or television and cable television). The FCC's broadcast ownership rules permit common ownership of two television stations in the same market, provided eight independently owned television stations remain in the market following the combination and provided that at least one of the commonly owned stations is not among the market's top four rated stations. It is under this standard that the company acquired a second television station in the Jacksonville, Fla., market in March 2000. The FCC has instituted a rule-making proceeding to examine possible modifications to the daily newspaper/television broadcast ownership restrictions.

The FCC rules permit common ownership of a number (depending on market size) of radio stations and television stations serving the same community but continue to prohibit a party from having attributable interests in television stations which collectively reach more than 35 percent of all U.S. television households. The FCC will continue to review this limitation as required by Congress. Presently, the company's 22 television stations reach an aggregate of 17.5% of U.S. TV households.

Additional information about the company's television stations may be found on page 73 of this annual report.

Corporate facilities

The company leases office space for its headquarters in Arlington, Va., and also owns data processing facilities in nearby Maryland. The present lease will expire in 2001. In September 1996, the company purchased 30 acres of land in Fairfax County, Va., for use as a future site for USA TODAY and corporate headquarters. Building construction began in 1999 and is scheduled to be completed in mid 2001.

Employee relations

At the end of 2000, the company and its subsidiaries had approximately 53,400 full-time and part-time employees. Four of the company's newspapers were published in 2000 together with non-company newspapers pursuant to joint operating agreements, and the employment numbers above include the company's pro-rata share of employees at those joint production and business operations.

Approximately 14% of those employed by the company and its subsidiaries are represented by labor unions. They are represented by 91 local bargaining units affiliated with nine international unions under collective bargaining agreements. These agreements conform generally with the pattern of labor agreements in the newspaper and broadcasting industries. The company does not engage in industrywide or companywide bargaining. The company's UK subsidiaries bargain with two unions over wages and health and safety issues only. The company strives to maintain good relationships with its employees.

On July 13, 1995, approximately 2,500 workers from six unions began a strike against The Detroit News, the Detroit Newspaper Agency and the Detroit Free Press, the company's agency partner. The strike was precipitated by unrealistic and excessive demands by the unions for wage increases and position levels.

Throughout the strike and despite union efforts to stop delivery of the newspapers through intimidation and violence, the newspapers published every day. The strike ended in mid February 1997 when six striking unions made an unconditional offer to return to work. The unions, however, continued to attempt a subscriber and advertiser boycott. In February 1999 the Detroit Typographical Union reached a 10-year labor agreement with the company and in January 2001 the remaining five formerly striking unions also reached labor agreements with the employers and agreed to cease their boycott attempts and participate in a program to increase the circulation of the newspapers.

The company provides competitive group life and medical insurance programs for full-time domestic employees at each location. The company pays a substantial portion of these costs and employees contribute the balance. Virtually all of the company's units provide retirement or profit-sharing plans which cover eligible full-time employees.

In 1990, the company established a 401(k) Savings Plan, which is available to most of its domestic non-union employees.

Acquisitions and dispositions 1996-2000

The growth of the company has resulted from acquisitions of businesses, as well as from internal expansion. Its significant acquisitions since the beginning of 1996 are shown below. The company has disposed of several businesses during this period, which are presented on the following page.

Acquisitions 1996-2000

Year acquired	Name	Location	Publication times or business
1996	WTSP-TV	Tampa-St. Petersburg, Fla.	Television station
1997	WZZM-TV	Grand Rapids, Mich.	Television station
	WGRZ-TV	Buffalo, N.Y.	Television station
	Printed Media Companies	Minneapolis, Minn.	Commercial printing
	KNAZ-TV	Flagstaff, Ariz.	Television station
	KMOH-TV	Kingman, Ariz.	Television station
	Mary Morgan, Inc.	Green Bay, Wis.	Commercial printing
	Army Times Publishing Co., Inc.	Springfield, Va.	Weekly and monthly periodicals
	New Jersey Press, Inc.	Asbury Park and East Brunswick, N.J.	Two daily newspapers
1998	WCSH-TV	Portland, Maine	Television station
	WLBZ-TV	Bangor, Maine	Television station
	WLTX-TV	Columbia, S.C.	Television station
	Ocean County Observer	Toms River, N.J.	Daily newspaper
	Daily Record	Morristown, N.J.	Daily newspaper
	Manahawkin Newspapers	Manahawkin, N.J.	Weekly newspapers
	Classified Gazette	San Rafael, Calif.	Semi-weekly newspaper
	New Castle County Shopper's Guide	Wilmington, Del.	Weekly advertising shopper
	Brandywine Valley Weekly	Wilmington, Del.	Weekly advertising shopper
	Autos plus	Wilmington, Del.	Weekly advertising shopper
	TCI Cable Kansas	Kansas	Cable television systems
1999	The Reporter	Melbourne, Fla.	Weekly newspaper
	Lehigh Acres News-Star	Lehigh Acres, Fla.	Weekly newspaper
	Dealer Magazine	Reno, Nev.	Weekly magazine
	KXTV-TV	Sacramento, Calif.	Television station
	Newsquest plc	United Kingdom	Daily and weekly newspapers
	Tucker Communications, Inc.	Westchester Co., N.Y.	Weekly newspaper
	Pennypower Shopping News	Branson & Springfield, Mo.	Weekly newspaper
2000	The Pioneer Republican and other publications	Des Moines, Iowa	Weekly newspapers
	Buyers' Digest	Franklin County, Vt.	Weekly newspaper
	The Clarion	Redcar, United Kingdom	Weekly newspaper
	WJXX-TV	Jacksonville, Fla.	Television station
	Mason Valley News, Fernley Leader-Dayton Courier	Lyon County, Nev.	Weekly newspapers
	Brevard Technical Journal	Brevard County, Fla.	Monthly magazine
	Dickson Shoppers	Middle Tennessee	Weekly newspapers
	Greenville Parent Magazine	Greenville County, S.C.	Monthly magazine
	News Communications & Media plc	United Kingdom	Daily and weekly newspapers and other publications
	Space Coast Press	Brevard County, Fla.	Weekly newspaper
	Certain assets of Thomson Newspapers Inc.	Wisconsin, Ohio, Louisiana, Maryland, Utah	19 daily and numerous weekly newspapers
	Central Newspapers, Inc.	Arizona, Indiana, Louisiana	6 daily newspapers; other related businesses
	Daily World	Opelousas, La.	Daily newspaper
	Windsor Beacon	Windsor, Colo.	Weekly newspaper
	50+ Lifestyles and other publications	Des Moines, Iowa	Monthly magazines

Dispositions 1996-2000

Year disposed	Name	Location	Publication times or business
1996	WMAZ/WAYS-FM	Macon, Ga.	Radio stations
	Gannett Outdoor Group	Various major markets, U.S. and Canada	Outdoor advertising
	Multimedia Entertainment	New York, N.Y.	Television entertainment programming
	Louis Harris and Associates, Inc.	New York, N.Y.	Polling and research
	Gannett Community Directories	Paramus, N.J.	Community directories
	KIIS/KIIS-FM	Los Angeles, Calif.	Radio stations
	KSDO/KKBH-FM	San Diego, Calif.	Radio stations
	WDAE/WUSA-FM	Tampa, Fla.	Radio stations
1997	WLWT-TV	Cincinnati, Ohio	Television station
	KOCO-TV	Oklahoma City, Okla.	Television station
	Niagara Gazette	Niagara Falls, N.Y.	Daily newspaper
	The Observer	Moultrie, Ga.	Daily newspaper
	North Hills News Record	North Hills, Pa.	Daily newspaper
	Valley News Dispatch	Tarentum, Pa.	Daily newspaper
1998	The Virgin Islands Daily News	St. Thomas, V.I.	Daily newspaper
	WGCI/WGCI-FM	Chicago, Ill.	Radio stations
	KKBQ/KKBQ-FM	Houston, Texas	Radio stations
	KHKS-FM	Dallas, Texas	Radio station
	The Saratogian	Saratoga Springs, N.Y.	Daily newspaper
	Multimedia Security Service	Wichita, Kan.	Alarm security business
	Commercial-News	Danville, Ill.	Daily newspaper
	Chillicothe Gazette	Chillicothe, Ohio	Daily newspaper
	Gallipolis Daily Tribune	Gallipolis, Ohio	Daily newspaper
	The Daily Sentinel	Pomeroy, Ohio	Daily newspaper
	Point Pleasant Register	Point Pleasant, W.Va.	Daily newspaper
	Multimedia Cable Illinois	Suburban Chicago, Ill.	Cable television systems
1999	The San Bernardino County Sun	San Bernardino, Calif.	Daily newspaper
	KVUE-TV	Austin, Texas	Television station
2000	Multimedia Cable	Kansas, Oklahoma, North Carolina	Cable television systems
	Marin Independent Journal	Marin, Calif.	Daily newspaper
	Classified Gazette	San Rafael, Calif.	Semi-weekly newspaper
	Space News	Springfield, Va.	Weekly newspaper

Quarterly statements of income
In thousands of dollars

Fiscal year ended December 31, 2000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Net operating revenues					
Newspaper advertising	$ 830,250	$ 911,949	$ 1,004,280	$ 1,226,457	$ 3,972,936
Newspaper circulation	254,146	251,524	286,890	328,431	1,120,991
Broadcasting	166,789	205,413	183,352	233,213	788,767
All other	70,135	78,921	83,998	106,570	339,624
Total	1,321,320	1,447,807	1,558,520	1,894,671	6,222,318
Operating expenses					
Cost of sales and operating expenses, exclusive of depreciation	667,486	683,084	788,209	918,473	3,057,252
Selling, general and administrative expenses, exclusive of depreciation	215,942	227,593	245,735	282,625	971,895
Depreciation	46,608	47,070	51,509	50,241	195,428
Amortization of intangible assets	33,766	35,379	52,082	59,260	180,487
Total	963,802	993,126	1,137,535	1,310,599	4,405,062
Operating income	357,518	454,681	420,985	584,072	1,817,256
Non-operating (expense) income					
Interest expense	(20,175)	(22,666)	(75,962)	(100,425)	(219,228)
Other	(1,326)	7,947	(260)	4,451	10,812
Total	(21,501)	(14,719)	(76,222)	(95,974)	(208,416)
Income before income taxes	336,017	439,962	344,763	488,098	1,608,840
Provision for income taxes	133,000	174,200	136,500	193,200	636,900
Income from continuing operations	203,017	265,762	208,263	294,898	971,940
Discontinued operations					
Income from discontinued operations, net	2,437				2,437
Gain on sale of cable business, net of tax	744,700				744,700
Net income	$ 950,154	$ 265,762	$ 208,263	$ 294,898	$ 1,719,077
Basic earnings per share					
Basic earnings from continuing operations (1)	$ .74	$ 1.01	$ .79	$ 1.12	$ 3.65
Basic earnings from discontinued operations:					
Discontinued operations, net of tax	.01				.01
Gain on sale of cable business, net of tax (1)	2.72				2.79
Net income per share - basic (1)	$ 3.47	$ 1.01	$ .79	$ 1.12	$ 6.45
Diluted earnings per share					
Diluted earnings from continuing operations (1)	$ .74	$ 1.00	$ .79	$ 1.11	$ 3.63
Diluted earnings from discontinued operations:					
Discontinued operations, net of tax	.01				.01
Gain on sale of cable business, net of tax (1)	2.69				2.77
Net income per share - diluted (1)	$ 3.44	$ 1.00	$ .79	$ 1.11	$ 6.41

(1) As a result of rounding and share repurchases made during the year, the total of the four quarters' earnings per share does not equal the earnings per share for the year.

Note: The statements of income reflect the classification change made to report the operating results from the company's 50% owned joint operating agencies on the equity method of accounting (as a net amount in other operating revenue).

Quarterly statements of income
In thousands of dollars

Fiscal year ended December 26, 1999	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Net operating revenues					
Newspaper advertising	$ 676,204	$ 744,848	$ 776,117	$ 918,081	$ 3,115,250
Newspaper circulation	240,390	236,024	243,085	251,615	971,114
Broadcasting	161,194	194,480	166,770	206,198	728,642
All other	64,892	63,690	67,536	84,238	280,356
Total	1,142,680	1,239,042	1,253,508	1,460,132	5,095,362
Operating expenses					
Cost of sales and operating expenses, exclusive of depreciation	597,490	584,728	623,388	654,143	2,459,749
Selling, general and administrative expenses, exclusive of depreciation	182,969	185,903	201,929	221,620	792,421
Depreciation	42,715	42,130	44,325	40,290	169,460
Amortization of intangible assets	22,914	23,170	30,500	34,047	110,631
Total	846,088	835,931	900,142	950,100	3,532,261
Operating income	296,592	403,111	353,366	510,032	1,563,101
Non-operating (expense) income					
Interest expense	(16,592)	(13,852)	(26,474)	(37,701)	(94,619)
Other	2,368	55,305 (2)	1,588	(556)	58,705 (2)
Total	(14,224)	41,453	(24,886)	(38,257)	(35,914)
Income before income taxes	282,368	444,564	328,480	471,775	1,527,187
Provision for income taxes	112,400	176,950	130,700	187,750	607,800
Income from continuing operations	169,968	267,614 (2)	197,780	284,025	919,387 (2)
Discontinued operations					
Income from discontinued operations, net	8,925	9,356	9,699	10,561	38,541
Gain on sale of cable business, net of tax					
Net income	$ 178,893	$ 276,970 (2)	$ 207,479	$ 294,586	$ 957,928 (2)
Basic earnings per share					
Basic earnings from continuing operations	$ .61	$ .96 (2)	$ .70	$ 1.02	$ 3.29 (2)
Basic earnings from discontinued operations:					
Discontinued operations, net of tax	.03	.03	.04	.04	.14
Gain on sale of cable business, net of tax					
Net income per share - basic	$ .64	$ .99 (2)	$ .74	$ 1.06	$ 3.43 (2)
Diluted earnings per share					
Diluted earnings from continuing operations (1)	$ .61	$ .95 (2)	$ .70	$ 1.01	$ 3.26 (2)
Diluted earnings from discontinued operations:					
Discontinued operations, net of tax	.03	.03	.04	.04	.14
Gain on sale of cable business, net of tax					
Net income per share - diluted (1)	$ .64	$ .98 (2)	$ .74	$ 1.05	$ 3.40 (2)

Earnings summary, excluding non-recurring net non-operating gains
In thousands of dollars

Fiscal year ended December 26, 1999	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Income from continuing operations, as reported	$ 169,968	$ 267,614	$ 197,780	$ 284,025	$ 919,387
Less: after-tax gains on sale/exchange of businesses (2)		32,780			32,780
Income from continuing operations, as adjusted	$ 169,968	$ 234,834	$ 197,780	$ 284,025	$ 886,607
Diluted earnings per share from continuing operations, as adjusted (1)	$ .61	$ .84	$ .70	$ 1.01	$ 3.15

(1) As a result of rounding, the total of the four quarters' earnings per share does not equal the earnings per share for the year.

(2) Includes second quarter net gain principally from the exchange of KVUE-TV in Austin, Texas, for KXTV-TV in Sacramento, Calif., ($55 million pre-tax, $33 million after-tax, $.11 per share-basic and diluted).

Note: The statements of income reflect the classification change made to report the operating results from the company's 50% owned joint operating agencies on the equity method of accounting (as a net amount in other operating revenue).

Schedules to Form 10-K information

In thousands of dollars
Property, plant and equipment

Classification	Balance at beginning of period	Additions at cost	Retirements or sales	Other changes	Balance at end of period
Dec. 27, 1998					
Land	$ 175,884	$ 7,769	$ 987	$ (1,880)	$ 180,786
Buildings and improvements	840,157	10,022	13,790	2,821	839,210
Cable and security systems	548,219	24,218	159,634	256	413,059
Machinery, equipment and fixtures	2,140,148	126,006	140,424	(2,262)	2,123,468
Construction in progress and deposits on contracts	50,429	58,859	133	1,065	110,220
	$3,754,837	$ 226,874 (A)(E)	$ 314,968	$ 0	$3,666,743
Dec. 26, 1999					
Land	$ 180,786	$ 5,901	$ 4,853	$ 304	$ 182,138
Buildings and improvements	839,210	83,975	37,189	659	886,655
Cable	413,059	13,680	1,821	(11)	424,907
Machinery, equipment and fixtures	2,123,468	308,547	171,525	(1,128)	2,259,362
Construction in progress and deposits on contracts	110,220	21,810	1,318	138	130,850
	$3,666,743	$ 433,913 (B)(E)	$ 216,706	$ (38) (D)	$3,883,912
Dec. 31, 2000					
Land	$ 182,138	$ 33,066	$ 4,374	$ 5,219	$ 216,049
Buildings and improvements	886,655	183,971	20,639	51,709	1,101,696
Cable	424,907	4	424,911	0	0
Machinery, equipment and fixtures	2,259,362	451,276	107,822	(77,634)	2,525,182
Construction in progress and deposits on contracts	130,850	153,383	223	8,264	292,274
	$3,883,912	$ 821,700 (C)(E)	$ 557,969	$ (12,442)(D)	$4,135,201

Notes

(A) Includes assets at acquisition net of adjustments for prior years' acquisitions. $ (17,551)
(B) Includes assets at acquisition net of adjustments for prior years' acquisitions. $ 175,470
(C) Includes assets at acquisition net of adjustments for prior years' acquisitions. $ 471,120
(D) Principally the effect of current foreign currency translation adjustment.
(E) Includes capitalized interest of $1,610 in 1998, $5,707 in 1999 and $11,167 in 2000.
(F) Generally the rates of depreciation range from 2.5% to 10% for buildings and improvements, 3.3% to 20% for cable and 4% to 30% for machinery, equipment and fixtures.
(G) Includes depreciation expense from cable and security reflected in earnings from discontinued operations of $2,759 in 2000, $31,806 in 1999 and $37,907 in 1998.

Schedules to Form 10-K information

In thousands of dollars
Accumulated depreciation and amortization of property, plant and equipment

	Balance at beginning of period	Additions charged to costs and expenses	Retirements or sales	Other changes	Balance at end of period
Dec. 27, 1998					
Buildings and improvements	$ 324,080	$ 25,434	$ 12,941	$ 9,318	$ 345,891
Cable	83,106	31,134	36,369	(196)	77,675
Machinery, equipment and fixtures	1,155,609	145,115	112,208	(9,122)	1,179,394
	$1,562,795	$ 201,683 (F)(G)	$ 161,518	$ 0	$1,602,960
Dec. 26, 1999					
Buildings and improvements	$ 345,891	$ 22,056	$ 16,511	$ (5,003)	$ 346,433
Cable	77,675	24,862	1,243	0	101,294
Machinery, equipment and fixtures	1,179,394	154,348	126,421	5,012	1,212,333
	$1,602,960	$ 201,266 (F)(G)	$ 144,175	$ 9 (D)	$1,660,060
Dec. 31, 2000					
Buildings and improvements	$ 346,433	$ 30,371	$ (6,055)	$ 4,330	$ 387,189
Cable	101,294	2,697	103,991	0	0
Machinery, equipment and fixtures	1,212,333	165,119	85,976	(4,863)	1,286,613
	$1,660,060	$ 198,187 (F)(G)	$ 183,912	$ (533)(D)	$1,673,802

(D)(F)(G) See page 68

Valuation and qualifying accounts

Allowance for doubtful receivables	Balance at beginning of period	Additions charged to costs and expenses	Additions/ (reductions) for acquisitions/ dispositions	Deductions from reserves	Balance at end of period
Year ended Dec. 27, 1998	$18,020	$22,077	$ (1,240)	$19,714	$19,143
Year ended Dec. 26, 1999	$19,143	$26,213	$ 9,419	$24,081	$30,694
Year ended Dec. 31, 2000	$30,694	$28,072	$ 10,456	$31,757	$37,465

Supplementary income statement information (from continuing operations)

Fiscal year ended	Dec. 31, 2000	Dec. 26, 1999	Dec. 27, 1998
Maintenance and repairs	$51,424	$42,208	$41,053
Taxes other than payroll and income tax			
Property	$28,074	$23,101	$20,736
Other	$12,660	$ 8,243	$ 8,327
Total	$40,734	$31,344	$29,063

MARKETS WE SERVE
NEWSPAPERS AND NEWSPAPER DIVISION

Daily newspapers

State Territory	City	Newspaper	Circulation Morning	Afternoon	Sunday	Founded	Joined Gannett (a)
Alabama	Montgomery	Montgomery Advertiser	53,500		67,042	1829	1995 (64)
Arizona	Phoenix	The Arizona Republic	469,812		582,371	1890	2000 (93)
	Tucson	Tucson Citizen		39,543		1870	1976 (31)
Arkansas	Mountain Home	The Baxter Bulletin	11,345			1901	1995 (65)
California	Palm Springs	The Desert Sun	52,327		54,917	1927	1986 (58)
	Salinas	The Californian	19,304			1871	1977 (37)
	Tulare	Tulare Advance-Register		8,291		1882	1993 (63)
	Visalia	Visalia Times-Delta	21,836			1859	1977 (38)
Colorado	Fort Collins	Fort Collins Coloradoan	28,775		35,348	1873	1977 (39)
Connecticut	Norwich	Norwich Bulletin	28,807		34,334	1791	1981 (51)
Delaware	Wilmington	The News Journal	122,118		143,113	1871	1978 (44)
Florida	Brevard County	FLORIDA TODAY	86,980		110,714	1966	1966 (9)
	Fort Myers	The News-Press	88,159		106,328	1884	1971 (24)
	Pensacola	Pensacola News Journal	62,817		81,806	1889	1969 (11)
Georgia	Gainesville	The Times		22,124	26,188	1947	1981 (50)
Guam	Hagatna	Pacific Daily News	21,482		20,608	1944	1971 (23)
Hawaii	Honolulu	The Honolulu Advertiser	112,410		186,926	1856	1993 (62)
Idaho	Boise	The Idaho Statesman	64,573		86,680	1864	1971 (16)
Illinois	Rockford	Rockford Register Star	70,755		82,074	1855	1967 (10)

Daily newspapers

State Territory	City	Newspaper	Circulation Morning	Afternoon	Sunday	Founded	Joined Gannett (a)
Indiana	Fishers	The Daily Ledger		11,231		1870	2000 (94)
	Indianapolis	The Indianapolis Star	246,957		363,275	1903	2000 (95)
	Lafayette	Journal and Courier	37,238		44,225	1829	1971 (17)
	Marion	Chronicle-Tribune	19,847		22,142	1867	1971 (20)
	Muncie	The Star Press	33,534		36,429	1899	2000 (96)
	Richmond	Palladium-Item		19,150	22,858	1831	1976 (30)
	Vincennes	Vincennes Sun-Commercial		12,149	14,179	1804	2000 (97)
Iowa	Des Moines	The Des Moines Register	155,930		249,085	1849	1985 (55)
	Iowa City	Iowa City Press-Citizen	14,897			1860	1977 (41)
Kentucky	Louisville	The Courier-Journal	231,685		296,546	1868	1986 (60)
Louisiana	Alexandria	Alexandria Daily Town Talk	36,001		41,772	1883	2000 (98)
	Lafayette	The Daily Advertiser	44,663		51,866	1865	2000 (74)
	Monroe	The News-Star	36,708		41,243	1890	1977 (43)
	Opelousas	Daily World		11,643	12,958	1939	2000 (99)
	Shreveport	The Times	69,625		85,670	1871	1977 (42)
Maryland	Salisbury	The Daily Times	27,183		31,118	1900	2000 (75)
Michigan	Battle Creek	Battle Creek Enquirer	25,725		34,787	1900	1971 (18)
	Detroit	The Detroit News		237,403		1873	1986 (57)
		The Detroit News and Free Press			750,696		
	Lansing	Lansing State Journal	70,171		91,659	1855	1971 (15)
	Port Huron	Times Herald		30,831	42,729	1900	1970 (12)
Minnesota	St. Cloud	St. Cloud Times	28,364		38,111	1861	1977 (36)
Mississippi	Hattiesburg	Hattiesburg American		22,681	27,014	1897	1982 (53)
	Jackson	The Clarion-Ledger	103,040		119,638	1837	1982 (52)
Missouri	Springfield	Springfield News-Leader	64,239		93,452	1893	1977 (35)
Montana	Great Falls	Great Falls Tribune	33,903		39,107	1885	1990 (61)
Nevada	Reno	Reno Gazette-Journal	67,833		85,156	1870	1977 (32)
New Jersey	Asbury Park	Asbury Park Press	157,997		220,198	1879	1997 (70)
	Bridgewater	Courier News	41,354		41,107	1884	1927 (5)
	Cherry Hill	Courier-Post	83,254		96,579	1875	1959 (7)
	East Brunswick	Home News Tribune	68,822		76,620	1879	1997 (71)
	Morristown	Daily Record	44,656		47,386	1900	1998 (72)
	Toms River	Ocean County Observer	10,055		9,741	1850	1998 (73)
	Vineland	The Daily Journal	17,548			1864	1986 (59)
New York	Binghamton	Press & Sun-Bulletin	60,442		76,385	1904	1943 (6)
	Elmira	Star-Gazette	29,303		41,217	1828	1906 (1)
	Ithaca	The Ithaca Journal	18,605			1815	1912 (2)
	Poughkeepsie	Poughkeepsie Journal	40,370		52,895	1785	1977 (34)
	Rochester	Rochester Democrat and Chronicle	174,676		241,750	1833	1918 (3)
	Utica	Observer-Dispatch	47,022		57,022	1817	1922 (4)
	Westchester County	The Journal News	144,309		173,733	1829	1964 (8)
North Carolina	Asheville	Asheville Citizen-Times	56,408		70,094	1870	1995 (66)
Ohio	Bucyrus	Telegraph-Forum		7,033		1923	2000 (76)
	Cincinnati	The Cincinnati Enquirer	202,467		313,864	1841	1979 (45)
	Chillicothe	Chillicothe Gazette		15,988	15,934	1800	2000 (77)
	Coshocton	Coshocton Tribune		7,543	7,930	1842	2000 (78)
	Fremont	The News-Messenger		14,054		1856	1975 (28)
	Lancaster	Lancaster Eagle-Gazette		15,482	16,056	1807	2000 (79)
	Mansfield	News Journal		34,656	44,104	1885	2000 (80)
	Marietta	The Marietta Times		12,073		1864	1974 (27)
	Marion	The Marion Star		14,818	16,088	1880	2000 (81)
	Newark	The Advocate		21,350	22,179	1820	2000 (82)
	Port Clinton	News Herald		5,960		1864	1975 (29)
	Zanesville	Times Recorder	21,582		22,032	1852	2000 (83)

Daily newspapers

State Territory	City	Newspaper	Circulation Morning	Afternoon	Sunday	Founded	Joined Gannett (a)
Oklahoma	Muskogee	Muskogee Daily Phoenix and Times-Democrat	19,096		20,091	1888	1977 (40)
Oregon	Salem	Statesman Journal	57,658		66,100	1851	1974 (26)
Pennsylvania	Chambersburg	Public Opinion		20,660		1869	1971 (14)
	Lansdale	The Reporter	18,532			1870	1980 (49)
South Carolina	Greenville	The Greenville News	99,020		133,503	1874	1995 (67)
South Dakota	Sioux Falls	Argus Leader	52,828		74,763	1881	1977 (33)
Tennessee	Clarksville	The Leaf-Chronicle	21,823		25,821	1808	1995 (68)
	Jackson	The Jackson Sun	37,678		42,844	1848	1985 (56)
	Nashville	The Tennessean	185,230		263,268	1812	1979 (46)
Texas	El Paso	El Paso Times	76,848		95,659	1879	1972 (25)
Utah	St. George	The Spectrum	21,461		22,552	1963	2000 (84)
Vermont	Burlington	The Burlington Free Press	50,809		61,838	1827	1971 (13)
Virginia	Arlington	USA TODAY	2,284,024			1982	1982 (54)
	Staunton	The Daily News Leader	18,583		21,549	1904	1995 (69)
Washington	Bellingham	The Bellingham Herald	24,496		31,383	1890	1971 (21)
	Olympia	The Olympian	38,546		44,923	1889	1971 (19)
West Virginia	Huntington	The Herald-Dispatch	35,469		41,361	1909	1971 (22)
Wisconsin	Appleton	The Post-Crescent		54,901	71,511	1853	2000 (85)
	Fond du Lac	The Reporter		18,330	20,476	1870	2000 (86)
	Green Bay	Green Bay Press-Gazette	56,647		82,713	1915	1980 (47)
	Manitowoc	Herald Times Reporter		16,455	16,805	1898	2000 (87)
	Marshfield	Marshfield News-Herald		14,581		1927	2000 (88)
	Oshkosh	Oshkosh Northwestern	22,806		26,637	1868	2000 (89)
	Sheboygan	The Sheboygan Press		24,550	26,615	1907	2000 (90)
	Stevens Point	Stevens Point Journal		13,548		1873	2000 (91)
		Central Wisconsin Sunday			16,640		
	Wausau	Wausau Daily Herald		22,819	30,305	1903	1980 (48)
	Wisconsin Rapids	Daily Tribune		13,749		1914	2000 (92)

(a) Number in parentheses notes chronological order in which existing newspapers joined Gannett.

Army Times Publishing Co.
Headquarters: Springfield, Va.
Publications: Army Times, Navy Times, Marine Corps Times, Air Force Times, Federal Times, Defense News

Nursing Spectrum
Offices: Falls Church, Va. (serving Washington, D.C./Baltimore); Hoffman Estates, Ill. (serving Illinois and Indiana); Ft. Lauderdale, Fla. (serving Ft. Lauderdale and Tampa); King of Prussia, Pa. (serving Philadelphia and the Delaware Valley); Westbury, N.Y. (serving New York and New Jersey); Lexington, Mass. (serving New England states)

Non-daily publications
Weekly, semi-weekly or monthly publications in Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Guam, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Juarez, Mexico

USA WEEKEND
Circulation 22.7 million in 555 newspapers
Headquarters: Arlington, Va.
Advertising offices: Chicago; Detroit; Los Angeles; New York

Gannett Media Technologies International Cincinnati, Ohio

Gannett Offset
Headquarters: Springfield, Va.
Offset sites: Atlanta, Ga.; Chandler, Ariz.; Minneapolis, Minn.; Miramar, Fla.; Nashville, Tenn.; Norwood, Mass.; Olivette, Mo.; Pensacola, Fla.; Springfield, Va.

Gannett Offset Marketing Services Group

Gannett Direct Marketing Services, Inc. Louisville, Ky.

Gannett TeleMarketing, Inc.
Headquarters: Springfield, Va.
Operations: Cambridge, Mass.; Cincinnati, Ohio; Columbia, Mo.; Louisville, Ky.; Nashville, Tenn.; Silver Spring, Md.; Towson, Md.

Telematch Springfield, Va.

Gannett Retail Advertising Group Chicago, Ill.

Gannett Satellite Information Network Arlington, Va.

Gannett News Service
Headquarters: Arlington, Va.
Bureaus: Albany, N.Y.; Baton Rouge, La.; Columbus, Ohio; Harrisburg, Pa.;

Indianapolis, Ind.; Sacramento, Calif.; Springfield, Ill.; Tallahassee, Fla.

USA TODAY
Headquarters: Arlington, Va.

Print sites: Arlington, Texas; Atlanta; Batavia, N.Y.; Brevard County, Fla.; Chandler, Ariz.; Chicago; Columbia, S.C.; Fort Collins, Colo.; Fort Myers, Fla.; Gainesville, Ga.; Hattiesburg, Miss.; Kankakee, Ill.; Lansing, Mich.; Las Vegas, Nev.; Lawrence, Kan.; Mansfield, Ohio; Marin County, Calif.; Miramar, Fla.; Nashville, Tenn.; Newark, Ohio; Norwood, Mass.; Olympia, Wash.; Pasadena, Texas; Port Huron, Mich.; Raleigh, N.C.; Richmond, Ind.; Rockaway, N.J.; St. Cloud, Minn.; St. Louis; Salisbury, N.C.; Salt Lake City; San Bernardino, Calif.; Springfield, Va.; Tarentum, Pa.; White Plains, N.Y.; Wilmington, Del.

International print sites: Charleroi, Belgium; Frankfurt, Germany; Hong Kong; London, England; Milan, Italy

Regional offices: Atlanta; Boston; Buffalo, N.Y.; Charlotte, N.C.; Chicago; Cincinnati; Cleveland; Columbus, Ohio; Dallas; Denver; Detroit; Houston; Indianapolis; Kansas City, Mo.; Las Vegas; Los Angeles; Milwaukee; Minneapolis-St. Paul; Miramar, Fla.; Mountainside, N.J.; Nashville, Tenn.; New Orleans; Orlando, Fla.; Philadelphia; Phoenix, Ariz.; Pittsburgh; Port Washington, N.Y.; St. Louis; San Francisco; Seattle; Springfield, Va.

International offices: Hong Kong; London, England; Paris, France; Singapore

Advertising offices: Arlington, Va.; Atlanta; Chicago; Dallas; Detroit; London, England; Los Angeles; New York; San Francisco

USA TODAY Baseball Weekly
Editorial and advertising offices: Arlington, Va.

USATODAY.com Arlington, Va.

BROADCASTING
Television stations

State	City	Station	Channel/Network	Weekly Audience *	Founded	Joined Gannett
Arizona	Flagstaff	KNAZ-TV	Channel 2/NBC	**	1970	1997
	Kingman	KMOH-TV	Channel 6/NBC	**	1988	1997
	Phoenix	KPNX-TV	Channel 12/NBC	1,209,000	1953	1979
Arkansas	Little Rock	KTHV-TV	Channel 11/CBS	377,000	1955	1994
California	Sacramento	KXTV-TV	Channel 10/ABC	1,039,000	1955	1999
Colorado	Denver	KUSA-TV	Channel 9/NBC	1,235,000	1952	1979
District of Columbia	Washington	WUSA-TV	Channel 9/CBS	1,857,000	1949	1986
Florida	Jacksonville	WJXX-TV	Channel 25/ABC	388,000	1989	2000
		WTLV-TV	Channel 12/NBC	459,000	1957	1988
	Tampa-St. Petersburg	WTSP-TV	Channel 10/CBS	1,212,000	1965	1996
Georgia	Atlanta	WXIA-TV	Channel 11/NBC	1,578,000	1948	1979
	Macon	WMAZ-TV	Channel 13/CBS	208,000	1953	1995
Maine	Bangor	WLBZ-TV	Channel 2/NBC	123,000	1954	1998
	Portland	WCSH-TV	Channel 6/NBC	334,000	1953	1998
Michigan	Grand Rapids	WZZM-TV	Channel 13/ABC	394,000	1962	1997
Minnesota	Minneapolis-St. Paul	KARE-TV	Channel 11/NBC	1,354,000	1953	1983
Missouri	St. Louis	KSDK-TV	Channel 5/NBC	1,086,000	1947	1995
New York	Buffalo	WGRZ-TV	Channel 2/NBC	503,000	1954	1997
North Carolina	Greensboro	WFMY-TV	Channel 2/CBS	545,000	1949	1988
Ohio	Cleveland	WKYC-TV	Channel 3/NBC	1,399,000	1948	1995
South Carolina	Columbia	WLTX-TV	Channel 19/CBS	245,000	1953	1998
Tennessee	Knoxville	WBIR-TV	Channel 10/NBC	434,000	1956	1995

* Weekly audience is number of TV households reached, according to the November 2000 Nielsen book.
** Audience numbers fall below minimum reporting standards.

NEWSQUEST PLC
Daily newspapers

City	Newspaper	Morning	Circulation Afternoon	Saturday	Founded	Joined Gannett
Basildon	Evening Echo		42,372		1969	1999
Blackburn	Lancashire Evening Telegraph		42,639	36,634	1886	1999
Bolton	Bolton Evening News		41,746	30,708	1867	1999
Bournemouth	Daily Echo		43,393	39,321	1900	2000
Bradford	Telegraph & Argus		52,977	49,511	1868	1999
Brighton	Evening Argus		47,873	44,345	1880	1999
Colchester	Evening Gazette		28,761		1970	1999
Darlington	The Northern Echo	65,290*			1870	1999
Newport	South Wales Argus		34,803	29,807	1892	2000
Oxford	Oxford Mail		30,735	28,378	1928	1999
Southampton	Southern Daily Echo		58,980	57,178	1888	2000
Swindon	Evening Advertiser		25,826	21,495	1854	1999
Weymouth	Dorset Echo		20,670	21,070	1921	2000
Worcester	Worcester Evening News		22,869	19,106	1937	1999
York	Evening Press		42,278*		1882	1999

* Monday-Saturday inclusive

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

GANNETT ON THE NET

News and information about Gannett is available on our Web site, www.gannett.com.

The following Gannett properties also offer online services or informational sites on the Internet:

Newspapers and Newspaper Division

USA TODAY	www.usatoday.com
USA TODAY Baseball Weekly	www.totalbaseballweekly.com
USA WEEKEND	www.usaweekend.com
Alexandria (La.) Daily Town Talk	www.thetowntalk.com
The Post-Crescent, Appleton, Wis.	www.wisinfo.com/postcrescent
Asbury Park (N.J.) Press	www.app.com
Asheville (N.C.) Citizen-Times	www.citizen-times.com
Battle Creek (Mich.) Enquirer	www.battlecreekenquirer.com
The Bellingham (Wash.) Herald	www.bellinghamherald.com
Press & Sun-Bulletin, Binghamton, N.Y.	www.pressconnects.com
FLORIDA TODAY, Brevard County	www.flatoday.com
Courier News, Bridgewater, N.J.	www.c-n.com
The Idaho Statesman, Boise	www.idahostatesman.com
The Burlington (Vt.) Free Press	www.burlingtonfreepress.com
Public Opinion, Chambersburg, Pa.	www.publicopiniononline.com
Courier-Post, Cherry Hill, N.J.	www.courierpostonline.com
The Cincinnati Enquirer	enquirer.com
The Leaf-Chronicle, Clarksville, Tenn.	www.theleafchronicle.com
The Des Moines Register	DesMoinesRegister.com
The Detroit News	detnews.com
Home News Tribune, East Brunswick, N.J.	www.injersey.com/hnt
Star-Gazette, Elmira, N.Y.	www.star-gazette.com
El Paso (Texas) Times	www.elpasotimes.com
The Daily Ledger, Fishers, Ind.	www.topics.com
The Reporter, Fond du Lac, Wis.	www.wisinfo.com/thereporter
Fort Collins Coloradoan	www.coloradoan.com
The News-Press, Fort Myers, Fla.	www.news-press.com
The News-Messenger, Fremont, Ohio	www.thenews-messenger.com
The Times, Gainesville, Ga.	www.gainesvilletimes.com
Great Falls (Mont.) Tribune	www.greatfallstribune.com
Green Bay (Wis.) Press-Gazette	www.greenbaypressgazette.com
The Greenville (S.C.) News	greenvilleonline.com
Pacific Daily News, Hagatna, Guam	www.guampdn.com
Hattiesburg (Miss.) American	www.hattiesburgamerican.com
The Honolulu Advertiser	www.honoluluadvertiser.com
The Herald-Dispatch, Huntington, W.Va.	www.hdonline.com
The Indianapolis Star	www.starnews.com
Iowa City (Iowa) Press-Citizen	www.press-citizen.com
The Ithaca (N.Y.) Journal	www.theithacajournal.com
The Clarion-Ledger, Jackson, Miss.	www.clarionledger.com
The Jackson (Tenn.) Sun	www.jacksonsun.com
Journal and Courier, Lafayette, Ind.	www.jconline.com
The Reporter, Lansdale, Pa.	www.thereporteronline.com
Lansing (Mich.) State Journal	www.lsj.com
The Courier-Journal, Louisville, Ky.	www.courier-journal.com
The Daily Advertiser, Lafayette, La.	www.acadiananow.com
Herald Times Reporter, Manitowoc, Wis.	www.wisinfo.com/heraldtimes
The Marietta (Ohio) Times	www.mariettatimes.com
Chronicle-Tribune, Marion, Ind.	www.chronicle-tribune.com
Marshfield (Wis.) News-Herald	www.wisinfo.com/newsherald
The News-Star, Monroe, La.	www.thenewsstar.com
The Baxter Bulletin, Mountain Home, Ark.	www.baxterbulletin.com
The Montgomery (Ala.) Advertiser	www.montgomeryadvertiser.com
Daily Record, Morristown, N.J.	www.dailyrecord.com
The Star Press, Muncie, Ind.	www.thestarpress.com
The Tennessean, Nashville	www.tennessean.com
The Olympian, Olympia, Wash.	www.theolympian.com
Daily World, Opelousas, La.	www.dailyworld.com
Oshkosh (Wis.) Northwestern	www.wisinfo.com/northwestern
The Desert Sun, Palm Springs, Calif.	www.thedesertsun.com
Pensacola (Fla.) News Journal	www.PensacolaNewsJournal.com
The Arizona Republic, Phoenix	www.arizonarepublic.com
News Herald, Port Clinton, Ohio	www.portclintonnewsherald.com
Times Herald, Port Huron, Mich.	www.thetimesherald.com
Poughkeepsie (N.Y.) Journal	www.poughkeepsiejournal.com
Reno (Nev.) Gazette-Journal	www.rgj.com
Palladium-Item, Richmond, Ind.	www.pal-item.com
Rochester (N.Y.) Democrat and Chronicle	www.democratandchronicle.com
Rockford (Ill.) Register Star	www.rrstar.com
The Californian, Salinas	www.californianonline.com
The Daily Times, Salisbury, Md.	www.thedailytimesonline.com
The Sheboygan (Wis.) Press	www.wisinfo.com/sheboyganpress
Argus Leader, Sioux Falls, S.D.	www.argusleader.com
St. Cloud (Minn.) Times	www.sctimes.com
The Spectrum, St. George, Utah	www.thespectrum.com
Statesman Journal, Salem, Ore.	www.statesmanjournal.com
The Times, Shreveport, La.	www.shreveporttimes.com
Springfield (Mo.) News-Leader	www.ozarksnow.com
Stevens Point (Wis.) Journal	www.wisinfo.com/journal
Ocean County Observer, Toms River, N.J.	www.injersey.com/observer
Tucson (Ariz.) Citizen	www.tucsoncitizen.com
Tulare (Calif.) Advance-Register	www.tulareadvanceregister.com
Observer-Dispatch, Utica, N.Y.	www.uticaod.com
Vincennes (Ind.) Sun-Commercial	www.vincennes.com
The Daily Journal, Vineland, N.J.	www.thedailyjournal.com
Visalia (Calif.) Times-Delta	www.visaliatimesdelta.com

Wausau (Wis.) Daily Herald	www.wausaudailyherald.com
The Journal News, Westchester County, N.Y.	www.thejournalnews.com
The News Journal, Wilmington, Del.	www.delawareonline.com
Daily Tribune, Wisconsin Rapids, Wis.	www.wisinfo.com/dailytribune
Army Times	www.armytimes.com
Navy Times	www.navytimes.com
Marine Corps Times	www.marinetimes.com
Air Force Times	www.airforcetimes.com
Federal Times	www.federaltimes.com
Defense News	www.defensenews.com
Military City	www.militarycity.com
Military Market	www.militarymarket.com
Nursing Spectrum	www.nursingspectrum.com
Gannett Offset	www.gannettoffset.com
Gannett Direct Marketing Services	www.gdms.com
Gannett Media Technologies International	www.gmti.com

Newsquest plc
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Newsquest Media Group	www.newsquest.co.uk
Evening Echo, Basildon	www.thisisessex.co.uk
Lancashire Evening Telegraph, Blackburn	www.thisislancashire.co.uk
Bolton Evening News, Bolton	www.thisisbolton.co.uk
Daily Echo, Bournemouth	www.thisisdorset.net
Telegraph & Argus, Bradford	www.thisisbradford.co.uk
Evening Argus, Brighton	www.thisisbrightonandhove.co.uk
Evening Gazette,Colchester	www.thisisessex.co.uk
The Northern Echo, Darlington	www.thisisthenortheast.co.uk
South Wales Argus, Newport	www.southwalesargus.co.uk
Oxford Mail, Oxford	www.thisisoxfordshire.co.uk
Southern Daily Echo, Southampton	www.thisishampshire.net
Evening Advertiser,Swindon	www.thisiswiltshire.co.uk
Dorset Echo, Weymouth	www.thisisdorset.net
Worcester Evening News, Worcester	www.thisisworcestershire.co.uk
Evening Press,York	www.thisisyork.co.uk

Broadcasting
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WXIA-TV, Atlanta	www.11alive.com
WLBZ-TV, Bangor, Maine	www.wlbz.com
WGRZ-TV, Buffalo, N.Y.	www.wgrz.com
WKYC-TV, Cleveland, Ohio	www.wkyc.com
WLTX-TV, Columbia, S.C.	www.wltx.com
KUSA-TV, Denver	www.9news.com
WZZM-TV, Grand Rapids-Kalamazoo-Battle Creek, Mich.	www.wzzm13.com
WFMY-TV, Greensboro, N.C.	www.wfmy2.com
WTLV-TV/WJXX-TV, Jacksonville, Fla.	www.firstcoastnews.com
WBIR-TV, Knoxville, Tenn.	www.wbir.com
KTHV-TV, Little Rock, Ark.	www.kthv.com
WMAZ-TV, Macon, Ga.	www.13wmaz.com
KARE-TV, Minneapolis-St. Paul	www.kare11.com
KPNX-TV, Phoenix, Ariz.	www.12news.com
WCSH-TV, Portland, Maine	www.wcsh6.com
KXTV-TV, Sacramento, Calif.	www.kxtv.com
KSDK-TV, St. Louis, Mo.	www.ksdk.com
WTSP-TV, Tampa-St. Petersburg, Fla.	www.wtsp.com
WUSA-TV, Washington, D.C.	www.wusatv9.com

Glossary of Financial Terms

Presented below are definitions of certain key financial and operational terms that we hope will enhance your reading and understanding of Gannett's 2000 Annual Report.

Advertising linage - Measurement term for the volume of space sold as advertising in the company's newspapers; refers to number of column inches, with each newspaper page composed of six columns.

Balance sheet - A summary statement that reflects the company's assets, liabilities and shareholders' equity at a particular point in time.

Broadcasting revenues - Primarily amounts charged to customers for commercial advertising aired on the company's television stations as well as radio stations prior to 1998.

Circulation - The number of newspapers sold to customers each day ("paid circulation"). The company keeps separate records of morning, evening and Sunday circulation.

Circulation revenues - Amounts charged to newspaper readers or distributors. Charges vary from city to city and depend on the type of sale (i.e., subscription or single copy) and distributor arrangements.

Comprehensive income - The change in equity (net assets) of the company from transactions and other events from non-owner sources. Comprehensive income comprises net income and other items previously reported directly in shareholders' equity, principally foreign currency translation adjustment.

Current assets - Cash and other assets that are expected to be converted to cash within one year.

Current liabilities - Amounts owed that will be paid within one year.

Depreciation - A charge against the company's earnings that allocates the cost of property, plant and equipment over the estimated useful lives of the assets.

Discontinued operation -A principal business that has been sold and is reported separately from continuing operations in the statement of income.

Dividend - Payment by the company to its shareholders of a portion of its earnings.

Earnings per share (basic) - The company's earnings divided by the average number of shares outstanding for the period.

Earnings per share (diluted) - The company's earnings divided by the average number of shares outstanding for the period, giving effect to assumed dilution from outstanding stock options and stock incentive rights.

Excess of acquisition cost over fair value of assets acquired -In a business purchase, this represents the excess of amounts paid over fair value of tangible assets acquired (also referred to as intangible assets or goodwill). Generally this cost is written off against operations over periods of up to 40 years. (Also see "Purchase.")

Inventories - Raw materials, principally newsprint, used in the business.

Newspaper advertising revenues - Amounts charged to customers for space ("advertising linage") purchased in the company's newspapers. There are three major types of advertising revenue: retail ads from local merchants, such as department stores; classified ads, which include automotive, real estate and "help wanted"; and national ads, which promote products or brand names on a nationwide basis.

Operating cash flow - Operating income adjusted for major non-cash expenses, depreciation and amortization of intangible assets.

Pro forma - A manner of presentation intended to improve comparability of financial results; it assumes business purchases/ dispositions were completed at the beginning of the earliest period discussed (i.e., results are compared for all periods but only for businesses presently owned).

Purchase - A business acquisition. The acquiring company records at its cost the acquired assets less liabilities assumed. The reported income of an acquiring company includes the operations of the acquired company from the date of acquisition.

Results of continuing operations - A key section of the statement of income which presents operating results for the company's principal ongoing businesses (newspaper and broadcasting).

Retained earnings - The earnings of the company not paid out as dividends to shareholders.

Statement of cash flows -A financial statement that reflects cash flows from operating, investing and financing activities, providing a comprehensive view of changes in the company's cash and cash equivalents.

Statement of changes in shareholders' equity -A statement that reflects changes in the common stock, retained earnings and other equity accounts.

Statement of income -A financial statement that reflects the company's profit by measuring revenues and expenses.

Stock incentive rights -An award that gives key employees the right to receive shares of the company's stock without payment at the end of an incentive period, conditioned on their continued employment throughout the incentive period.

Stock option - An award that gives key employees the right to buy shares of the company's stock at the market price of the stock on the date of the award.

Shareholder Services

Gannett stock

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

The company's transfer agent and registrar is Wells Fargo Bank Minnesota, N.A. General inquiries and requests for enrollment materials for the programs described below should be directed to Wells Fargo Shareowner Services, P.O. Box 64854, St. Paul, MN 55164-0854 or by telephone at 1-800-778-3299.

Gannett is pleased to offer the following shareholder services:

Dividend reinvestment plan

The Dividend Reinvestment Plan (DRP) provides Gannett shareholders the opportunity to purchase additional shares of the company's common stock free of brokerage fees or service charges through automatic reinvestment of dividends and optional cash payments. Cash payments may range from a minimum of $10 to a maximum of $5,000 per month.

Automatic cash investment service for the DRP

This service provides a convenient, no-cost method of having money automatically withdrawn from your checking or savings account each month and invested in Gannett stock through your DRP account.

Direct deposit service

Gannett shareholders may have their quarterly dividends electronically credited to their checking or savings accounts on the payment date at no additional cost.

Form 10-K

Information provided by Gannett in its Form 10-K annual report to the Securities and Exchange Commission has been incorporated in this report. Copies of the complete Form 10-K annual report may be obtained by writing the Secretary, Gannett Co., Inc., 1100 Wilson Blvd., Arlington, VA 22234.

Annual meeting

The annual meeting of shareholders will be held at 10 a.m. Tuesday, May 8, 2001 at Gannett headquarters.

For more information

News and information about Gannett is available on our Web site (www.gannett.com). Quarterly earnings information will be available around the middle of April, July and October 2001.

Shareholders who wish to contact the company directly about their Gannett stock should call Shareholder Services at Gannett headquarters, 703-284-6960.

Gannett Headquarters
1100 Wilson Boulevard
Arlington, VA 22234
703-284-6000

Exhibit 21

SUBSIDIARY LIST

UNIT	STATE OF INCORPORATION
THE ADVERTISER COMPANY	ALABAMA
ALEXANDRIA NEWSPAPERS, INC.	LOUISIANA
APP NEW JERSEY PUBLISHING CO., INC.	DELAWARE
ARKANSAS TELEVISION COMPANY	ARKANSAS
ASBURY PARK PRESS INC.	NEW JERSEY
BAXTER COUNTY NEWSPAPERS, INC.	ARKANSAS
CALIFORNIA NEWSPAPERS, INC.	CALIFORNIA
CAPE PUBLICATIONS, INC.	KENTUCKY
CARANTIN & CO., INC.	ARIZONA
CENTRAL NEWSPAPERS, INC.	INDIANA
CHILDREN'S EDITION, INC.	KENTUCKY
CITIZEN PUBLISHING COMPANY	ARIZONA
COMBINED COMMUNICATIONS CORPORATION OF OKLAHOMA, INC.	OKLAHOMA
DES MOINES REGISTER AND TRIBUNE COMPANY	IOWA
THE DESERT SUN PUBLISHING COMPANY	CALIFORNIA
THE DETROIT NEWS, INC.	MICHIGAN
DETROIT NEWSPAPER AGENCY	MICHIGAN
DIGICOL, INC.	DELAWARE
DIGIFARM, LLC	MINNESOTA
FEDERATED PUBLICATIONS, INC.	DELAWARE
FIRST COAST TOWER GROUP	FLORIDA
GANNETT DIRECT MARKETING SERVICES, INC.	KENTUCKY
GANNETT EL PASO PUBLISHING, INC.	DELAWARE
GANNETT GEORGIA L.P.	GEORGIA
GANNETT GEORGIA PUBLISHING, INC.	DELAWARE
GANNETT HAWAII, INC..	HAWAII
GANNETT KENTUCKY LIMITED PARTNERSHIP	KENTUCKY
GANNETT MASSACHUSETTS SUPPLY CORP.	MASSACHUSETTS
GANNETT MIDWEST PUBLISHING, INC.	WISCONSIN
GANNETT MISSOURI PUBLISHING, INC.	KANSAS

GANNETT NEVADA PUBLISHING, INC.	NEVADA
GANNETT NEW JERSEY PARTNERS L.P.	DELAWARE
GANNETT NEW JERSEY RESOURCES CO., INC.	DELAWARE
GANNETT ON-LINE INVESTOR, INC.	DELAWARE
GANNETT ON-LINE PARTNER, LLC	DELAWARE
GANNETT PACIFIC CORPORATION	HAWAII
GANNETT RETAIL ADVERTISING GROUP, INC.	DELAWARE
GANNETT RIVER STATES PUBLISHING CORPORATION	ARKANSAS
GANNETT SATELLITE INFORMATION NETWORK, INC.	DELAWARE
GANNETT SUPPLY CORPORATION	DELAWARE
GANNETT TELEMARKETING, INC.	DELAWARE
GANNETT TENNESSEE L.P.	TENNESSEE
GANNETT TEXAS L.P.	DELAWARE
GANNETT TEXAS PUBLISHING, INC.	DELAWARE
GANNETT U.K. LIMITED	UNITED KINGDOM
GANNETT UTAH PUBLISHING, INC.	DELAWARE
GANNETT VERMONT PUBLISHING, INC.	DELAWARE
GANSAT NEW JERSEY PUBLISHING CO., INC.	DELAWARE
GUAM PUBLICATIONS, INCORPORATED	HAWAII
INDIANA NEWSPAPERS, INC.	INDIANA
KXTV, INC.	MICHIGAN
LAKE CEDAR GROUP LLC	DELAWARE
MARY MORGAN, INC.	WISCONSIN
MCCLURE NEWSPAPERS, INC.	DELAWARE
MCCORMICK GRAPHICS, INC.	LOUISIANA
MULTIMEDIA, INC.	SOUTH CAROLINA
MULTIMEDIA OF CINCINNATI, INC.	OHIO
MULTIMEDIA GEORGIA BROADCASTING, INC.	SOUTH CAROLINA
MULTIMEDIA HOLDINGS CORPORATION	SOUTH CAROLINA
MULTIMEDIA KSDK, INC.	SOUTH CAROLINA
MULTIMEDIA TENNESSEE BROADCASTING, INC.	SOUTH CAROLINA
NEW JERSEY PRESS, INC.	NEW JERSEY
NEWSQUEST MEDIA (SOUTHERN) PLC	UNITED KINGDOM

NEWSQUEST PLC	UNITED KINGDOM
OKLAHOMA PRESS PUBLISHING COMPANY	OKLAHOMA
P&S GEORGIA BROADCASTING, INC.	DELAWARE
PACIFIC MEDIA, INC..	DELAWARE
PACIFIC AND SOUTHERN COMPANY, INC.	DELAWARE
PHOENIX NEWSPAPERS, INC.	ARIZONA
PRESS BROADCASTING COMPANY	NEW JERSEY
PRESS-CITIZEN COMPANY INC.	IOWA
RENO NEWSPAPERS, INC.	NEVADA
SALEM COUNTY SAMPLER, INC.	NEW JERSEY
SALINAS NEWSPAPERS INC.	CALIFORNIA
THE SUN COMPANY OF SAN BERNARDINO, CALIFORNIA	CALIFORNIA
THE TIMES HERALD COMPANY	MICHIGAN
THE TIMES JOURNAL CO. FSC, INC.	VIRGIN ISLANDS
TIMES NEWS GROUP, INC.	DELAWARE
TNI PARTNERS	ARIZONA
TUCKER COMMUNICATIONS, INC.	DELAWARE
TUCKER COMMUNICATIONS, INC.	NEW YORK
TUCKER COMMUNICATIONS CONNECTICUT, INC.	NEW YORK
USA TODAY INTERNATIONAL CORPORATION	DELAWARE
USA WEEKEND, INC.	DELAWARE
VISALIA NEWSPAPERS INC.	CALIFORNIA
WFMY TELEVISION CORP.	NORTH CAROLINA
WKYC HOLDINGS, INC..	DELAWARE
WKYC-TV, INC.	DELAWARE

The Company has omitted the names of 57 wholly-owned subsidiaries, which in the aggregate would not constitute a significant subsidiary of the company.

Exhibit 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 33-63673, 33-58686 and 33-53159) and on Form S-8 (Nos. 2-63038, 2-84088, 33-15319, 33-16790, 33-28413, 33-35305, 33-50813, 33-64959, 333-04459, 333-03941, 333-61859, 333-66051, 333-90309, and 333-48202) of Gannett Co., Inc. of our report dated February 8, 2001 relating to the financial statements which appears on page 51 of the Annual Report to Shareholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears on page 10 of this Form 10-K.

/s/PRICEWATERHOUSECOOPERS LLP
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PRICEWATERHOUSECOOPERS LLP

Washington, D.C.
March 26, 2001