

**Gannett Annual Meeting of Shareholders  
Chairman's Business Update**

# GANNETT

It's all within reach.

2011 ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, MAY 3, 2011

2010 was a year of enormous change and incredible choice.

Freedom to access content  
anytime  
anywhere  
any way



2011 ANNUAL MEETING OF SHAREHOLDERS | MAY 3, 2011

GANNETT  
Media Solutions

For consumers, it marked a time of remarkable convenience and immediate information gratification.

Freedom to access content  
anytime  
anywhere  
any way



2011 ANNUAL MEETING OF SHAREHOLDERS | MAY 3, 2011 | GANNETT

Tremendous freedom exists today to access content – anytime, anywhere and any way they want it.

Freedom to access content  
anytime  
anywhere  
any way



2011 ANNUAL MEETING OF SHAREHOLDERS | MAY 3, 2011 | GANNETT

Freedom to access content  
anytime  
anywhere  
any way



2011 ANNUAL MEETING OF SHAREHOLDERS | MAY 3, 2011 | GANNETT

And, as the pace of technological innovation and consumer adoption accelerates, Gannett continues to provide the news and information consumers want whether it is on an iPad or an Android, through Sunday home delivery, mobile DTV or Twitter.

We recognize  
our business customers'  
world has changed.



2011 ANNUAL MEETING OF SHAREHOLDERS | MAY 3, 2011 | GANNETT

Our business customers faced new challenges – as well as opportunities – stemming from a difficult economy and changing consumer behaviors.

We worked with them to provide the solutions they need to reach and engage consumers in today's changed advertising environment.

Through our powerful portfolio of broadcast, digital, mobile and publishing brands, we offered them the marketing and sales solutions they need to succeed.

The needs and expectations of consumers and business customers continued changing.

And, our company continued to change with them – in a very, very big way.



We are operating in an environment where everything consumers want is readily available right at their fingertips ... at the blink of an eye.

It is all delivered instantly – on every device and platform – whether it's on a tablet, smart phone, computer, newspaper, or TV.

This is the new standard and what our readers, viewers and advertisers now expect and demand.

And, at Gannett, we put it all within reach!



Media consumption hit an all-time high in 2010 with the migration to mobile and the web gaining speed.

New research from Pew shows nearly 50 percent of Americans surveyed get their news online at least three times a week, with 40 percent getting their news from newspapers and their companion web sites.



And, nearly half of all Americans now get some form of local news on a mobile device.

What consumers turn to most often on their mobile device, is news that serves an immediate need such as weather, local business information and traffic.

And, mobile is literally changing the world.

In fact, it is four times bigger than the internet and it is the fastest-growing trillion dollar industry in economic history.

At Gannett, we answered the consumer call, tailoring our content and continuing to make it even more relevant to each audience on every platform.



With Sunday circulation, we answered the question: “Can you grow circulation?” And the answer was a resounding YES. How?



By creating a more engaging design and even more relevant content for our Sunday readers and the Sunday experience overall.

## Sunday Circulation

More engaging design and relevant content

2011 ANNUAL MEETING OF SHAREHOLDERS | MAY 2, 2011 | GANNETT

Last year, we increased Sunday home delivery volume for 20 of USCP's 32 largest newspapers.

## Sunday Circulation

More engaging design and relevant content

2011 ANNUAL MEETING OF SHAREHOLDERS | MAY 2, 2011 | GANNETT

We proved that the newspaper remains important and valued among consumers, if it's done right...

## Mobile | Digital

Over 1.6 billion mobile page views up 267%

2011 ANNUAL MEETING OF SHAREHOLDERS | MAY 2, 2011 | GANNETT

Last year was also a breakout year for digital content – from apps to tablets to social media.

We are seeing tremendous growth with digital, which made up 20% of our revenue in the first quarter of this year.

Last year, across the company, USA TODAY and our local sites served more than 1.6 billion mobile page views. That's up 267%.

Our sites are also becoming deeper and richer, offering an improved user experience, including enhanced video capabilities.

This is one of the most sought-after offerings among consumers.

As a result, we are seeing increased levels of engagement and more advertisers are going to our sites to reach those consumers.

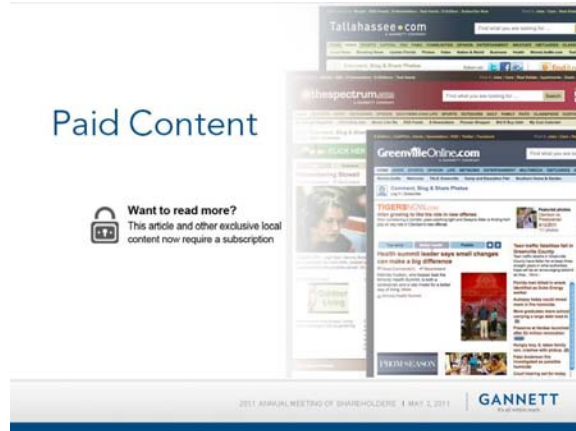


The continued success and popularity of USA TODAY's apps demonstrate the importance of delivering a combination of great design and content, customized for the platform.

USA TODAY's iPad, along with the iPhone and Android apps have had more than 8.2 million downloads to date.

The USA TODAY iPad app has garnered top industry awards including a MOBI (2010), a Webby (2011) and Apple's top free news iPad App of the Year (2010).

And, this past February, we were once again an inaugural app – this time on Android's Honeycomb tablet, the Motorola Xoom.



We looked at new ways to monetize our content.

We began testing different paid content models at three of our U.S. Community Publishing sites: Greenville, South Carolina; St. George, Utah; and Tallahassee, Florida.

We are providing subscribers with several platform options to access news and information.

Additionally, we're testing different prices for different content models.

These are helping us better understand consumers' appetite for paid content and what types of business models are sustainable.

We found subscribers were much more engaged than non-subscribers, viewing four and five times as many pages per visit.

We are pleased with the results we are seeing:

Consumers value our content and are absolutely willing to pay for it.





We also continued the expansion of our social media efforts. As two great consumer passions – social media and television – converged, television viewing grew.

We optimized this trend and we are putting a significant amount of time and energy into social media to further engage with our viewers and our readers. We are making a difference in our communities.



In Broadcasting, we further connected with our viewers, starting last year with very strong ratings with the Olympics.

We ended the year, with the nation's top-rated election night coverage.

These rankings helped contribute to the strong financial results Broadcasting achieved for the year.

And, we remain firmly guided by our fundamental commitment to the First Amendment and delivering quality journalism to all the communities we serve.



Our employees continue to do phenomenal work to provide the news and information consumers want, leveraging the strength of our trusted local and national brands.



A number of our employees received significant industry honors this year.

If you'll take a moment to join me, I'd like to recognize and congratulate them:

Mark Cornetta in Denver was named Broadcasting & Cable's 2010 TV Station General Manager of the Year.

Mark Silverman in Nashville was named the 2010 Benjamin C. Bradlee Editor of the Year.



USA TODAY's Byron Acohido, Calum MacLeod, and Kathy Chu won an Excellence in Financial Journalism Award from the New York State Society of Certified Public Accountants.

## Award Winning Journalism

13 stations  
won 39 regional  
Edward R. Murrow Awards



2011 ANNUAL MEETING OF SHAREHOLDERS | MAY 3, 2011

GANNETT

13 Gannett Broadcasting stations won 39 regional Edward R. Murrow Awards – the largest number awarded to any broadcast group.

## Employee Recognition

**Mark Cornetta**  
2010 Manager of the Year



**Michael Hart**  
2010 Corporate Staffer  
of the Year



2011 ANNUAL MEETING OF SHAREHOLDERS | MAY 3, 2011

GANNETT

I also want to recognize Gannett's 2010 Employee Award winners including Mark Cornetta, Gannett's Manager of the Year;

Michael Hart, Gannett's Corporate Staffer of the Year;

## Employee Recognition

**Jill Krigsten**  
2010 Sales Person of the Year



**iPad Team**  
Matt Jones | Tim Carlson | Jeff Dionese



2011 ANNUAL MEETING OF SHAREHOLDERS | MAY 2, 2011 | GANNETT

Jill Krigsten, Sales Executive of the Year; and, the iPad Launch Team, Innovators of the Year.

These employees have all done and continue to do exceptional work on behalf of our company. We're just so proud of all of them.

## Aligning our business

with our clients'  
needs.



2011 ANNUAL MEETING OF SHAREHOLDERS | MAY 2, 2011 | GANNETT

As we look to our business customers, we recognize their world has also changed dramatically and we are providing what they want and expect from a media company.

We are aligning our business with our clients' needs, changing the way we deliver content and marketing solutions.

We help them succeed through our industry-leading marketing services, powerful tools and national-to-local reach.



We launched five Client Solutions Groups in U.S. Community Publishing.

They are focused on providing customized marketing solutions.

They are on track to exceed their first year goals and continue to build up their pipeline.

Gannett's local market franchises and strong brands are true differentiators for our company and continue to help drive our results.



Building on the unmatched strength of our local brands, we partnered with Yahoo to provide advertisers with even broader local reach to consumers.

In addition to nine Broadcasting sites, we completed the rollout of all 81 of our U.S. Community Publishing sites last month.

We exceeded our 100-day sales goals and have since sold nearly \$21 million in digital advertising across Yahoo and our online sites.

And, we are ahead of our 2011 goals.

We extended reach to as much as 80% of total local digital audience in markets where we are selling Yahoo inventory, in addition to our own.



In Broadcasting, we further extended the digital reach of our strong television brands, to deliver very localized content to consumers and hyper-local digital ad solutions for small businesses, allowing them to zero in on target audiences – right down to a specific neighborhood -- making their products and services even more relevant.

Again, we exceeded our launch revenue goals across nine of our Broadcasting markets, going live with our final market in January.

We now have 264 community sites across 10 markets. And this year, we exceeded our first quarter revenue plan and delivered over 3 million total community site pages, growing approximately 88 percent in one quarter alone.



At PointRoll, our industry-leading provider of digital marketing solutions, we continue to create and deliver innovative solutions for brands -- personalizing and customizing digital ads, to achieve maximum impact campaigns.

We also provide deep analytics to help advertisers better track and understand the results of each campaign.

And, PointRoll is growing its video solutions, powering video advertising for companies like Bing, Microsoft's "decision engine."

Two years ago when Bing launched, they knew they needed an effective way to tell their brand story and engage consumers --particularly given the marketing power of Google.

PointRoll worked closely with Bing and their agency to develop campaigns that emphasize digital video.

Through high-impact, highly-targeted digital ads, Bing saw a notable lift in brand perception, along with dramatic increases in consumer intent to try the product.

The results of the campaign were so successful, Bing has since quadrupled their annual media spend in online and digital ads that included video.



CareerBuilder, the leader in online recruitment, continues to move beyond an online job postings site.

It's become a much broader service company, providing everything from data analysis on talent to social media management and more.

They continue to increase their market share and are a key contributor to our overall digital segment revenue and profit growth.



For you, our shareholders, we delivered strong results and ended the year more profitable than the year before.

And, our stock has significantly outperformed our peer group indexes since the government signaled the end of the recession in 2009 through the end of 2010.

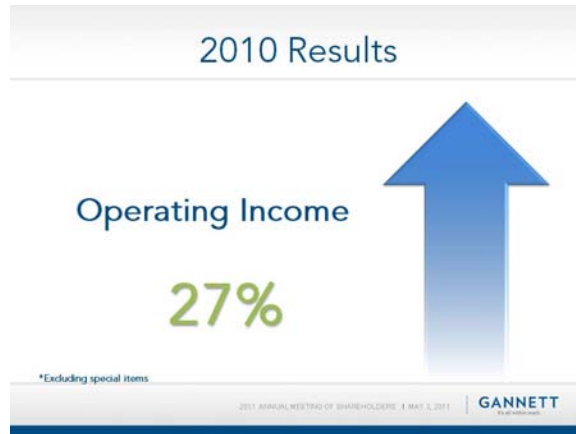
We achieved revenues of \$5.4 billion.



Our digital revenues companywide grew to approximately \$1 billion, representing more than 18% of our total revenue.

In the first quarter of this year, that number grew to 20% of our top line.

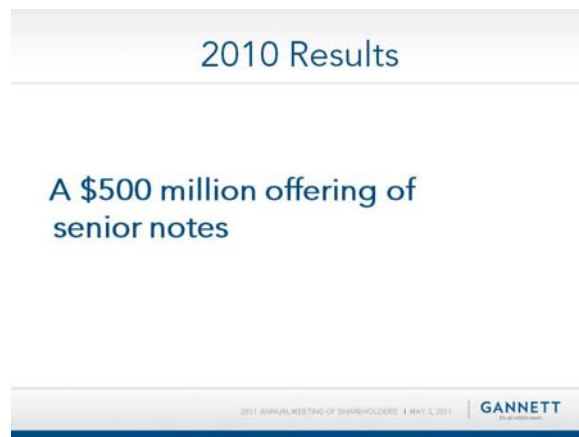
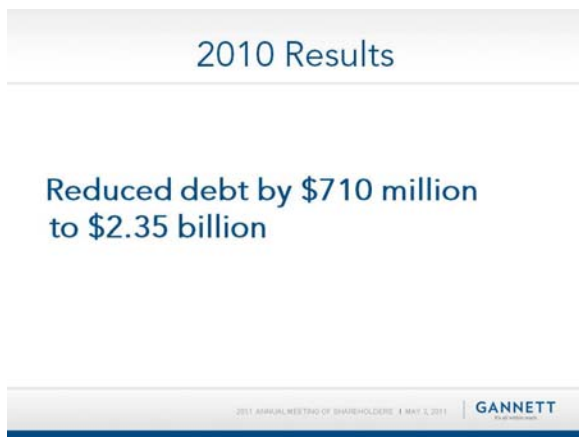




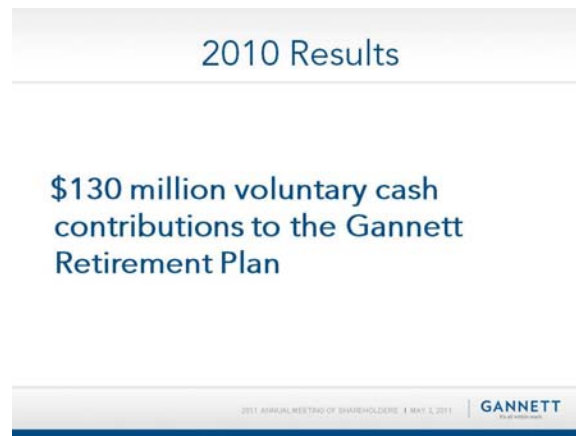
We delivered a 27% increase in operating income, excluding special items.



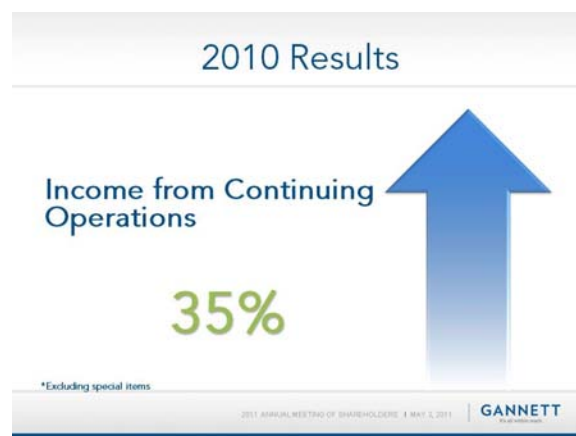
We generated \$1.3 billion in operating cash flow, excluding special items, up 19%.



We reduced our debt by \$710 million to \$2.35 billion. We also issued a \$500 million offering of senior notes and extended our revolving credit facilities.



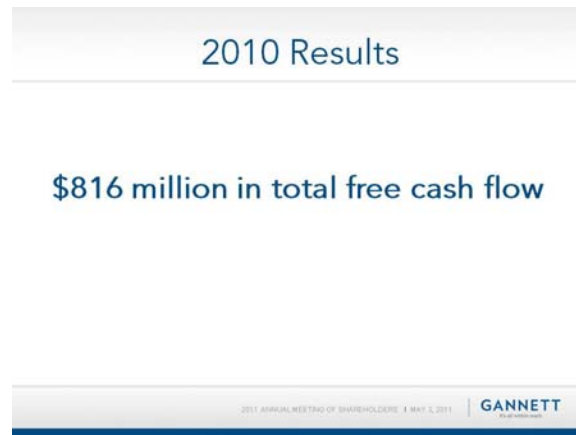
We also made significant voluntary cash contributions to the Gannett Retirement Plan of \$130 million.



Our net income from continuing operations attributable to Gannett, excluding special items, was \$591 million, an increase of 35%.



And, earnings from continued operations per diluted share, excluding special items, were up 32% from 2009.



And, we ended the year with \$816 million in total free cash flow. Financially, we are in very good shape with an excellent balance sheet.

Our strong free cash flow gives us the ability to create additional shareholder value through options like increased dividends and other opportunities to invest in the growth of our business.

At Gannett, we have an incredible portfolio of hundreds of diverse broadcast, digital, print and publishing properties.

# GANNETT

It's all within reach.

2011 ANNUAL MEETING OF SHAREHOLDERS | MAY 3, 2011

GANNETT  
It's all within reach.

In support of our portfolio, in March, we launched our company's first national brand and advertising campaign with a new logo and tagline, "It's All Within Reach."

## Brand Campaign



We boldly packaged and communicated to the world who we are and the collective value we provide through our many brands.

## Brand Campaign

Digital Advertising



We targeted key audiences of marketing and advertising decision makers, and the financial community as well.

[Let me show you our TV spot.](#)

We have an enviable collection of brands that include a local presence that no competitor comes close to matching.

This campaign marked the natural evolution of our ongoing strategic transformation.



It will help us achieve our goals, including growing our business, reaching more consumers and advertisers than ever before, attracting and retaining the best people and increasing shareholder value.

Our strong financial performance and our ongoing transformation progress in 2010 are the direct result of the outstanding work our employees do every day for our communities, consumers and business customers.

They are the heart and soul of Gannett.

That's why we featured our employees prominently throughout our campaign and on our redesigned web site at gannett.com.

They make it happen and they will continue to aggressively lead our company and the industry forward.

[Please let me introduce you to the new Gannett. ...](#)