

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 25, 1995 or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission file number 1-6961

GANNETT CO., INC.

(Exact name of registrant as specified in its charter)

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

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

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

(Former name, former address and former fiscal year, if changed since last report)

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 _____

The number of shares outstanding of the issuer's Common Stock, Par Value \$1.00, as of June 25, 1995 was 140,157,509.

PART I. FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS

Operating Summary

Income from operations for the second quarter of 1995 rose \$15.7 million or 7%, with each division reporting higher earnings. Newspaper earnings, which rose 3%, were tempered by sharp increases in newsprint costs. Broadcast earnings rose 20%, principally because of television advertising revenue growth. Outdoor division earnings were significantly improved, rising 36% over the comparable period a year ago.

Operating income for the first six months of 1995 rose \$30.4 million or 8%.

Newspapers

Newspaper publishing revenues rose \$28.3 million or 4% in the second quarter of 1995 and \$48.8 million or 3% for the year-to-date. Newspaper advertising revenue rose \$27 million or 5% in the quarter and \$51.5 million or 5% for the first six months, reflecting continued gains in classified advertising, particularly in employment and automotive.

The tables below provide, on a pro forma basis, further details of newspaper ad revenue and linage for the second quarter and year-to-date periods of 1995 and 1994:

Advertising revenue, in thousands of dollars (pro forma)

Second quarter	1995	1994	% Change
Local	\$201,091	\$195,598	3
National	87,999	81,021	9
Classified	189,897	178,772	6
Total Run-of-Press	478,987	455,391	5
Preprint and other advertising	88,149	83,064	6
Total ad revenue	\$567,136	\$538,455	5

Advertising linage, in thousands of inches (pro forma)

Second quarter	1995	1994	% Change
Local	7,698	7,763	(1)
National	601	568	6
Classified	8,364	8,121	3
Total Run-of-Press	16,663	16,452	1
Preprint	17,511	16,480	6
Total ad linage	34,174	32,932	4

Advertising revenue, in thousands of dollars (pro forma)

Year-to-date	1995	1994	% Change
Local	\$ 384,666	\$ 376,702	2
National	168,047	156,780	7
Classified	367,199	337,032	9
Total Run-of-Press	919,912	870,514	6
Preprint and other advertising	163,965	158,283	4
Total ad revenue	\$1,083,877	\$1,028,797	5

Advertising linage, in thousands of inches (pro forma)

Year-to-date	1995	1994	% Change
Local	14,771	14,874	(1)
National	1,110	1,058	5
Classified	16,013	15,307	5
Total Run-of-Press	31,894	31,239	2
Preprint	31,374	30,041	4
Total ad linage	63,268	61,280	3

Newspaper circulation revenues were up slightly for the quarter and for the year-to-date. Net paid daily circulation for the Company's local newspapers was down 1% for the quarter and for the first six months of 1995. Sunday circulation also declined 1% for the quarter and was down 2% for the year-to-date. USA TODAY reported an average daily paid circulation of 2,055,809 in the ABC Publisher's statement for the six months ended March 26, 1995, which, subject to audit, is a 2% increase from the comparable period a year ago.

Operating costs in total for the newspaper segment rose \$23 million or 4% for the quarter and \$35.5 million or 3% for the year-to-date. Newsprint expense increased 34% for the quarter and 24% for the first six months, reflecting significantly higher prices from a year ago. The impact of newsprint price increases was partially offset by newsprint conservation efforts, as consumption was below 1994 levels for the quarter and year-to-date periods, and by cost controls in other areas. The Company expects further newsprint price increases in 1995, which together with recent increases, will significantly affect newsprint expense comparisons for the remainder of 1995 and into 1996. Payroll costs rose 2% for the quarter and for the year-to-date.

Newspaper operating income rose \$5.3 million or 3% for the second quarter and \$13.3 million or 4% for the first six months, principally because of ad revenue gains. Most of the Company's local newspapers reported improved ad revenues and operating income. At USA TODAY, revenues improved for the quarter and for the year-to-date, but higher newsprint costs caused operating income to decline for the quarter and for the first six months.

Broadcast

Broadcast revenues increased \$13.4 million or 12% for the second quarter and \$26.4 million or 14% for the first six months, while operating costs were up \$5.5 million or 8% for the quarter and \$13.4 million or 10% for the year-to-date. Operating costs for the year-to-date period include certain program costs for the Company's Denver television station related to its pending affiliation change to NBC later this year. On a pro forma basis, broadcast revenues increased 10% for the quarter and 11% for the year-to-date while operating costs increased 4% for the quarter and 7% for the first six months.

Pro forma local television ad revenues grew 11% for the quarter and for the year-to-date while national revenues increased 10% for the quarter and 11% for the first six months. Radio revenues increased 5% for the quarter and 8% for the year-to-date.

Operating income rose \$7.9 million or 20% for the quarter and \$12.9 million or 21% for the year-to-date, reflecting strong gains at most of the Company's television and radio stations.

Outdoor

Outdoor revenues increased \$5.4 million or 9% for the quarter and \$9.1 million or 8% for the year-to-date, reflecting strong growth in national advertising. Poster and bulletin sales and occupancy rates were higher for the quarter and for the year-to-date. Operating costs rose \$2.5 million or 4% for the quarter and \$4.2 million or 4% for the first six months. Operating income for Outdoor grew \$2.9 million or 36% for the quarter and \$4.8 million or 140% for the year-to-date.

Non-operating Income and Expense

Interest expense rose slightly for the quarter and \$0.7 million or 3% for the year-to-date reflecting higher average interest rates offset by lower average borrowings.

Net Income

Net income rose \$7.7 million or 6% for the quarter and \$15.1 million or 7% for the first six months. Net income per share rose to \$1.00 from \$0.90 for the quarter, an increase of 11%. For the year-to-date, net income per share increased 13% to \$1.61 from \$1.43 in 1994. The weighted average number of shares outstanding totaled 140,117,000 for the second quarter of 1995 compared with 147,169,000 for the second quarter of 1994. Average shares outstanding for the year-to-date totaled 140,065,000 for 1995 and 147,146,000 for 1994. The decline in the number of shares outstanding for the quarter and year-to-date periods reflects shares purchased under the Company's share repurchase program during the second and third quarters of 1994.

Liquidity and Capital Resources

Cash flow from operating activities totaled \$271 million for the first half of 1995 compared with \$358 million a year ago. Principal uses of cash flow in 1995 were for capital expenditures, reduction of debt, dividends and pension funding.

Capital expenditures for the year-to-date totaled \$64 million in 1995, compared to \$68 million in 1994. Long-term debt (commercial paper obligations) was reduced by \$153 million. The Company's regular quarterly dividend of \$0.34 per share was declared in the first and second quarters of 1995 and totaled \$95.3 million.

Other Matters

On July 13, 1995, six unions, representing approximately 2,500 of the 3,500 employees at The Detroit News, the Company's newspaper, the Detroit Free Press, a Knight-Ridder newspaper, and the Detroit Newspaper Agency, which performs all business operations for the two newspapers, went on strike following unsuccessful labor contract negotiations.

The Company cannot say with any certainty how long the strike may last or what the outcome may be. The strike is not expected to materially affect the Company's consolidated results of operations or financial condition.

On July 24, 1995, the Company entered into an agreement to acquire Multimedia, Inc. Multimedia publishes 11 daily and 49 non-daily newspapers and operates five network-affiliated television stations and two radio stations. The company also owns cable television franchises, a security alarm business, and produces first-run syndicated television programming and News Talk Television for cable TV. The acquisition is expected to be completed as soon as Multimedia shareholder and regulatory approvals are obtained, at a purchase price in excess of \$1.7 billion. The Company will also assume or retire Multimedia's existing debt. The purchase price will be adjusted if Multimedia's debt at December 31, 1995 exceeds a specified level.

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	June 25, 1995	Dec. 25, 1994
	-----	-----
ASSETS		
Cash	\$ 12,741,000	\$ 44,229,000
Marketable securities	37,000	23,000
Trade receivables, less allowance (1995 - \$16,230,000; 1994 - \$15,846,000)	481,026,000	487,615,000
Other receivables	32,355,000	29,745,000
Inventories	79,989,000	53,047,000
Prepaid expenses	24,662,000	36,178,000
	-----	-----
Total current assets	630,810,000	650,837,000
	-----	-----
Property, plant and equipment:		
Cost	2,866,470,000	2,814,456,000
Less accumulated depreciation	(1,454,112,000)	(1,386,312,000)
	-----	-----
Net property, plant and equipment	1,412,358,000	1,428,144,000
	-----	-----
Intangible and other assets:		
Excess of cost of subsidiaries over net tangible assets acquired, less amortization (1995 - \$464,922,000; 1994 - \$442,166,000)	1,450,020,000	1,472,002,000
Other assets	189,745,000	156,069,000
	-----	-----
Total intangible and other assets	1,639,765,000	1,628,071,000
	-----	-----
Total assets	\$ 3,682,933,000	\$ 3,707,052,000
	=====	=====
LIABILITIES & SHAREHOLDERS' EQUITY		
Current maturities of long-term debt	\$ 61,476,000	\$ 1,026,000
Accounts payable and current portion of film contracts payable	199,772,000	215,885,000
Compensation, interest and other accruals	156,251,000	148,506,000
Dividend payable	47,608,000	47,739,000
Income taxes	43,650,000	37,618,000
Deferred income	78,018,000	76,280,000
	-----	-----
Total current liabilities	586,775,000	527,054,000
	-----	-----
Deferred income taxes	155,840,000	164,691,000
Long-term debt, less current portion	553,725,000	767,270,000
Postretirement medical and life insurance liabilities	308,324,000	306,863,000
Other long-term liabilities	108,561,000	118,936,000
	-----	-----
Total liabilities	1,713,225,000	1,884,814,000
	-----	-----
Shareholders' Equity:		
Preferred stock of \$1 par value per share. Authorized 2,000,000 shares, issued - none		
Common stock of \$1 par value per share. Authorized 400,000,000, issued 162,211,456 shares	162,211,000	162,212,000
Additional paid-in capital	73,694,000	76,604,000
Retained earnings	2,768,258,000	2,639,440,000
Foreign currency translation adjustment	(10,765,000)	(12,894,000)
	-----	-----
Total	2,993,398,000	2,865,362,000
	-----	-----
Less treasury stock - 22,053,947 shares and 22,444,480 shares respectively, at cost	(989,573,000)	(1,008,199,000)
Deferred compensation related to ESOP	(34,117,000)	(34,925,000)
	-----	-----
Total shareholders' equity	1,969,708,000	1,822,238,000
	-----	-----
Total liabilities and shareholders' equity	\$ 3,682,933,000	\$ 3,707,052,000
	=====	=====

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Thirteen weeks ended		Twenty-six weeks ended	
	June 25, 1995	June 26, 1994	June 25, 1995	June 26, 1994
Net Operating Revenues:				
Newspaper advertising	\$ 567,134,000	\$ 540,150,000	\$ 1,083,876,000	\$ 1,032,394,000
Newspaper circulation	214,045,000	212,945,000	426,009,000	425,085,000
Broadcasting	120,880,000	107,493,000	217,863,000	191,500,000
Outdoor advertising	68,568,000	63,181,000	119,164,000	110,102,000
Other	43,294,000	43,112,000	80,829,000	84,425,000
Total	1,013,921,000	966,881,000	1,927,741,000	1,843,506,000
Operating Expenses:				
Cost of sales and operating expenses exclusive of depreciation	542,372,000	516,083,000	1,076,594,000	1,032,507,000
Selling, general and administrative expenses, exclusive of depreciation	174,806,000	168,458,000	346,583,000	334,403,000
Depreciation	38,983,000	40,511,000	78,242,000	81,001,000
Amortization of intangible assets	11,361,000	11,145,000	22,756,000	22,455,000
Total	767,522,000	736,197,000	1,524,175,000	1,470,366,000
Operating income	246,399,000	230,684,000	403,566,000	373,140,000
Non-operating income (expense):				
Interest expense	(10,878,000)	(10,729,000)	(22,610,000)	(21,897,000)
Other	(1,198,000)	1,418,000	(1,727,000)	2,441,000
Total	(12,076,000)	(9,311,000)	(24,337,000)	(19,456,000)
Income before income taxes	234,323,000	221,373,000	379,229,000	353,684,000
Provision for income taxes	94,900,000	89,600,000	153,600,000	143,200,000
Net income	\$ 139,423,000	\$ 131,773,000	\$ 225,629,000	\$ 210,484,000
Net income per share	\$1.00	\$0.90	\$1.61	\$1.43
Dividends per share	\$0.34	\$0.33	\$0.68	\$0.66

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Twenty-six weeks ended	
	June 25, 1995	June 26, 1994
	-----	-----
Cash Flows from Operating Activities:		
Net income	\$225,629,000	\$210,484,000
Adjustments to reconcile net income to operating cash flows:		
Depreciation	78,242,000	81,001,000
Amortization of intangibles	22,756,000	22,455,000
Deferred income taxes	(8,851,000)	(8,631,000)
Gain on sale of assets	(151,000)	(3,603,000)
Other, net	29,821,000	11,107,000
Changes in other assets & liabilities, net	(76,734,000)	45,438,000
	-----	-----
Net cash flow from operating activities	270,712,000	358,251,000
	-----	-----
Cash Flows From Investing Activities:		
Purchase of property, plant and equipment	(64,481,000)	(67,661,000)
Payments for acquisitions, net of cash acquired		(29,140,000)
Increase in other investments		(23,539,000)
Proceeds from sale of assets	1,782,000	49,958,000
Collection of long-term receivables	3,662,000	833,000
	-----	-----
Net cash used by investing activities	(59,037,000)	(69,549,000)
	-----	-----
Cash Flows From Financing Activities:		
Payment of long-term debt	(153,095,000)	(222,754,000)
Dividends paid	(95,917,000)	(97,036,000)
Common stock transactions, net	5,671,000	305,000
	-----	-----
Net cash used for financing activities	(243,341,000)	(319,485,000)
	-----	-----
Effect of currency exchange rate change	192,000	(1,243,000)
	-----	-----
Net decrease in cash and cash equivalents	(31,474,000)	(32,026,000)
Balance of cash and cash equivalents at beginning of year	44,252,000	75,495,000
	-----	-----
Balance of cash and cash equivalents at end of second quarter	\$12,778,000	\$43,469,000
	=====	=====

BUSINESS SEGMENT INFORMATION

	Thirteen weeks ended		Twenty-six weeks ended	
	June 25, 1995	June 26, 1994	June 25, 1995	June 26, 1994
Operating Revenues:				
Newspaper publishing	\$824,473,000	\$796,207,000	\$1,590,714,000	\$1,541,904,000
Broadcasting	120,880,000	107,493,000	217,863,000	191,500,000
Outdoor advertising	68,568,000	63,181,000	119,164,000	110,102,000
Total	\$1,013,921,000	\$966,881,000	\$1,927,741,000	\$1,843,506,000
Operating Income (net of depreciation and amortization):				
Newspaper publishing	\$205,349,000	\$200,097,000	\$356,090,000	\$342,756,000
Broadcasting	47,366,000	39,486,000	73,606,000	60,659,000
Outdoor advertising	11,112,000	8,185,000	8,284,000	3,456,000
Corporate	(17,428,000)	(17,084,000)	(34,414,000)	(33,731,000)
Total	\$246,399,000	\$230,684,000	\$403,566,000	\$373,140,000
Depreciation & Amortization:				
Newspaper publishing	\$36,692,000	\$37,570,000	\$73,416,000	\$75,143,000
Broadcasting	7,006,000	7,008,000	14,070,000	14,089,000
Outdoor advertising	4,229,000	4,668,000	8,434,000	9,240,000
Corporate	2,417,000	2,410,000	5,078,000	4,984,000
Total	\$50,344,000	\$51,656,000	\$100,998,000	\$103,456,000

NOTE TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

June 25, 1995

1. Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with the instructions for Form 10-Q and, therefore, do not include all information and footnotes which are normally included in Form 10-K and annual report to shareholders. The financial statements covering the 13 and 26 week periods ended June 25, 1995, and the comparative periods of 1994, reflect all adjustments which, in the opinion of the Company, are necessary for a fair statement of results for the interim periods.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Securityholders

(a) The Annual Meeting of Shareholders of Gannett Co., Inc. was held on May 2, 1995.

(c) At the Annual Meeting, four directors were re-elected to the Board of Directors. Tabulation of votes for each of the nominees is as follows:

	For	Withheld Authority
	-----	-----
Andrew F. Brimmer	117,346,058	972,172
Stuart T. K. Ho	117,513,714	804,516
Douglas H. McCorkindale	117,474,060	844,170
Rollan D. Melton	117,522,690	795,540

The proposal to elect Price Waterhouse as the Company's independent auditors was approved. Tabulation of votes for the proposal is as follows:

	For	Against	Abstain	Broker Non Vote
	-----	-----	-----	-----
Election of Independent Auditors	117,956,127	174,847	187,256	0

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.
See Exhibit Index for list of exhibits filed with this report.

(b) Reports on Form 8-K.

Current Report on Form 8-K dated July 26, 1995 reporting on agreement for Gannett to acquire Multimedia, Inc.

Current Report on Form 8-K dated June 15, 1995 regarding the filing of the Company's Second Supplemental Indenture.

SIGNATURES

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

GANNETT CO., INC.

Dated: August 8, 1995

s/ Larry F. Miller

Larry F. Miller
Senior Vice President/Financial Planning
and Controller

Dated: August 7, 1995

s/ Thomas L. Chapple

Thomas L. Chapple
Senior Vice President, General Counsel and
Secretary

EXHIBIT INDEX

Exhibit Number	Title or Description	Location

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 Gannett Co., Inc.'s Form 10-K for the fiscal year ended December 26, 1993.
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	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.
4-4	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.
4-5	Second Supplemental Indenture dated as of June 1, 1995 among Gannett Co., Inc., Citibank, N.A., as Trustee, and Crestar Bank, as Trustee.	Incorporated by reference to Exhibit 4 to Gannett Co., Inc.'s Form 8-K filed June 15, 1995.
4-6	Rights Plan.	Incorporated by reference to Exhibit 1 to Gannett Co., Inc.'s Form 8-K filed on May 23, 1990.
10	Amendments to Retirement Plan for Directors.	Attached.
11	Statement re computation of earnings per share.	Attached.
27	Financial Data Schedule.	Attached.

Gannett Co., Inc. agrees to furnish to the Securities and Exchange 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 registrant.

AMENDMENT TO
GANNETT CO., INC.

RETIREMENT PLAN FOR DIRECTORS

GANNETT CO., INC. ("Gannett") hereby amends its Retirement Plan for Directors ("Plan") to provide a lump sum payment to a Director's beneficiaries whether death occurs prior to or following retirement.

Section 5 of the Plan is amended to read as follows:

Section 5. Death Benefits: In the event of the death of a Director, either prior to or following retirement, the present value of the benefit to which the Director would have been entitled had retirement occurred the day before death shall be paid in a single sum to the Beneficiary designated by the Director or to the Director's estate in the event the Beneficiary is no longer living or has not been designated.

IN WITNESS WHEREOF, the Company has caused its duly authorized officer to execute this Amendment, which shall be effective as of May 2, 1995.

GANNETT CO., INC.

By: s/ Thomas L. Chapple

Thomas L. Chapple
Secretary

AMENDMENT TO

GANNETT CO., INC.

RETIREMENT PLAN FOR DIRECTORS

GANNETT CO., INC. ("Gannett") hereby amends its Retirement Plan for Directors ("Plan") to provide that retirement compensation will be based on the highest compensation earned by a director during his or her last ten years of Board service.

Section 2 of the Plan is amended to read as follows:

Section 2. Benefit: The annual benefit payable pursuant to this Plan shall be computed by multiplying the highest annual Director's Compensation paid by Gannett during the ten years preceding the Director's retirement from the Board by the appropriate percentage in the table shown below.

The term "Compensation" as used in this Plan shall include annual retainer, committee chair retainer, board and committee meeting fees, and such types of cash payments as may be provided as director compensation in the future.

Years of Service as Director -----	Percentage -----
10 or more	100%
9	90%
8	80%
7	70%
6	60%
5	50%
Less than 5	-0-

IN WITNESS WHEREOF, the Company has caused its duly authorized officer to execute this Amendment, which shall be effective as of June 20, 1995.

GANNETT CO., INC.

By: s/ Thomas L. Chapple

Thomas L. Chapple
Secretary

GANNETT CO., INC.
Calculation of Earnings Per share

	Thirteen weeks ended		Twenty-six weeks ended	
	June 25, 1995	June 26, 1994	June 25, 1995	June 26, 1994
	-----	-----	-----	-----
Net Income	\$139,423,000	\$131,773,000	\$225,629,000	\$210,484,000
	=====	=====	=====	=====
Weighted average number of common shares outstanding	140,117,000	147,169,000	140,065,000	147,146,000
	=====	=====	=====	=====
Net income per share	\$1.00	\$0.90	\$1.61	\$1.43
	====	====	====	====

This schedule contains summary financial information extracted from the consolidated balance sheets and statements of income for Gannett Co., Inc. and is qualified in its entirety by reference to such financial statements.

6-MOS		
	DEC-31-1995	
	DEC-26-1994	
	JUN-25-1995	
		12,741,000
		37,000
		497,256,000
		16,230,000
		79,989,000
		630,810,000
		2,866,470,000
		1,454,112,000
		3,682,933,000
586,775,000		
		0
		162,211,000
		0
		0
		1,807,497,000
3,682,933,000		
		1,927,741,000
		1,927,741,000
		1,076,594,000
		1,524,175,000
		0
		0
		22,610,000
		379,229,000
		153,600,000
225,629,000		
		0
		0
		0
		225,629,000
		1.61
		0