

GANNETT CO INC /DE/
Form PRE 14A
March 05, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Gannett Co., Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

Craig A. Dubow

Chairman, President and

Chief Executive Officer

March 15, 2007

Dear Shareholder:

On behalf of your Board of Directors and management, we cordially invite you to attend the Annual Meeting of Shareholders to be held on April 24, 2007, at 10:00 a.m. at the Company's headquarters located at 7950 Jones Branch Drive, McLean, Virginia 22107.

At this meeting you will be asked to vote for the election of three directors, for the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the 2007 fiscal year and for amendments to the Company's Second Restated Certificate of Incorporation and By-laws that will declassify the Board of Directors. These matters are discussed in detail in the attached proxy statement.

Your Board of Directors believes these three proposals are in the best interests of the Company and its shareholders and recommends that you vote for them.

There is one shareholder proposal that we understand will be presented for consideration at the meeting. The shareholder proposal is discussed in the attached proxy statement. Your Board of Directors believes this proposal is not in the best interests of the Company and its shareholders and recommends that you vote against it.

It is important that your shares be represented at the meeting whether or not you plan to attend. Please note that you may vote your shares by telephone, online or by mail. The toll-free telephone number, Internet address and instructions for voting are shown on page 3 of the proxy statement. Alternatively, if you received a printed proxy card, you may vote by signing and dating it and returning it in the envelope provided.

An admission ticket is required for attendance at the Annual Meeting. Please see page 1 of the proxy statement for instructions about obtaining tickets.

Thank you for your continued support.

Cordially,

Craig A. Dubow

7950 Jones Branch Drive, McLean, Virginia 22107 (703) 854-6000

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held on April 24, 2007

To Our Shareholders:

The 2007 Annual Meeting of Shareholders of Gannett Co., Inc. will be held at the Company's headquarters, 7950 Jones Branch Drive, McLean, Virginia, at 10:00 a.m. on April 24, 2007 for the following purposes:

- (1) to consider and act upon a proposal to elect three directors to the Company's Board of Directors;
- (2) to consider and act upon a proposal to ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the 2007 fiscal year;
- (3) to consider and act upon a proposal to amend the Company's Second Restated Certificate of Incorporation and By-laws to declassify the Board of Directors;
- (4) to consider one shareholder proposal; and
- (5) to transact such other business, if any, as may properly come before the meeting.

The Board of Directors has set the close of business on February 28, 2007 as the record date to determine the shareholders entitled to notice of and to vote at the meeting or any adjournment or postponement thereof.

YOUR VOTE IS IMPORTANT. PLEASE FOLLOW THE INSTRUCTIONS ON PAGE 3 OF THE PROXY STATEMENT TO VOTE USING THE INTERNET OR BY TELEPHONE. IF YOU RECEIVED A PRINTED PROXY CARD, YOU MAY VOTE BY SIGNING AND DATING THE PROXY CARD AND RETURNING IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE. PLEASE DELIVER A PROXY BY ONE OF THESE METHODS TO VOTE YOUR SHARES WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING. YOU MAY REVOKE YOUR PROXY AND VOTE IN PERSON IF YOU DECIDE TO ATTEND THE MEETING.

By Action of the Board of Directors,

Todd A. Mayman

Vice President

Associate General Counsel, Secretary and

Chief Governance Officer

McLean, Virginia

March 15, 2007

PROXY STATEMENT

2007 ANNUAL MEETING OF SHAREHOLDERS

April 24, 2007

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Gannett for the 2007 Annual Meeting of Shareholders to be held on April 24, 2007 at 10:00 a.m. at the Company's headquarters located at 7950 Jones Branch Drive, McLean, Virginia.

Who Can Vote

Shareholders of record on February 28, 2007 may attend and vote at the 2007 annual meeting or have their votes by proxy counted if they do not attend in person. On that date, there were 234,874,295 shares of common stock outstanding and entitled to vote. Each share is entitled to one vote on each proposal. The presence, in person or by proxy, of the holders of a majority of the shares of common stock outstanding on February 28, 2007 will constitute a quorum to conduct business. Shares held in a broker's account that are voted by the broker or other nominee on some but not all matters will be treated as shares present for purposes of determining the presence of a quorum.

Admission to the meeting is by ticket only. We will provide each shareholder with one admission ticket upon request. Either you or your proxy may use your ticket. If you are a shareholder of record and plan to attend the meeting, please call the Company's shareholder services department at (703) 854-6960 to request a ticket. If you hold shares through an intermediary, such as a bank or broker, and you plan to attend the meeting, you will need to send a written request for a ticket, along with proof of share ownership, such as a bank or brokerage firm account statement or a letter from the broker, trustee, bank or nominee holding your shares, confirming ownership, to: Secretary, Gannett Co., Inc., 7950 Jones Branch Drive, McLean, VA 22107. Requests for admission tickets will be processed in the order in which they are received and must be received by no later than April 17, 2007. If you decide later not to attend the meeting, please return your ticket to the Secretary, Gannett Co., Inc. at the above address.

A list of shareholders entitled to vote at the 2007 annual meeting will be open to examination by any shareholder, for any purpose germane to the 2007 annual meeting, during normal business hours for a period of ten days before the 2007 annual meeting and during the 2007 annual meeting at the Company's offices at 7950 Jones Branch Drive, McLean, Virginia 22107.

This proxy statement and the enclosed proxy card are first being delivered to shareholders on or about March 15, 2007.

Voting Procedures and Votes Required

You may grant a proxy by signing a proxy card, by telephone or by using the Internet. If you deliver a proxy by mail, by telephone or via the Internet, you have the right to revoke your proxy in writing (by another proxy bearing a later date), by phone (by another call at a later time), via the Internet (by voting online at a later time), by attending the meeting and voting in person, or by notifying the Company before the meeting that you want to revoke your proxy. Votes submitted via the Internet

or by telephone must be cast by 12:00 noon, Central time, on April 23, 2007. Votes submitted by mail must be received on or before April 23, 2007. Submitting your vote by mail, telephone or via the Internet will not affect your right to vote in person if you decide to attend the 2007 annual meeting. If a shareholder holds shares in a broker's account and has given specific voting instructions, the shares will be voted in accordance with those instructions. If no voting instructions have been given, under rules of The New York Stock Exchange the broker may decide how to vote with respect to those shares as to the Board nominees, the ratification of the Company's independent accounting firm for the 2007 fiscal year and the adoption of the proposed amendments to our Certificate of Incorporation and By-laws.

Election of the director nominees named in Proposal No. 1 requires the affirmative vote of a majority of the votes cast in the election of directors at the annual meeting. Votes may be cast in favor of, or withheld from, the election of all of the director nominees, or any of them. As described more fully in Proposal No. 1, under the Company's By-laws, an incumbent director nominee from whom a greater number of votes are withheld than voted for his or her reelection is required to submit a letter of resignation to the Company's Nominating and Public Responsibility Committee.

Ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2007, as specified in Proposal No. 2, requires the affirmative vote of a majority of the votes cast on the proposal at the annual meeting. Abstentions, if any, will have the same effect as votes against this proposal. If this appointment is not ratified by holders of our voting securities, the Audit Committee and Board may reconsider its appointment and endorsement, respectively. Even if the selection is ratified, the Audit Committee may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its shareholders.

The adoption of the proposed amendments to our Certificate of Incorporation and By-laws to declassify our Board of Directors, as described in Proposal No. 3, requires the affirmative vote of not less than 80% of the outstanding shares of common stock. We have been informed by The New York Stock Exchange that brokers will have discretionary voting power with respect to this proposal. Abstentions and broker-non votes, if any, will have the same effect as votes against this proposal.

The approval of the shareholder proposal, as described in Proposal 4, requires the affirmative vote of a majority of the votes cast on this proposal at the annual meeting. This proposal is not considered routine under New York Stock Exchange rules. Accordingly, if a shareholder holds shares in a broker's account, the broker cannot vote the shares on this proposal if the broker has not received specific voting instructions. Broker non-votes will have no effect on the outcome of this proposal. Abstentions, however, will have the same effect as votes against this proposal.

If the enclosed proxy is properly executed and returned to us by a shareholder of record in time to be voted at the annual meeting, it will be voted as specified on the proxy unless it is properly revoked. If no specification is made on the proxy as to any one or more of the proposals, the shares represented by the proxy will be voted in accordance with the recommendation of the Board on such proposal or proposals, as follows:

(1) FOR the election of three director nominees named in Proposal No. 1;

(2) FOR the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2007;

(3) FOR the proposal to declassify the Board of Directors;

(4) AGAINST the shareholder proposal specified in Proposal No. 4; and

(5) in the discretion of the proxy holder on any other business that properly comes before the annual meeting or any adjournment or postponement thereof.

As of the date of this proxy statement, we are not aware of any other matter to be presented at the annual meeting.

How to Vote by Phone:

Have your proxy card in hand when you call.

You can use any touch tone telephone to vote your shares at any time 24 hours a day, 7 days a week, until 12:00 noon, Central time, on April 23, 2007.

Dial 1-800-560-1965.

You will be provided simple voting instructions. Follow these to complete your vote.

How to Vote by the Internet:

Have your proxy card in hand.

You can use the Internet to vote your shares at any time 24 hours a day, 7 days a week, until 12:00 noon, Central time, on April 23, 2007 at <http://www.eproxy.com/gci>.

You will be provided simple voting instructions. Follow these to complete your vote.

How to Vote by Mail:

Mark, sign and date the proxy card accompanying this proxy statement (if any) and return it in the enclosed postage-paid envelope.

Votes submitted by mail must be received on or before April 23, 2007.

The telephone and Internet voting procedures are designed to authenticate shareholders' identities, to allow shareholders to give their voting instructions and to confirm that shareholders' instructions have been recorded properly.

If you participate in the Company's Dividend Reinvestment or 401(k) Plans, your shares of common stock in those plans can be voted by telephone, via the Internet or by mail if you received a proxy card. If no instructions are given by you, your shares held in the Dividend Reinvestment Plan will not be voted. All shares in the 401(k) Plan for which no instructions are received will be voted by the trustee of the 401(k) Plan in the same proportion as shares for which the trustee receives instructions.

PROPOSAL 1 ELECTION OF DIRECTORS

Your Board

Currently, the Board of Directors is composed of nine directors, one of whom is an employee of the Company. The Board of Directors held seven meetings during 2006. Each director attended more than 75% of the total number of meetings of the Board and its committees on which he or she served during 2006, including unanimous attendance at the 2006 annual meeting in accordance with the Company's policy that all directors attend the annual meeting of shareholders.

The Board of Directors conducts its business through meetings of the Board and its four committees: the Audit Committee, the Executive Committee, the Executive Compensation Committee, and the Nominating and Public Responsibility Committee.

Audit Committee. The Audit Committee assists the Board of Directors in its oversight of financial reporting practices and the quality and integrity of the financial reports of the Company. The current Audit Committee members are Karen Hastie Williams, Chair, John Jeffry Louis, Marjorie Magner, and Duncan M. McFarland. This Committee met ten times during 2006.

Rules adopted by the New York Stock Exchange (the NYSE) and the Securities and Exchange Commission (the SEC) impose strict independence requirements for all members of the audit committee. In addition to meeting the NYSE s tests for director independence generally, directors on audit committees must meet two basic criteria set forth in the SEC s rules. First, audit committee members are barred from accepting directly or indirectly any consulting, advisory or other compensatory fee from the issuer or an affiliate of the issuer, other than in the member s capacity as a member of the board of directors and any board committee. The second basic criterion for determining independence provides that a member of an audit committee may not be an affiliated person of the issuer or any subsidiary of the issuer apart from his or her capacity as a member of the board and any board committee. Each member of the Audit Committee meets these independence requirements, in addition to the independence criteria established by the NYSE for listed company board members generally. The Board has determined that Duncan M. McFarland is an audit committee financial expert, as that term is defined under the SEC rules.

Executive Committee. The Executive Committee may exercise the authority of the Board between Board meetings, except as limited by Delaware law. The Executive Committee members are Craig A. Dubow, Duncan M. McFarland and Karen Hastie Williams. This Committee did not meet in 2006.

Executive Compensation Committee. The Executive Compensation Committee has overall responsibility for approving and evaluating the compensation plans, policies and programs of the Company. The Committee s duties and responsibilities include reviewing and approving on an annual basis corporate goals and objectives relevant to compensation of the Company s Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer and other senior executives, including members of the Gannett Management Committee, Gannett Newspaper Operating Committee, Gannett Broadcast Operating Committee and other Company and divisional officers. The Executive Compensation Committee members are Duncan M. McFarland, Chair, Louis D. Boccardi, and Karen Hastie Williams. Each member of this Committee is independent within the meaning of the NYSE rules requiring members of compensation committees to be independent. This Committee met four times during 2006.

The Committee has primary responsibility for administering the Company s equity incentive plans and in that role is responsible for making grants of stock options and restricted stock units (RSUs) to our senior executives. The Committee historically has delegated the authority for approving grants of stock options and restricted stock units to employees, other than our senior executives mentioned above, to the Chairman, President and Chief Executive Officer, within the confines of a pool of shares approved by the Committee. This provides flexibility for equity grants to be made to employees below the senior management level who are less familiar to the Committee.

During 2006, the Company completed an internal review of its equity grant practices over the past five years, which had been initiated by management in light of the heightened visibility of stock option practices at other companies. The Company does not backdate or spring-load stock options, grant stock options with a so-called reload feature, nor does it loan funds to employees to enable them to exercise stock options. Management concluded that the Company s equity grant practices are appropriate and well documented. The Company s outside securities counsel provided input to the management review, reviewed and discussed with management its findings, and also concurred with this conclusion.

During 2006, the Committee did not consult with an outside executive compensation consultant regarding specific Company initiatives. However, management used the services of Hewitt Associates in designing the long-term incentive program approved by the Committee and implemented in early 2006 and certain other matters, and the Committee reviewed various Hewitt materials related to those issues in its consideration of the LTIP. In 2007, the Committee retained Hewitt and independent outside counsel to advise the Committee in negotiating new employment contracts with Mr. Dubow, the Company's Chairman, President and Chief Executive Officer, and Gracia C. Martore, the Company's Executive Vice President and Chief Financial Officer.

Nominating and Public Responsibility Committee. The Nominating and Public Responsibility Committee is charged with identifying individuals qualified to become board members, recommending to the Board candidates for election or re-election to the Board, and considering from time to time the Board committee structure and makeup. The Committee also monitors the Company's human resources practices, including its performance in diversity and equal employment opportunity, monitors the Company's performance in meeting its obligations of fairness in internal and external matters, and takes a leadership role with respect to the Company's corporate governance practices. The Nominating and Public Responsibility Committee members are Louis D. Boccardi, Chair, Arthur H. Harper, and Donna E. Shalala. Each member of this Committee is independent within the meaning of the NYSE rules requiring members of nominating committees to be independent. This Committee met twice in 2006.

The Nominating and Public Responsibility Committee charter sets forth certain criteria for the Committee to consider in evaluating potential director nominees. In order for the Board of Directors to have a substantial degree of independence from management, a majority of directors must be independent of management, in both fact and appearance, and must satisfy the independence criteria of the NYSE. The Committee considers whether director candidates have relevant experience in business and industry, government, education and other areas, and monitors the mix of skills and experience of directors in order to assure that the Board has the necessary breadth and depth to perform its oversight function effectively. The charter also encourages the Committee to work to maintain a board that reflects the diversity of the communities we serve. The Committee evaluates potential candidates against these requirements and objectives. For those director candidates who appear upon first consideration to meet the Committee's criteria, the Committee will engage in further research to evaluate their candidacy.

The Nominating and Public Responsibility Committee historically has relied primarily on recommendations from management and members of the Board to identify director nominee candidates. However, the Committee will consider timely written suggestions from shareholders. Shareholders wishing to suggest a candidate for director nomination for the 2008 annual meeting should mail their suggestions to Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107, Attn: Secretary. Suggestions must be received by the Secretary of the Company no later than January 25, 2008. The manner in which the Committee evaluates director nominee candidates suggested by shareholders will not differ from the manner in which the Committee evaluates candidates recommended by other sources.

In addition to the criteria described above, the Company's By-laws also require each director to own, directly, beneficially, or through the Company's Deferred Compensation Plan, at least 3,000 shares of Gannett stock. Each director will meet or exceed this share ownership requirement by the time of the 2007 annual meeting. The By-laws of the Company also establish mandatory retirement ages of 70 for directors who have not been executives of the Company and 65 for directors who have served as executives, except that the Board of Directors may extend the retirement age beyond 65 for directors who are or have been the chief executive officer of the Company. The Company's Principles of Corporate Governance also provide that a director who retires from, or has a material change in

responsibility or position with, the primary entity by which that director was employed at the time of his or her election to the Board of Directors shall offer to submit a letter of resignation to the Nominating and Public Responsibility Committee for its consideration. The Committee will make a recommendation to the Board of Directors on whether to accept or reject the resignation, or whether other action should be taken.

The written charters governing the Audit Committee, the Executive Compensation Committee and the Nominating and Public Responsibility Committee, as well as the Company's Principles of Corporate Governance, are posted on the Corporate Governance page of the Company's website at <http://www.gannett.com>. You may also obtain a copy of any of these documents without charge by writing to: Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107, Attn: Secretary.

Ethics

The Company has long maintained a code of conduct and ethics (the Ethics Policy) that sets forth the Company's policies and expectations. The Ethics Policy, which applies to every Gannett director, officer and employee, addresses a number of topics, including conflicts of interest, relationships with others, corporate payments, disclosure policy, compliance with laws, corporate opportunities and the protection and proper use of the Company's assets. The Ethics Policy meets the NYSE's requirements for a code of business conduct and ethics as well as the SEC's definition of a code of ethics applicable to the Company's senior officers. Neither the Board of Directors nor any Board committee has ever granted a waiver of the Ethics Policy.

The Ethics Policy is available on the Corporate Governance page of the Company's website at <http://www.gannett.com>. You may also obtain a copy of the Ethics Policy without charge by writing to: Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107, Attn: Secretary. Any additions or amendments to the Ethics Policy, and any waivers of the Ethics Policy for executive officers or directors, will be posted on the Corporate Governance page of the Company's website and similarly provided to you without charge upon written request to this address.

The Company has a telephone hotline for employees and others to submit their concerns regarding violations or suspected violations of law and for reporting any concerns regarding accounting or auditing matters on a confidential anonymous basis. Employees and others can report concerns by calling 1-800-234-4206 or by emailing or writing to the addresses provided on the Corporate Governance page of the Company's website. Any concerns regarding accounting or auditing matters so reported will be communicated to the Company's Audit Committee.

Director Independence

The Board of Directors has affirmatively determined that all of the current directors other than Craig A. Dubow, the Company's Chairman, President and Chief Executive Officer, are independent of the Company within the meaning of the rules governing NYSE-listed companies. For a director to be independent under the NYSE rules, the Board of Directors must affirmatively determine that the director has no material relationship with Gannett, either directly or as a partner, shareholder, or officer of an organization that has a relationship with Gannett. To assist it in making these determinations, the Board has determined that the following categories of relationships between a director and Gannett are not material:

1. Employment of a director or a director's immediate family member by, a director's position as a director with, or direct or indirect ownership by a director or a director's immediate family member of a 10% or greater equity

interest in, another company or organization that made payments to, or received payments from, the Company or any of

its subsidiaries for property or services in an amount which, in each of the last three fiscal years, did not exceed the greater of \$1 million or 2% of such other company's consolidated gross revenues; and

2. A relationship of a director or a director's immediate family member with a charitable organization, as an executive officer, board member, trustee or otherwise, to which the Company or any of its subsidiaries has made, in any of the last three fiscal years, charitable contributions of not more than the greater of \$100,000 or 2% of such charitable organization's consolidated gross revenues.

In making its independence determinations, our Board considered all relationships, direct and indirect, between each director and our Company that were identified on questionnaires provided by each Board member. The responses to those questionnaires indicated that there were no relationships between any director (other than Mr. Dubow) and the Company other than two types of relationships that the Board has determined not to be material in accordance with these objective standards:

Board member service at charitable organizations to which the Gannett Foundation made contributions within the permitted thresholds identified above, and

sales by the Company of advertising, on customary terms and conditions and in amounts within the permitted thresholds identified above, to other companies or organizations at which Board members or their immediate family members are employed, for which Board members serve as directors or in which Board members or their immediate family members directly or indirectly own a 10% or greater equity interest.

Consistent with the NYSE rules, Gannett's Principles of Corporate Governance call for Gannett's non-management directors to meet in regularly scheduled executive sessions without management as they deem appropriate. The Company's non-management directors held eight executive sessions in 2006, and will meet in executive sessions as appropriate throughout 2007. The Board has established the role of a presiding director, elected by the independent directors. Karen Hastie Williams has served as presiding director since 2004 and will continue in that role in 2007. The presiding director's responsibilities include:

presiding at all executive sessions of non-management directors and at meetings of the full Board if the Chairman is not present;

servicing as liaison on board-wide issues between the Chairman, President and Chief Executive Officer and the non-management directors, although Company policy also provides that all directors shall have direct and complete access to the Chairman, President and Chief Executive Officer at any time as they deem necessary or appropriate, and vice versa;

in consultation with the Chairman, President and Chief Executive Officer, reviewing and approving Board meeting agendas and materials;

in consultation with the Chairman, President and Chief Executive Officer, reviewing and approving meeting schedules to assure there is sufficient time for discussion of all agenda items;

calling meetings of the non-management directors, if desired; and

being available when appropriate for consultation and direct communication if requested by shareholders.

Communicating with Your Board

The Company invites shareholders and other interested parties to communicate directly and confidentially with the full Board of Directors, the presiding director or the non-management directors

as a group by writing to the Board of Directors, the Presiding Director or the Non-Management Directors, Gannett Co., Inc., 7950 Jones Branch Drive, McLean, Virginia 22107, Attn: Secretary. The Secretary will forward such communications to the intended recipient and will retain copies for the Company's records.

Nominees

The Board currently is divided into three classes with each class as equal in number as possible. At each annual meeting of shareholders, one class of directors is elected for a three-year term. Charles B. Fruit, Arthur H. Harper and John Jeffrey Louis have been nominated for election this year to the class with a three-year term that will expire at the 2010 annual meeting of shareholders. All of the nominees are currently directors. If they are elected, their terms will continue until the 2010 annual meeting or until their successors are elected.

As described more fully in Proposal 3 below, the Board is proposing amendments to its Certificate of Incorporation and By-laws to eliminate the classified board structure. This proposal requires the affirmative vote of not less than 80% of the outstanding shares of common stock to be approved. If the requisite vote of shareholders is obtained at the 2007 annual meeting, the Company will amend its charter and By-laws following the annual meeting, and directors, starting with those directors nominated at the Company's 2008 annual meeting, will be elected for one-year terms or until their successors are elected. Adoption by our shareholders of the amendments described in Proposal 3 will not curtail the term of any director currently in office, including the nominees for election at the 2007 annual meeting, who if elected will serve for full three-year terms.

The Board believes that the nominees will be available and able to serve as directors. If any nominee becomes unable or unwilling to serve, the Board may do one of three things: recommend a substitute nominee, reduce the number of directors to eliminate the vacancy, or fill the vacancy later. The shares represented by all valid proxies may be voted for the election of a substitute if one is nominated.

The Company's By-laws provide that director nominees are elected by the vote of a majority of the votes cast with respect to the director at the meeting, unless the number of nominees exceeds the number of directors to be elected, in which case directors shall be elected by the vote of a plurality of the shares present and entitled to vote at the meeting. If an incumbent nominee does not receive an affirmative majority of the votes cast for that nominee, he or she is required to submit a letter of resignation to the Board's Nominating and Public Responsibility Committee. In such case, the Nominating and Public Responsibility Committee would recommend to the Board the action to be taken with respect to the letter of resignation. The Board is required to act on any such Committee recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results.

Approval of Proposal 1

The Board of Directors unanimously recommends that the shareholders of the Company vote FOR the election of the nominees to serve as directors.

The principal occupations and business experience of the Board's nominees and of the continuing directors are described below.

The following have been nominated for election at the 2007 Annual Meeting for a term that ends at the 2010 Annual Meeting:

Charles B. Fruit

Mr. Fruit, 60, has served as Senior Advisor in Marketing, Strategy and Innovation to The Coca-Cola Company since March 2006. He is also President of Gardner Williams Consulting, LLC, an independent marketing consulting firm. Prior to assuming his current position with The Coca-Cola Company, Mr. Fruit has served that company in various executive capacities since 1991, including as Senior Vice President and Chief Marketing Officer from June 2004 to March 2006. He is a director of the Advertising Council, Inc. and TiVo, Inc. He has been a director of Gannett since February 2007.

Arthur H. Harper

Mr. Harper, 51, has served as Managing Partner of GenNx360 Capital Partners, a private equity firm focused on business to business companies, since 2006. He is a former President and Chief Executive Officer of General Electric's Equipment Services division. He is also a director of Monsanto Company. He has been a director of Gannett since March 2006.

John Jeffrey Louis

Mr. Louis, 44, has served as Chairman and Co-Founder of Parson Capital Corporation, a Chicago-based private equity and venture capital firm, since 1992. He is also a director of S.C. Johnson and Son, Inc. and Johnson Financial Group, Inc., President of the Board of Trustees of Deerfield Academy, and a trustee of Northwestern University, Shedd Aquarium and the Chicago Council on Global Affairs. He has been a director of Gannett since October 2006.

The following directors are serving on the Board for a term that ends at the 2008 Annual Meeting:

Louis D. Boccardi

Mr. Boccardi, 69, was President and Chief Executive Officer of The Associated Press from 1985 until his retirement in 2003. He was a member of the Pulitzer Prize Board from 1994 to 2003 and Chairman of the Pulitzer Prize Board in 2002. He has been a member of the Board of Visitors, the Graduate School of Journalism, Columbia University since 1989, and he is the chairman of the audit committee of the International Center for Journalists. He has been a director of Gannett since 2003.

Craig A. Dubow

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Mr. Dubow, 52, is Chairman, President and Chief Executive Officer of Gannett. He became President and Chief Executive Officer and a director of Gannett in July 2005, and Chairman of Gannett in July 2006. He was President and Chief Executive Officer of the Gannett Broadcast Division from 2001 to July 2005, and was President of the Gannett Broadcast Division from 2000 to 2001. He has served the Company in various other executive capacities since 1981.

Donna E. Shalala

Ms. Shalala, 66, has served as President of the University of Miami since 2001. She was Secretary of the United States Department of Health and Human Services from 1993 to 2001. She is a director of UnitedHealth Group and Lennar Corporation. She has been a director of Gannett since 2001.

The following directors are serving on the Board for a term that ends at the 2009 Annual Meeting:

Marjorie Magner

Ms. Magner, 57, is a co-founder of Brysam Global Partners, a private equity firm that will invest in financial services firms with a focus on consumer opportunities in emerging markets. She was Chairman and Chief Executive Officer of Citigroup's Global Consumer Group from August 2003 until her departure in October 2005. She served in various roles at Citigroup, and a predecessor company, CitiFinancial (previously Commercial Credit), since 1987. She currently serves as a director of Accenture and Charles Schwab Corporation. She has been a director of Gannett since January 2006.

Duncan M. McFarland

Mr. McFarland, 63, was Chairman and Chief Executive Officer of Wellington Management Company, LLP from 1994 until his retirement in 2004. He served in various roles at Wellington Management Company since 1965. He is a director of The New York Stock Exchange, Inc., The Asia Pacific Fund, Inc., a closed-end registered investment company traded on the NYSE, and a trustee of the Financial Accounting Foundation. He has been a director of Gannett since 2004.

Karen Hastie Williams

Ms. Williams, 62, is a retired partner at the law firm of Crowell & Moring, Washington, DC. She is a director of The Chubb Corporation, Continental Airlines, Inc., SunTrust Banks, Inc. and WGL Holdings, Inc., the parent company of Washington Gas Light Company. She has been a director of Gannett since 1997.

REPORT OF THE AUDIT COMMITTEE

As discussed above, the Audit Committee assists the Board of Directors in its oversight of financial reporting practices and the quality and integrity of the financial reports of the Company, including compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, and the performance of the Company's internal audit function. The Audit Committee also appoints the Company's independent registered public accounting firm. The Audit Committee is also responsible for reviewing compliance with the Company's Ethics Policy and assuring appropriate disclosure of any waiver of or change in the Ethics Policy for executive officers, and for reviewing the Ethics Policy on a regular basis and proposing or adopting additions or amendments to the Ethics Policy as appropriate. In connection with the Ethics Policy, the Audit Committee has established procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting controls or auditing matters and the confidential, anonymous submission by employees of the Company of any accounting or auditing concerns. The Audit Committee operates under a formal written charter that has been adopted by the Board of Directors.

The Audit Committee members are Karen Hastie Williams, Chair, John Jeffry Louis, Marjorie Magner, and Duncan M. McFarland. All members of the Audit Committee are independent directors within the meaning of the NYSE's rules and the requirements of the SEC. The Audit Committee members are not professional accountants or auditors, and their role is not intended to duplicate or

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certify the activities of management and the independent registered public accounting firm, nor can the Committee certify that the independent registered public accounting firm is independent under applicable rules. The Committee serves a board-level oversight role, in which it provides advice, counsel and direction to management and the independent registered public accounting firm on the basis of the information it receives, discussions with management and the independent registered public accounting firm, and the experience of the Committee's members in business, financial and accounting matters.

During fiscal years 2005 and 2006, the Company's independent registered public accounting firm for each of those years, Ernst & Young LLP (E&Y), billed the Company the following fees and expenses:

	2005	2006
<i>Audit Services(1)</i>	\$ 2,737,800	\$ 2,973,500
<i>Audited-Related Services(2)</i>	\$ 272,400	\$ 278,600
<i>Tax Services(3)</i>	\$ 125,000	\$ 195,200
<i>All Other Services</i>	\$ 0	\$ 0

- (1) Audit Services relate to the annual integrated audit of the consolidated financial statements and internal control over financial reporting, and also include audits of various Newsquest subsidiaries as required by statutes in the U.K.
- (2) Audit-Related Services principally relate to consultation on financial accounting and reporting matters, issuance of comfort letters in connection with debt offerings, and audits of employee benefit plans.
- (3) Tax Services principally relate to tax planning and advice in the U.S. and the U.K., including assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and the review of filings with the Federal and certain state governments.

The Audit Committee has adopted a policy for the pre-approval of services provided by the Company's independent registered public accounting firm. Under the policy, particular services or categories of services have been pre-approved, subject to a specific budget. Periodically, but at least annually, the Audit Committee reviews and approves the list of pre-approved services and the threshold estimates of cost of performance of each. The Audit Committee is provided with a status update on all E&Y services periodically throughout the year and discusses such services with management and E&Y. Pursuant to its pre-approval policy, the Audit Committee has delegated pre-approval authority for services provided by E&Y to its Chair, Karen Hastie Williams. Ms. Williams may pre-approve up to \$100,000 in services provided by E&Y, in the aggregate at any one time, without consultation with the full Audit Committee, provided she reports such approved items to the Audit Committee at its next scheduled meeting. In determining whether a service may be provided pursuant to the pre-approval policy, consideration is given to whether the proposed service would impair the independence of the independent registered public accounting firm.

In connection with its review of the 2006 audited financial statements, the Audit Committee received from E&Y written disclosures regarding E&Y's independence as set forth in Independence Standards Board Standard No. 1, including a detailed statement of any relationships between E&Y and the Company that might bear on E&Y's independence, and has discussed with E&Y its independence. The Audit Committee considered whether the provision of non-audit services by E&Y is compatible with maintaining E&Y's independence. E&Y stated that it believes it is in full compliance with all of the independence standards established by the various regulatory bodies. The Audit Committee concurred with this statement. The Audit Committee also discussed with E&Y various matters required to be discussed by Statements on Auditing Standards No. 61 (as amended), PCAOB, SEC and NYSE rules, including, but not limited to, the selection of and changes in the Company's significant accounting policies, the basis for management's accounting estimates, E&Y's conclusions regarding the reasonableness of those estimates, and the disclosures included in the financial statements.

The Audit Committee met with management, the Company's internal auditors and representatives of E&Y to review and discuss the Company's audited financial statements for the fiscal year ended December 31, 2006. Based on such review and discussion, and based on the Audit Committee's reviews and discussions with E&Y regarding the various matters mentioned in the preceding

paragraph, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Form 10-K covering the 2006 fiscal year, and the Board has approved that recommendation.

Audit Committee

Karen Hastie Williams, Chair

John Jeffrey Louis

Marjorie Magner

Duncan M. McFarland

PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has appointed Ernst & Young LLP as the Company's independent registered public accounting firm for our fiscal year ending December 30, 2007. E&Y also served as the Company's independent registered public accounting firm for our 2006 fiscal year. The Board of Directors is submitting the appointment of E&Y as the Company's independent registered public accounting firm for shareholder ratification at the 2007 annual meeting.

A representative of E&Y is expected to be present at the 2007 annual meeting. The E&Y representative will have an opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions from shareholders.

Our By-laws do not require that the shareholders ratify the appointment of E&Y as our independent registered public accounting firm. We are seeking ratification because we believe it is a good corporate governance practice. If the shareholders do not ratify the appointment, the Audit Committee will reconsider whether to retain E&Y, but may retain E&Y as the Company's independent registered public accounting firm. Even if the appointment is ratified, the Audit Committee in its discretion may change the appointment at any time during the year if it determines that a change would be in the best interests of the Company and its shareholders.

Approval of Proposal 2

The Board of Directors unanimously recommends that the shareholders of the Company vote FOR the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the current year.

PROPOSAL 3 PROPOSAL TO AMEND THE COMPANY'S

CERTIFICATE OF INCORPORATION AND BY-LAWS

TO PROVIDE FOR THE ANNUAL ELECTION OF DIRECTORS

Shareholders are being asked to approve amendments to provisions of the Company's Second Restated Certificate of Incorporation and By-laws to declassify the Board of Directors and instead provide for the annual election of all directors. Under the current structure, the Board is divided into three classes, as nearly equal in number as possible, with the members of each class serving three-year terms. If the amendments are approved, directors will be elected to one-year terms beginning at the 2008 annual meeting. In addition, the amendments will result in the removal of the 80% supermajority requirement to amend or repeal the provisions of the Certificate of Incorporation relating to the election of directors so that only a majority vote would be required for that action in the future.

Finally, if approved, the amendments will clarify the intent of provisions in the Certificate of Incorporation that relate to the required vote applicable to certain By-law amendments if proposed by shareholders in the future. The proposed amendments to the Certificate of Incorporation and the By-laws are set forth in Exhibit A, with deletions indicated by ~~strikeout~~ and additions indicated by underline.

The Company's classified board structure has been in place since 1985. In evaluating the proposed amendments, the Board of Directors considered arguments both in favor of and against this structure. Many investors perceive classified boards as promoting continuity and stability in corporate governance since a majority of the board at any time always has previous experience. They also consider three-year terms as a way to strengthen director independence and to encourage persons considering unsolicited tender offers or other unilateral takeover actions instead to negotiate with the target company's board of directors. On the other side, classified boards are sometimes seen as reducing the accountability of directors and diminishing shareholder influence over company policy by not allowing shareholders to evaluate and elect the directors on an annual basis.

In addition to considering these arguments, the Board of Directors also took into consideration that at the 2006 annual meeting, 62% of the Company's outstanding shares of common stock and 79% of the votes cast were voted in favor of a shareholder proposal submitted by Mrs. Evelyn Y. Davis requesting that directors take the necessary steps to declassify the Board. Mrs. Davis submitted again a similar proposal for consideration at the 2007 annual meeting. After weighing all of these considerations, the Board has determined that declassifying the Board is advisable and in the best interests of the Company and its shareholders. Accordingly, the Board unanimously recommends that the shareholders approve the proposed amendments to the Certificate of Incorporation and By-laws. In view of the Board's decision to submit the proposed amendments to the Certificate of Incorporation and By-laws to a vote of the shareholders at the 2007 annual meeting, Mrs. Davis has agreed to withdraw her proposal.

The approval of the amendments would not result in the curtailment of any director's term of office. Rather, all current directors, including the directors elected at the 2007 annual meeting to serve for three-year terms expiring at the 2010 annual meeting, would complete their present three-year terms. Beginning with the 2008 annual meeting, all director candidates would be nominated to serve for one-year terms. In addition, the amendments provide that after the 2007 annual meeting all directors elected by the Board to fill vacancies or newly created director seats would serve for a term ending at the next annual meeting following their election.

The affirmative vote of not less than 80% of the outstanding shares of common stock entitled to vote is required to approve the amendments to the Certificate of Incorporation and the By-laws. If approved by the shareholders, the amendments to the Certificate of Incorporation would become effective upon the filing with the Secretary of State of Delaware of a Certificate of Amendment, which is set forth as Exhibit B hereto. If this proposal does not receive the required number of votes in favor, the Certificate of Incorporation and the By-laws will not be amended and all directors will continue to serve three-year terms.

Approval of Proposal 3

The Board of Directors unanimously recommends that the shareholders of the Company vote FOR the amendment of the Company's Certificate of Incorporation and By-laws to provide for the annual election of directors.

PROPOSAL 4 SHAREHOLDER PROPOSAL

ON INDEPENDENT BOARD CHAIRMAN

The International Brotherhood of Teamsters General Fund, Inc., 25 Louisiana Avenue NW, Washington, DC 20001, the beneficial owner of 80 shares of Company common stock, has notified the Board of Directors that it intends to present the following Proposal at the Annual Meeting. We are presenting the Proposal as it was submitted to us.

Shareholder Resolution

That stockholders of Gannett Company, Inc. (Gannett or the Company) ask the Board of Directors to adopt a policy that the Board's chairman be an independent director who has not previously served as an executive officer of Gannett. The policy should be implemented so as not to violate any contractual obligation. The policy should also specify (a) how to select a new independent chairman if a current chairman ceases to be independent during the time between annual meetings of shareholders; and (b) that compliance with the policy is excused if no independent director is available and willing to serve as chairman.

Supporting Statement

It is the responsibility of the Board of Directors to protect shareholders' long-term interests by providing independent oversight of management, including the Chief Executive Officer (CEO), in directing the corporation's business and affairs. Currently at our Company the former and current CEO and President, Mr. Craig Dubow, holds the position of Chair of the Board, CEO and President. We believe that having one person fulfill all of these roles may not effectively serve the interests of shareholders.

An independent leader who ensures that management acts strictly in the best interests of the Company would better serve Gannett shareholders. Dow Jones has noted that this is a difficult period of transition for newspaper publishers and that as more readers get their news online, print circulation is declining, which also has an effect on print advertising.¹ The newspaper sector has seen stock prices down an average of 12% this year with Gannett stock down over 15%.

By setting agendas, priorities and procedures, the position of Chair is critical in shaping the work of the Board of Directors who will oversee the CEO with the Chair. Accordingly, we believe that having an independent director serve as Chair can help ensure the objective functioning of an effective board.

As a long-term shareholder of our Company, we believe that an independent Chairman of the Board is crucial to enhance Board leadership at Gannett, and protect shareholders from future management actions that can harm shareholders. Other corporate governance experts agree. As a Commission of the Conference Board stated in a 2003 report, "The ultimate responsibility for good corporate governance rests with the Board of Directors. Only a strong, diligent and independent Board of Directors that understands the key issues, provides wise counsel and asks management the tough questions is capable of ensuring that the interests of shareholders as well as other constituencies are being properly served."

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We believe that the recent wave of corporate scandals demonstrate that no matter how many independent directors there are on the Board, that Board is less able to provide independent oversight of the officers if the Chair of that Board is also the current and former CEO and President of the Company.

We, therefore, urge shareholders to vote FOR this proposal.

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¹ Update Gannett Profit Declines from Year-ago Gain, Dow Jones Newswire, 10-11-2006.

Statement by the Board of Directors in Opposition to the Resolution

Your Board recognizes the importance of independent oversight by the Board over management and the operations of the Company and conducts itself accordingly. It is for this reason that all directors on your Board other than Mr. Dubow, our Chairman, President and Chief Executive Officer, are independent under the rules governing NYSE-listed companies. Further, each of the Board's Audit, Executive Compensation and Nominating and Public Responsibility Committees are composed entirely of independent directors. These independent committees of the Board are given the authority under their respective charters to hire independent advisors and consultants, at Company expense, to assist them in carrying out their duties. Based on these various pre-existing independence requirements, we believe the proposal is unnecessary to ensure sufficient independent oversight of management by the Board.

In addition to the independence safeguards mentioned above, the Company has established effective principles of corporate governance which describe the Board's practices and methods of self-evaluation in detail in order to promote transparency with shareholders. The Company's non-management directors also meet in regularly scheduled executive sessions chaired by an independent, non-management presiding director. The presiding director's responsibilities include:

presiding at all executive sessions of non-management directors and at meetings of the full Board if the Chairman is not present;

servicing as liaison on board-wide issues between the Chairman, President and Chief Executive Officer and the non-management directors, although Company policy also provides that all directors shall have direct and complete access to the Chairman, President and Chief Executive Officer at any time as they deem necessary or appropriate, and vice versa;

in consultation with the Chairman, President and Chief Executive Officer, reviewing and approving Board meeting agendas and materials;

in consultation with the Chairman, President and Chief Executive Officer, reviewing and approving meeting schedules to assure there is sufficient time for discussion of all agenda items;

calling meetings of the non-management directors, if desired; and

being available when appropriate for consultation and direct communication if requested by shareholders.

We believe this proposal is not in the best interests of the Company or its shareholders because it limits the Board's flexibility in determining the best candidate to serve as the chairman of the Board, whether that person be an independent director or a director who has served or who is serving as an officer of the Company. An absolute requirement such as is presented by the proposal would prohibit the Board from exercising the judgment that has been entrusted to it by our shareholders. Your Board believes that it remains in the best interests of the Company and its shareholders for the Board to retain the flexibility to determine on a case-by-case basis who is best qualified to serve as the Board's chairman.

In light of the foregoing, your Board believes that the adoption of this shareholder proposal is not in the best interests of the Company and its shareholders and recommends that shareholders vote AGAINST this proposal.

COMPENSATION DISCUSSION AND ANALYSIS

In this Compensation Discussion and Analysis section, references to the Committee are to the Executive Compensation Committee of the Board of Directors.

Guiding Principles and Policies

The Company believes that compensation should be fair to both executives and shareholders, externally competitive, and designed to align closely the interests of executives with those of shareholders. Compensation should reflect the Company's position as a leader in its industry; motivate and inspire employee behavior that fosters a high-performance culture; and attract, engage and retain superior management talent that helps ensure the Company's future success. The Company places a heavy emphasis on pay for performance, and believes that substantial portions of total compensation should be at risk. Likewise, total compensation should reflect outstanding performance.

Overview of Executive Compensation Components

The Company's executive compensation program consists of several components, as illustrated in the table below.

		Intended Role and	
	Pay Element	What the Element Rewards	Why Gannett Uses the Element
Base Salary	Base Salary	Pay for performance in the executive role. Base salary adjustments also allow the Committee to reflect an individual's performance or changed responsibilities.	Represents market practice and competitive factors.
Short-Term Incentives	Annual Executive Incentive Bonuses	Provides tangible benefits for achievement of financial success measured in several ways including net income, relative shareholder return, earnings per share, return on assets, return on equity, return on invested capital, operating cash flow, operating income as a percent of sales, stock price, and market value. Also principally rewards progress towards transforming the Company to compete successfully in the digital age, as well as the achievement of qualitative goals including leadership in defending the First Amendment, promoting an ethical Company work environment and diverse workforce, and maintaining its reputation as a good corporate citizen of the local, national and international communities in which it does business.	Represents market practice and competitive factors. Rewards performance actually achieved as determined by the Executive Compensation Committee.

**Pay
Element**