

VIA E-MAIL

September 9, 2008

Dear Fellow Employee,

Given the job reductions across our division in the past month, I wanted to share with all of you our reasoning and plans for the future under a new structure we are implementing beginning today.

Like many businesses, the weakening economy has had a significant effect on our financial performance. Hardest are the classified categories – real estate, employment and automotive, where our year-over-year classified losses are in the 25% range. But it does not stop there: All segments are struggling with the current economic conditions and, unfortunately, forecasters predict that a rebound won't occur until well into 2009 or later.

While our local market position remains strong, it is critical to our future as the preeminent local news and advertising source that we adjust and align our resources for continued success. Although we worked hard this year to manage costs, the decline in revenue has outweighed expense reductions almost threefold. Last month this led us to adjust our workforce by 1,000 positions, while attempting to minimize the impact on content creation and ad sales capacity.

Today, we are revising our overall organizational structure by eliminating approximately 100 department head positions. This new structure flattens our executive management ranks, enhances the role of our group sites and aligns corporate resources with the field as we aggressively pursue our print and digital strategies to deliver what readers and advertisers want.

Group directors in circulation, finance, human resources, information technology, marketing and production/operations have been appointed to support their area of expertise across their group. Current executives within their respective groups will fill the new group director positions as well as retain their current responsibilities. You can find a listing of these new directors at the end of this letter.

I believe this new structure will improve communication, streamline processes, accelerate program deployment and, most importantly, improve our marketing efforts.

This is a difficult time for those leaving us and, I am sure, for you and your colleagues still on the job. I would like to emphasize that none of these job reductions was a reflection on anyone's performance. Those affected made valuable contributions to their newspapers and they will be missed.

We have important work ahead of us as we maneuver a changing media landscape amidst a difficult U.S. economy. But I am confident the desire and need for accurate news, information and advertising content is only increasing and we – with our multiple platforms – are in the best position to deliver it.

Over the coming months I will be travelling to many sites to hear first hand how best to position U.S.

Community Publishing for the future and to update you on our plans to improve our market share. In the meantime, do not hesitate to call or email me with your thoughts and ideas. I know each of you has tremendous insight that can be beneficial to our overall future.

I strongly believe that our local media companies will always play a critical role in their communities. You and your colleagues are key contributors to this important mission each and every day. Thank you for your support and dedication in these difficult times ... times we will successfully navigate.

Respectfully,

Bob

Group Directors

South:

Circulation: Bob Sutherland, VP/Circulation (Fort Myers)

Finance: Matt Petro, VP/Administration (Fort Myers)

Human Resources: Julie Lusk, Human Resources Director (Brevard)

Information Technology: Stacey Martin, VP/Operations (Nashville)

Market Development: Bob Faricy, VP/Market Development (Nashville)

Production/Operations: Mike Monscour, VP/Operations (Fort Myers)

Interstate:

Circulation: Mike Huot, VP/Circulation (Louisville)

Finance: Dawn Fisher-Polomski, Senior VP/Finance (Indianapolis)

Human Resources: Randi Austin, VP/Human Resources (Louisville)

Information Technology: Gary Shawd, VP/Information Technology (Louisville)

Market Development: Steve Simpson, VP/Market Development (Cincinnati)

Production/Operations: Bill Bolger, VP/Operations & IT (Indianapolis)

West:

Circulation: Rick Bell, VP/Circulation (Des Moines)

Finance: Julie Harvey, VP/Finance (Des Moines)

Human Resources: Joyce Ray, VP/Human Resources (Des Moines)

Production/Operations: Larry Urrutia, VP/Production (Tucson)

Market Development: Susan Patterson Plank, VP/Market Development (Des Moines)

Information Technology: to be announced

East:

Circulation: Mike Kane, VP/Circulation (Wilmington)

Finance: Don Lemire, VP/Finance (Wilmington)

Human Resources: Dolores Pinto, VP/Human Resources (Wilmington)

Information Technology: Wayne Peragallo, VP/Information Technology (Asbury Park)

Production/Operations: Antoinette Franceschini, VP/Production (Wilmington)

Marketing: To be announced

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