

FAQ Gannett Government Media Furlough Program Fourth Quarter, 2011

Q. Why is the company doing a furlough?

A. Since March our company has experienced difficulty in achieving our advertising and subscription revenue goals. To lessen the effect of this revenue shortfall, we took aggressive measures to tighten our belts and cut operational expenses. Every department made a contribution to the expense reductions in order to get us through this difficult time. Unfortunately, economic conditions have worsened in the past month and our revenue projections for the fourth quarter are lower than anticipated, necessitating further budget reductions.

Q. Is this part of a wider Gannett furlough plan?

A. Other Gannett units, as well as members of corporate staff, have already taken furloughs this year to meet their budget obligations. We did not enter the year anticipating such a need. But when we fell short of our targets, furloughs became necessary.

Q. Are further furloughs possible?

A. We are in the midst of a thorough review of our company's operations in preparation for the 2012 budget. In addition, we will be preparing a list of contingencies should we fail to achieve our budget goals once the new year begins. Furloughs will be on that list of contingencies, although we will work diligently to avoid them if at all possible.

4) Q. Other Gannett properties have had layoffs. Will we?

A. Although we are doing everything possible to avoid that possibility, some staff reductions may be necessary in 2012. As much as possible, we will try to achieve that through attrition.

5) Q. Is this furlough compromising our ability to do our jobs or the quality of our products with an already reduced resource level?

A. We understand that this is challenging. We believe that furloughs provide us the most flexibility within our business to continue serving our customers while also reducing operating expenses. Managers and supervisors will need to manage schedules to ensure that people's time off has the minimum possible impact on our ability to deliver our products and services.

6) Q. Is everyone in the company participating?

A. Yes. The only exception will be those employees that have been hired within the last four weeks.

7) Q. This is a financial hardship for me. Can I have an exception?

A. Unfortunately, we cannot make individual exceptions. We recognize that furloughs create hardships and have tried to minimize this by allowing hourly employees to spread their five furlough days over the full quarter. We also are announcing this now so employees and managers have more time to make their plans. We encourage all employees to make use of resources such as the Employee Assistance Program, which can help you and your family manage through this difficult time.

8) Q. Will there be another furlough in Quarter 1 of 2012?

A. Our hope is that future furloughs will not be necessary but business conditions combined with economic trends will be the major factors as we continue to assess this market. No decision on this can be made at this time.

9) Q. I still have a lot of unused leave, and with these furloughs, I'm afraid my supervisor will not let me take that much time off in one quarter. Can I carry over some leave into 2012?

A. Yes. Due to the furlough in the fourth quarter, we will allow you to carry over up to one week of your leave into the first quarter of 2012. You need to schedule it for a time that is mutually agreed upon with your supervisor. Please revisit your remaining vacation schedule for 2011 and discuss your plans with your supervisor.

10) Q. Instead of taking the furlough, can I give up a week of vacation instead?

A. No, because vacation days are paid, so there is no savings to the company.

11) Q. Why are the rules different for non-exempt and exempt employees?

A. Non-exempt and exempt employees are subject to different rules set by the U.S. Department of Labor. Basically, exempt employees are paid for a week's worth of work, not in smaller increments.

12) Q. May hourly workers take furlough time in part-day or hourly increments?

A. We are asking the furloughs be taken in full day units. We are giving hourly employees the option to spread their five full days of furlough over the entire fourth quarter.

13) Q. If a salaried employee works while on furlough because of an emergency, will he or she then take a new furlough week later?

A. Every exempt (salaried) employee will need to complete the furlough as one full payroll week. Furloughs need to be scheduled so back-up personnel are available. If there is an emergency and you need to return to work, a new furlough will be scheduled for a later date. Your supervisor must approve your return to work in advance.

14) Q. Does the furlough include part-time workers?

A. Yes. The furlough should be based on their scheduled or variable time and should be based on a normal work week.

15) Q. Can I use part-time people to fill in for furloughed workers?

A. Not if it expands their hours and costs more.

16) Q. Can a salaried employee work on the weekends?

A. There can be no work done during the payroll week at all, so please check with your supervisor to see when your payroll week begins. A furlough for an exempt employee will always be seven consecutive days and therefore will always include either two weekend days or two of the employee's regular days off.

17) Q. How will my furlough be scheduled?

A. Furloughs will be scheduled so that normal operations can continue without interruption during the furlough period. You will have an opportunity to discuss your schedule with your supervisor, who ultimately must decide what works best and what you need to do to prepare for your being out.

18) Q. Why can't I do any work while I am out?

A. There are very specific rules that must be followed. Federal and state laws require that employees, whether hourly or salaried, must not do any kind of work on an unpaid leave. That includes reading or responding to e-mails, calling or responding to calls from colleagues and being on site at your location at any time during your furlough days.

19) Q. When on furlough, may I use my company cell phone and email? A. You may not use your company email while on furlough. If your company phone is your only phone, you may use it for personal calls. But it is preferable to leave it off and change the voicemail message to out-of-office. **20) Q. Who will cover my job while I am out?**

A. You and your supervisor should discuss how your responsibilities will be handled while you are out. If you have a company e-mail address and/or phone extension, you should leave a message directing people to the employee designated to reply in your absence.

21) Q. What happens to my benefits while I am out on furlough?

A. Benefits such as your health and life insurance continue during your furlough. Deductions for your health and optional life insurance coverage will be taken out of your paycheck for any week in which furlough day(s) are taken. Health and life insurance deductions will continue to be based on your rate of pay, not on your reduced pay as a result of the furlough. That means that the amount of your life insurance coverage (equal to one times your annual rate of pay) will not go down as a result of your unpaid furlough time. Similarly, your payroll deduction for medical insurance, which is based on your rate of pay and the salary bracket that you fall into, will remain unchanged since your rate of pay also remains unchanged. You will continue to earn vacation credit during your furlough. If you participate in the Gannett 401(k) Savings Plan, no participant contributions and company-matching contribution will be made for the time you are not paid while on furlough. You are not eligible for a distribution of your pension benefits while you are out on unpaid leave. Garnishments will continue to be taken.

22) Q. Am I eligible for state unemployment benefits while I am out on furlough?

A. Unemployment benefits vary by state. Some states have waiting periods before unemployment benefits commence; others do not. You should contact your local unemployment office for more information.

23) Q. What other resources do I have to assist me while I am out on furlough?

A. Our Employee Assistance Program can provide counseling or direct you to resources in your community to help you and your family through this difficult period. More information is on the Gannett Benefits Center Web site at www.benefitsweb.com/gannett.html, or you can call the service center at their toll free number: 877.865.8980. As a reminder, the Gannett 401k Savings Plan provides you with the ability to borrow from your account provided you are eligible under the terms of the Plan.

24) Q. Can the week of Thanksgiving be taken as my furlough week?

A. Yes, Thanksgiving week is eligible for furlough. The holiday would be unpaid and there would be no substitute paid day off.

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