

## **Post Co. selling Newsweek to Sidney Harman**

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Sidney Harman, the 91-year-old founder of audio equipment maker Harman International Industries Inc., has agreed to buy Newsweek, ending a nearly half-century chapter for the magazine as part of The Washington Post Co.

Jon Meacham, the magazine's top editor since 2006, will step down.

Newsweek has been struggling to find a profitable niche amid poor economic conditions and a flood of online competition. Declines in circulation and advertising led to a nearly \$30 million loss in 2009, and Newsweek expects to lose money again this year.

In a statement Monday, Post Co. CEO Donald Graham said Harman has pledged to keep most of the magazine's staff. Financial terms were not disclosed, although the Post Co. said it is keeping the magazine's pension liabilities and certain other employee obligations.

"In seeking a buyer for Newsweek, we wanted someone who feels as strongly as we do about the importance of quality journalism," Graham said. "We found that person in Sidney Harman."

Graham added, "He has pledged not only to continue to produce a lively, compelling and first-rate news magazine, but also an equally dynamic Newsweek.com."

Harman is the husband of Rep. Jane Harman, D-Calif., chairwoman of the House Homeland Security subcommittee on intelligence.

Harman International Industries makes equipment under such brand names as JBL, Infinity, Harman Kardon and Mark Levinson. Its audio products are used in such auto brands as Daimler AG's Mercedes-Benz, BMW AG and Toyota Motor Corp's Lexus.

The Post Co., which acquired Newsweek in 1961, has been looking for a buyer since May, when it hired the investment bank Allen & Co. to help shop the magazine to potential bidders.

Despite continuing losses, Newsweek drew several offers, including ones from Newsmax Media, the publisher of the conservative monthly Newsmax; Open Gate Capital, the private equity firm that owns TV Guide magazine; and Thane Ritchie, a hedge fund manager who made an unsuccessful bid last year for the company that publishes the Chicago Sun-Times.

With the print industry in decline, the Post Co. likely sold Newsweek at a fire-sale price. Bloomberg LP bought BusinessWeek last year for just a few million dollars.

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