

Washington Post favors audio tycoon's Newsweek bid: report

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Sidney Harman and Jane Harman pose for photographers in 2009 in Washington, DC. The Washington Post Co. is leaning towards selling money-losing Newsweek magazine to California billionaire Harman, The New York Times reported Friday.

The Washington Post Co. is leaning towards selling money-losing Newsweek magazine to California billionaire Sidney Harman, The New York Times reported Friday.

Citing "people with knowledge of the bidding process," the newspaper said at least two other parties remain in the mix -- Fred Drasner, a former publisher of the New York Daily News, and Marc Lasry, a hedge fund owner and Democratic Party donor.

But the Times said Harman's offer seems likely to be the most appealing to Post Co. chairman Donald Graham and the company's board because it proposes to retain the vast majority of Newsweek's 325 employees, including the magazine's top management and editors.

The Times cautioned that a deal between the Post Co. and Harman, whose Harman International Industries makes high-quality audio and other products, was far from certain and said the situation "remains fluid."

It said Harman's bid calls for keeping on 250 Newsweek employees and paying the Post Co. one dollar in exchange for taking on Newsweek's considerable financial liabilities.

According to the Times, losses at the news weekly could approach 70 million dollars this year.

The Post Co. has declined to comment publicly on the bidding process and said it will not release any information about the sale until any transaction is completed.

Post Co. chairman Donald Graham announced on May 5 that the company had decided to sell Newsweek, which was founded in 1933 and purchased by the Post Co. in 1961.

Like many other US magazines, Newsweek has been grappling with a steep drop in print [advertising revenue](#), steadily declining circulation and the migration of readers to free news online.

[Newsweek](#), which has been engaged in a fierce decades-long rivalry with Time magazine, lost more than 28 million dollars last year and advertising revenue dropped 37 percent.

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