

Newsweek Progress Report

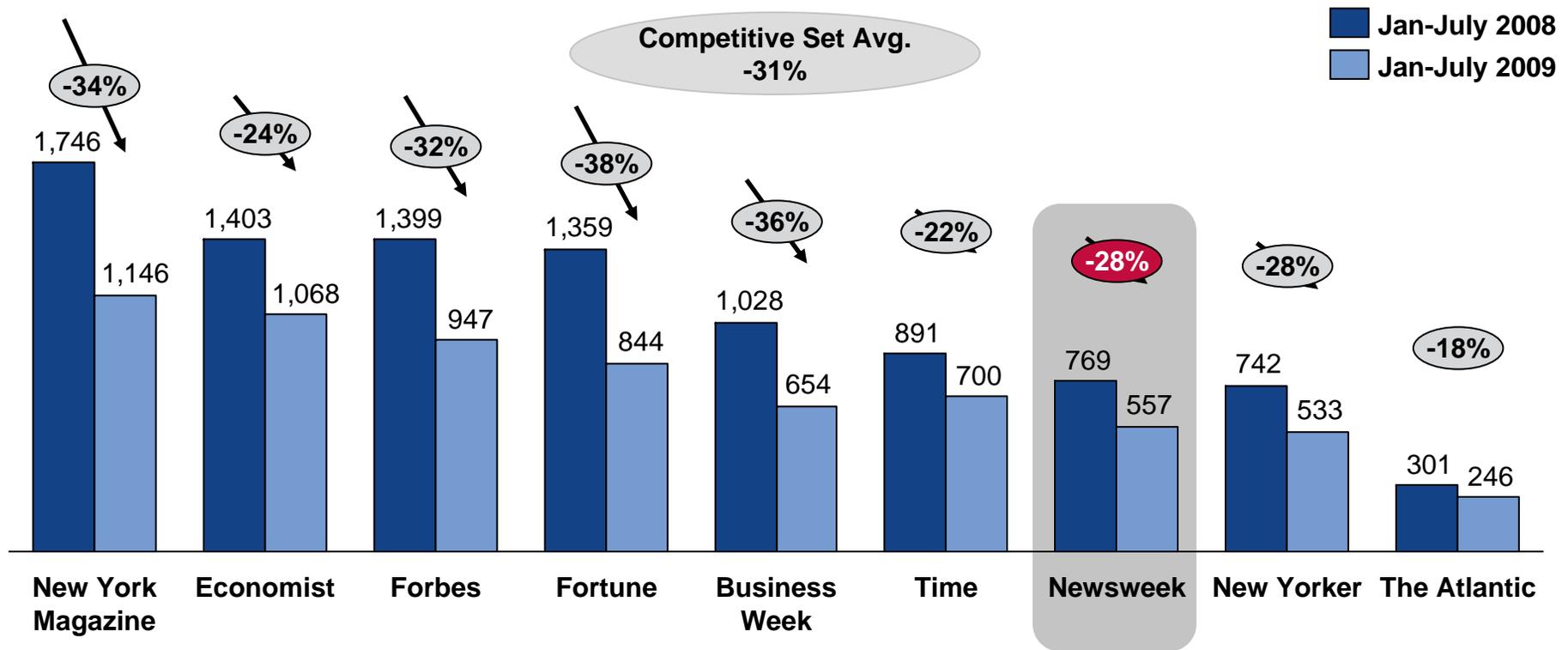
September 11, 2009



New

Our category of magazines has been hit hard by the downturn, with ad pages down 31% YoY

“News & Ideas” Magazines Ad pages
Jan-July 2008 vs. Jan-July 2009



Source: PIB 2009 ad page reports

In the face of a still uncertain ad environment, our strategy focuses even more on building a premium business with premium products

A

Premium product development

- *We've re-launched the magazine and are getting positive feedback from the marketplace*
- *In 2010, we plan to launch an enhanced membership model*

B

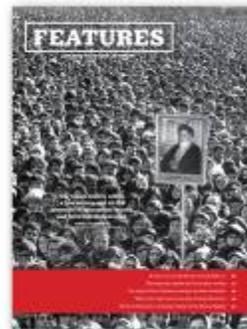
Growing revenue per reader/ user

- *We've implemented significant price increases with limited market resistance*
- *We plan to continue to raise price by adding to our value proposition with additional products (including digital)*

C

Cost Cutting

- *We continue to identify significant opportunities for headcount and operational efficiency*



A

Consumer research suggests the new magazine is resonating with readers



95% | See a difference in the new magazine.

76% | Have a highly favorable rating of the Magazine.*

74% | Of current subscribers are likely to re-subscribe in the next year.

47% | Of non-subscribers are likely to subscribe in the next year.

*Rate as Excellent/Very Good/One of My Favorites

Methodology: A total of 1,371 panelists completed the survey; the respondents must have read at least 2 recent issues pre-launch, and 2 post-launch issues.

A

Certain changes have been met with great enthusiasm, while others are lamented – we will continue to adapt



65% said The InternationalList “increases enjoyment of reading NEWSWEEK”



Readers said they appreciate our serious take on national and global affairs. We have highlighted our strong voices, and we are building up new talent as well.



ANNA QUINDLEN is sorely missed. We have a big female audience and she was popular...

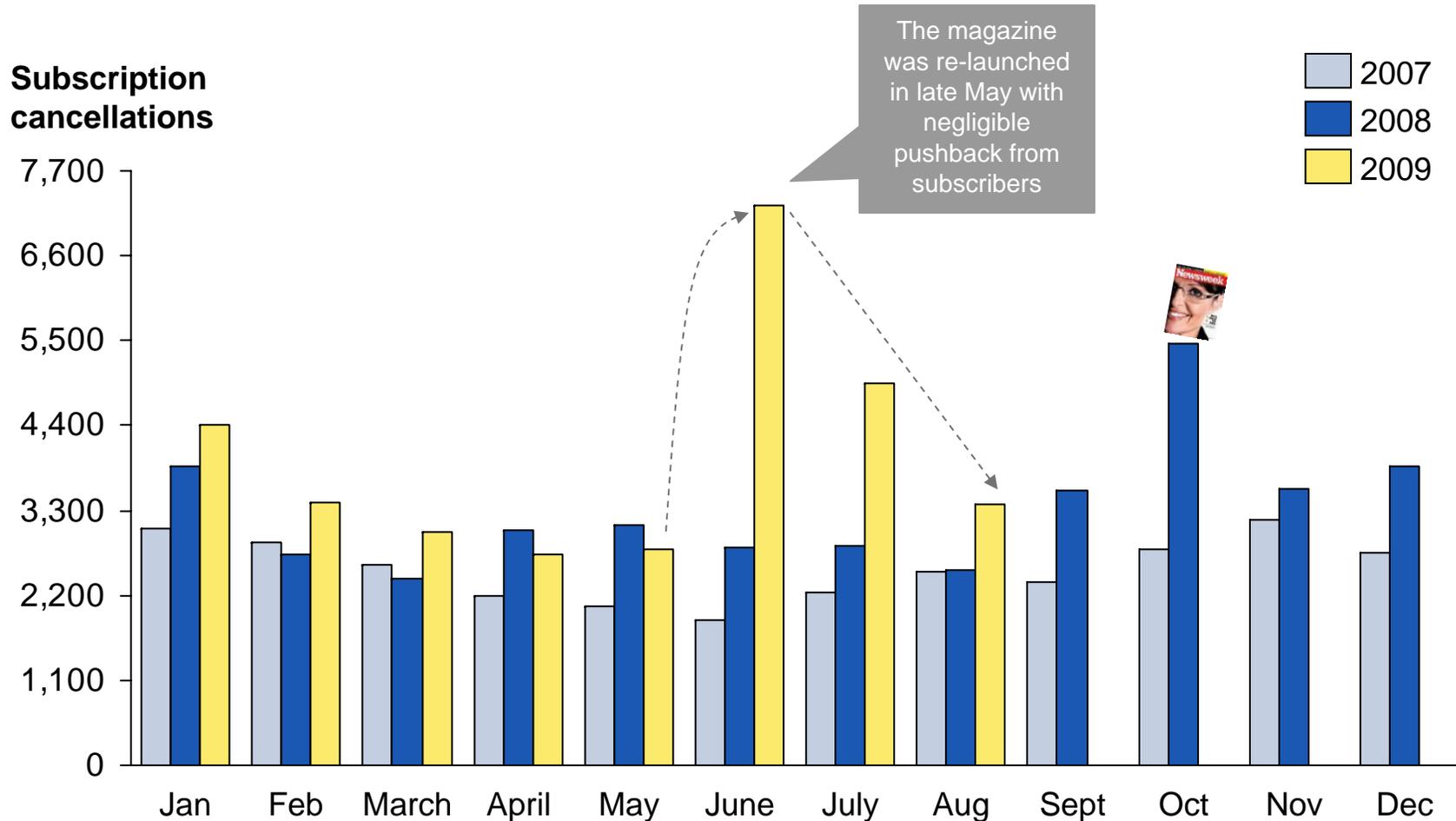


JULIA BAIRD will join our stable of columnists In The Take.



A

As expected, the redesign caused some loyalists to cancel – but the numbers were small and quickly subsided



A

The re-launch continues to generate significant momentum and buzz with advertisers and consumers

New and returning advertisers



1st-time advertiser – 5 pages to promote the new 911; cited the redesigned magazine and sophisticated audience



Spent \$1M on a cross-platform program (75% digital) sold based on tech/business audience



New account since the redesign; purchased 6 pages so far this year



Looked to Newsweek to reach technology decision-makers with the “Smart Quiz” program for \$400K based

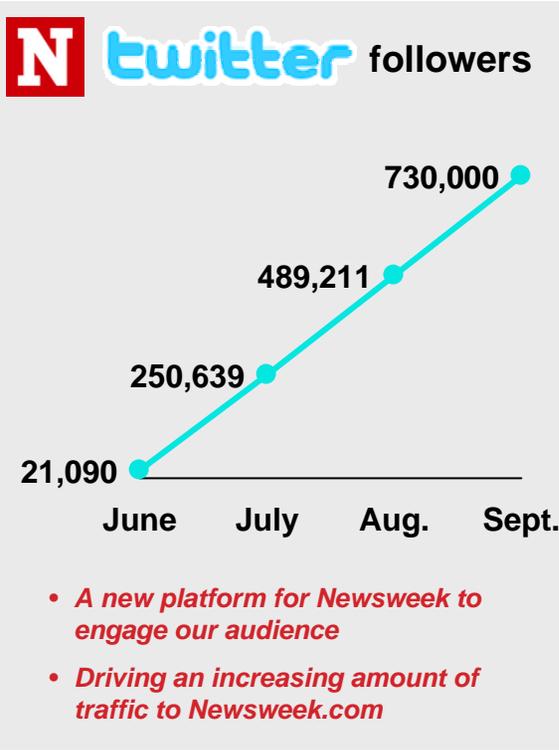
New franchises

On sale Sept. 21



25 ad pages sold to companies seeking to position themselves as leaders in environmental practices

Consumer buzz



A

We have begun a re-launch of the website, with some positive indicators, but much work still to come

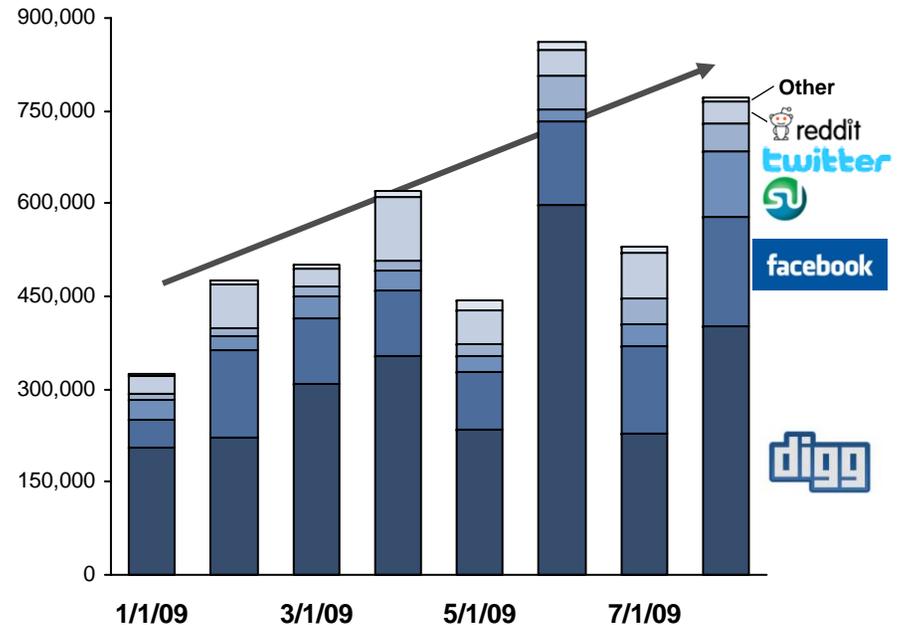
We continue to improve upon Newsweek.com



- Redesigned homepage in conjunction with magazine re-launch
- Completed deal with CQ5 (CMS vendor) – launch scheduled for Q4 2009
- Broader site redesign, Q1 2010
- Working with NYTimes SEO specialists who have identified significant improvement opportunities

Social media is driving an increasing amount of traffic

Monthly social media referrals



B

We delivered on part one of our premium strategy (a 20% newsstand price hike) without hurting sales volume

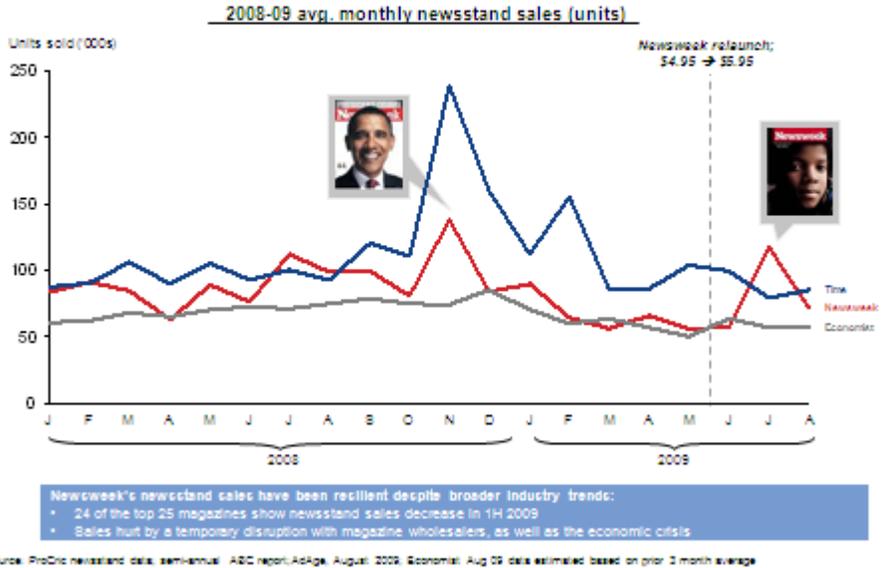
Newsstand sales have lagged across industry and are still highly variable week-to-week

2008-09 avg. monthly newsstand sales (units)

Units sold ('000s)

B We delivered on part one of our premium strategy (a 20% newsstand price hike) without hurting sales volume
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Newsweek relaunch;
4.95 → \$5.95



Time
Newsweek
Economist

J F M A M J J A S O N D J F M A M J J A
2008 2009

Newsweek's newsstand sales have been resilient despite broader industry trends:

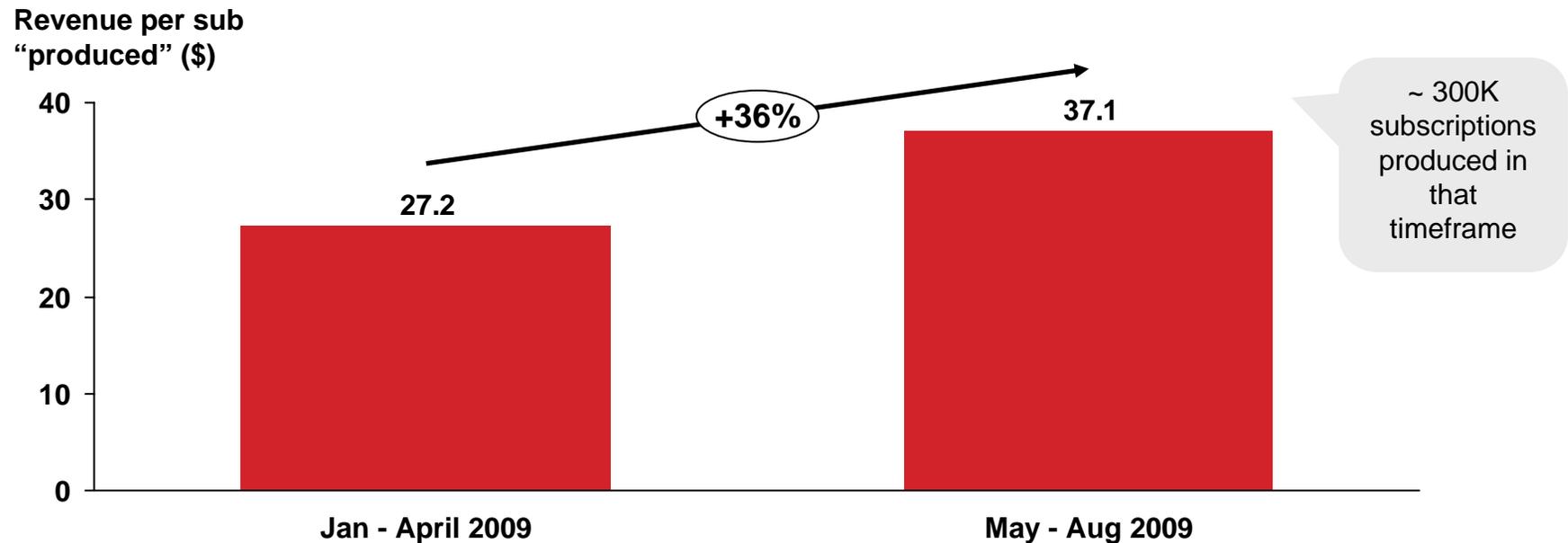
- 24 of the top 25 magazines show newsstand sales decrease in 1H 2009
- Sales hurt by a temporary disruption with magazine wholesalers, as well as the economic crisis

Source: ProCric newsstand data; semi-annual ABC report; AdAge, August 2009; Economist; Aug 09 data estimated based on prior 3 month av

B

In our broader premium pricing efforts, we have successfully increased price – it is costing us 7% more than expected
2009 new acquisition efforts are limited due to lowering our rate base

Pricing changes are leading to significant growth in revenue per new subscriber



About 7% increase in cost of renewal efforts beyond what we budgeted

B

As we shift to a more premium product, we free ourselves to cater directly to our core strengths with readers

Reader survey: Responded
"very interested" in the
following topics*

National Affairs	77%
Politics	68%
Global news	63%
Social Issues	60%
Economy	57%
History	56%

Newsweek readers prefer more serious coverage vs. the topics that are generally most appealing to advertisers



The
Economist

FT
FINANCIAL
TIMES

ESPN
insider
You don't know what you're missing

HBO

B

Part two of this premium strategy – *Newsweek Everywhere* – will roll out in 2010 and will merge our print, digital and live offers for a higher price

Subscribers will feel like “members of a club”

Benefits will include:

Premium-hybrid digital model will boost \$ per subscriber while preserving ad revenue

Newsweek Everywhere

- **A higher value Newsweek magazine**
- **An enhanced digital interpretation of the magazine**
 - E.g., multimedia, interactive features, story follow-ons, reporters’ notebooks, etc.
- **A suite of additional digital products for members**
 - E.g., op-eds, niche blogs, news quizzes, “We read it so you don’t have to” franchise, etc.
- **Convenient and optimized mobile content packages**
- **Live access to our talent –**
 - E.g., tickets to speeches, book signings, events, appearances, webcasts
- **Co-marketed member benefits**

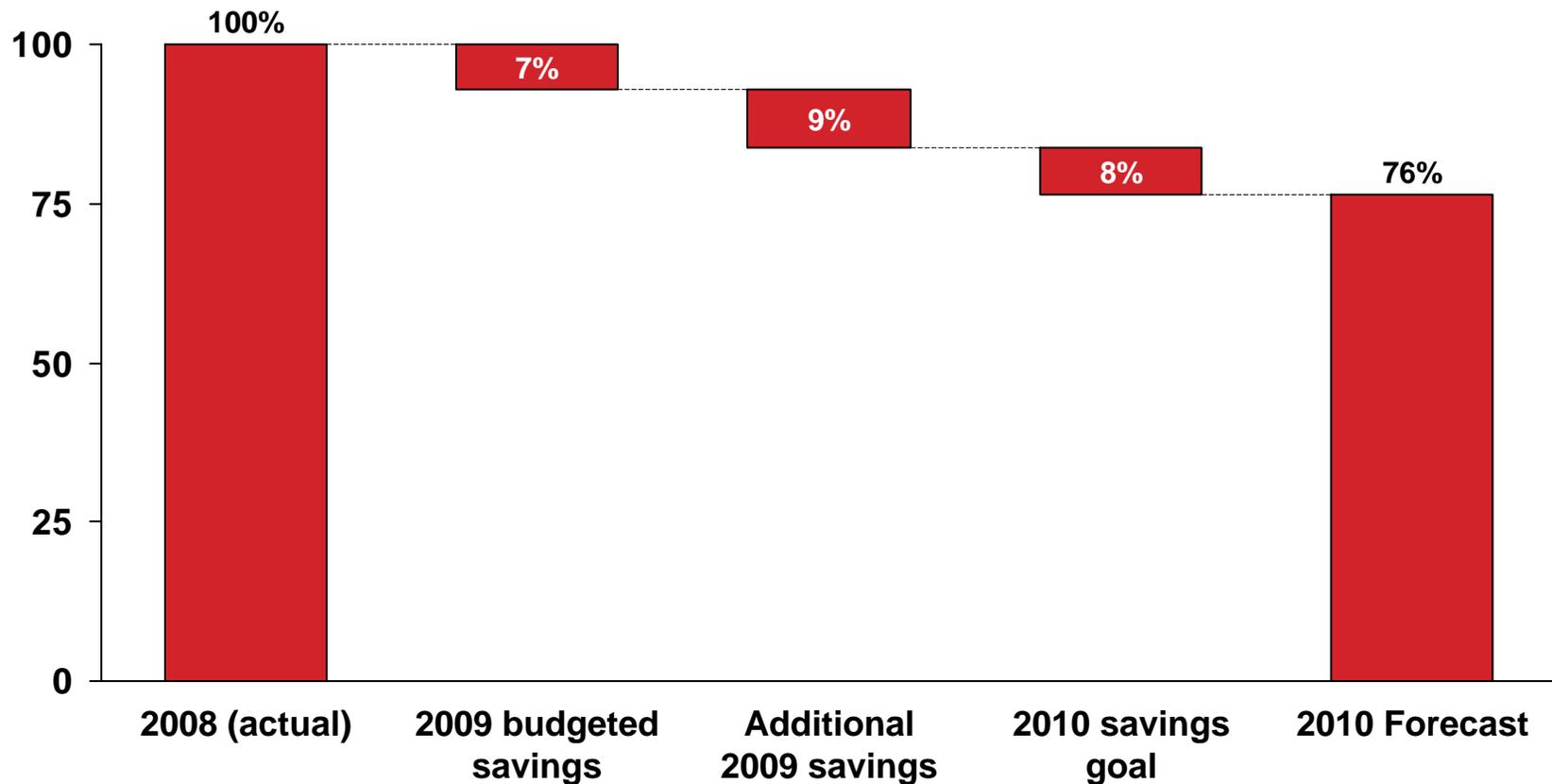


- We will push average subscription fees to as high as \$75 over a 24-month period
- We will preserve a “public” site to maintain our digital ad revenue business
- This strategy not only hedges against an uncertain ad market, it also trains our users to value their relationship with us no matter what platform it’s on

C

We have begun a cost-cutting process this year that will be more fully realized in 2010

Newsweek Inc. ¹
Expenses (%)



(1) Excludes Budget Travel

FREE MAZIAR BAHARI

NEWSWEEK reporter, filmmaker, playwright, author, artist, and, since June 21, prisoner.

For the past five weeks Maziar Bahari, 42, a Canadian-Iranian journalist and film director, has been held in Tehran's Evin Prison without access to his family or a lawyer. Nearly 300 writers, reporters, and filmmakers from more than 60 countries around the world, including several Nobel Prize winners, have put their names to petitions calling upon the Iranian government to release him. The variety in their nationalities and their professions is a remarkable testament to Maziar, and to the value of his work. The government of Iran should heed their plea.



PEN American Center & PEN Canada

Chris Abani, Nigeria/USA
Arvind Adiga, India
Edward Albee, USA
Martin Amis, UK
K. Anthony Appiah, USA
Nadeem Aslam, Pakistan/UK
Margaret Atwood, Canada
Paul Auster, USA
Russell Banks, USA
Sebastian Barry, Ireland
Ibrahim Baah, Sierra Leone/USA
Giacinto Balli, Nicaragua/USA
Anouar Benmalek, Algeria/France
Breyton Breytenbach, South Africa/USA
Ian Buruma, Netherlands/USA
Peter Carey, Australia/USA
Massimo Carlotto, Italy
Vivian Chandra, India/USA
Ron Chernow, USA
Billy Collins, USA
Alan Cumyn, Canada
Rebecca Curtis, USA
José Dallmayr, Philippines
Edwidge Danticat, USA/Haiti
Bei Dao, China
Alain de Botton, Switzerland
Dun Delilla, USA
Niran Desai, India/USA
E.L. Doctorow, USA
Ariel Dorfman, Chile/USA
György Dragomán, Hungary
Umberto Eco, Italy
Dave Eggers, USA
Dr. Carolin Emcke, Germany
Victor Erofeev, Russia
Nuruddin Farah, Somalia/South Africa
Joshua Foa, USA
Charles Frazier, Canada
Jonathan Franzen, USA
Neil Gaiman, UK
Forrest Gander, USA
Francesca Goldsmith, USA
Madeline Gordimer, South Africa
Philip Gourevitch, USA
Katherine Govier, Canada
Mark Greif, USA
David Grossman, Israel
Arman Grunberg, Netherlands
Rowel Hagg, Canada
Jessica Hagedorn, USA
Aleksandar Hemon, Bosnia/USA
Amy Hempel, USA
Lawrence Hill, Canada
Chenjezi Hove, Zimbabwe/Norway
Siri Hustvedt, USA
Ho Jin, China/USA
Lieve Joris, Belgium
Christian Jungreis, Denmark
Daniel Kehlmann, Austria/Germany
William Kennedy, USA
Etgar Keret, Israel
Yasmina Khadra, Algeria
Elio Khoury, Lebanon

Mark Kitipweli, Canada
Naomi Klein, Canada
Michael Krueger, Germany
Mark Kuriansky, USA
Paul LaFarge, USA
Dany Laferrière, Haiti/Canada
Nick Laird, Ireland
Nam Le, Vietnam/Australia
Jonathan Lethem, USA
Tiyun Li, China/USA
Ma Jian, China/UK
Goert Miek, Netherlands
Yann Martel, Canada
Colm McCann, Ireland/USA
Ian McEwan, Netherlands
Patrick McGrath, UK
Suketa Mehta, India/USA
Catherine Millet, France
Luke Mitchell, USA
Danyal Muzaffar, Pakistan
Antonio Muñoz Molina, Spain
Cees Nootboom, Netherlands
Michael Ondaatje, Sri Lanka/Canada
Susan Orlean, USA
George Packer, USA
Orhan Pamuk, Turkey
Richard North Patterson, USA
Gary Phillips, UK
Steven Pinker, Canada
Elena Poletshina, Mexico
José Manuel Prieto, Cuba/USA
Francine Prose, USA
Nino Ricci, Canada
Adrienne Rich, USA
Rosana Robinson, USA
Philip Roth, USA
John Rubinoff, Canada
Lionel Shriver, USA
Gary Shteyngart, USA
Zadie Smith, UK
Wale Soyinka, Nigeria
Rosa Styrón, USA
Walter Tevler, USA
Jane Urquhart, Canada
Mario Vargas Llosa, Peru
M.B. Vissani, Canada
Ngugi wa Thiong'o, Kenya
Eliot Weinberger, USA
Edmund White, USA
Sean Wilentz, USA
A.B. Yehoshua, Israel
Saeid Yousefi, Iran/UK

Committee to Protect Journalists, Index on Censorship, and Canadian Journalists for Free Expression

Nada Adessamad, Lebanon
Abdulrahman Al-Rashed, Al-Anbary, UAE
Mustoor Al-Jamri, Al-Waqat, Bahrain
Abdul Karim Al-Khalwani, Yemen
Wahid Al-Omar, Al-Jazeera, Palestine
Christiane Amaraoui, CNN, USA

Jamil Amer, Al-Waqat, Yemen
Jon Lee Anderson, The New Yorker, UK
Ali Anzola, Al-Jazeera
Al-Cula, Morocco
Sally Armstrong, Maclean's, Canada
Abdul Bari Rowan, Al-Quds Al-Arabi, UK
Omar Belhoucheit, Al-Waqat, Algeria
Ahmed Bada Benchehri, TelQad and Nahon, Morocco
Mohamed Benchehrou, Algeria
Sham Benmoussa, Kolima, Tunisia
Muhmet Ali Binazir, CNN TURK, Turkey
Toufik Bouachrine, Akhbar al-Yaum, Morocco
Ali Bulag Zaman, Turkey
Tony Burman, Al-Jazeera English, Qatar
Lydia Cacho, Mexico
Carlos Fernández Chazornis, Confidencial, Nicaragua
Doha Chems, Al-Akhar, Lebanon
Ying Chan, Hong Kong
Nezam Chomsky, USA
Daniel Coranelli, Noticias Uno, Colombia
Marcel Dangalan Vitang, Newsworld, Philippines
Nicholas Dawes, Mail and Guardian, South Africa
Redi Dirko, Radio 702, South Africa
Ibrahim Elton, Al-Dustour, Egypt
Samir Fahmy, Egypt
Lucio Flavia Pinto, Jomel/Panorama, Brazil
Youssef Foadi, Egypt
Tom Friedman, The New York Times, USA
Sami Ghaleb, Al-Naba, Yemen
Murada Ghali, Ayas Al-Faraj, Sudan
Hussein Abdel Ghani, Al-Jazeera, Egypt
Mónica González, CIPER, Chile
Gustavo Garrill, Peru
Alma Guillermoprieto, Mexico
Lutfi Haggi, Al-Jazeera, Tunisia
Brian Hungwe, Zimbabwe
Boudhar Jamar, Le Journal, Morocco
Jiang Weiping, Canada
Jesse Joffe, Die Zeit, Germany
Chaitanya Kalbag, India
Hisham Kasseem, EOH, Egypt
Rachid Khechana, Al-Mawki, Tunisia
Kyoung Ho Kim, South Korea
Sami Khatib, Milliyet, Turkey
Ted Koppel, USA
Mohamed Krichene, Al-Jazeera, Qatar
Dawad Kuttub, Palestine
Andrei Lipsky, Novaya Gazeta, Russia

Linden MacBeth, CBC, Canada
Amadou Maitre Ba, Al-Jazeera, Washington D.C.
Peter Marsbridge, CBC, Canada
Daniela Mastrogiacoma, La Repubblica, Italy
Nathan Mathis, BOD, Serbia
WEE Mungwa, The Zimbabwean, UK
Adam Michnik, Gazeta Wyborcza, Poland
John McKeithwell, The Economist, UK
Roula Mikhael, Meharat, Lebanon
Javier Moreno, El País, Spain
Caroline Mutsaers, Kwa FM, Kenya
Adela Navarro Bello, Zeta, Mexico
Fintan O'Toole, Irish Times, Ireland
Carol Off, CBC, Canada
Marianne Pearl, France
Teodoro Petkoff, Tel Quel, Venezuela
Alan Philips, UK
Christian Tudor Popescu, Clusul, Romania
Vladimir Puzos, Independent Journalist, Russia
Antonia Radets, RTL Germany, Germany
Sergio Ramirez, Nicaragua
Ahmed Rashid, Pakistan
Nazliya Rejiba, Kolima, Tunisia
Lloyd Robertson, CTV News, Canada
Fernando Rodríguez, Folha de S. Paulo, Brazil
Pierre Rousselet, Le Figaro, France
Fabrice Rousselet, Liberation, France
Rana Saibagh-Bargour, Jordan
Majidub Mohamed Salah, Al-Ayyam, Sudan
Daniel Santoro, Clarín, Argentina
Enrique Santos, El Tiempo, Colombia
Fernando Savater, Spain
Roberto Saviano, Italy
Khawid Sergany, Al-Dustour, Egypt
Najim Sethi, Daily Times, Pakistan
Sabam Sigitan, Jakarta Post, Indonesia
Stigrun Skjappad, Norwegian Broadcasting Organization, Norway
Jon Snow, Channel 4, UK
John Staehelin, The Globe and Mail, Canada
Paul Stober, ProPublica, USA
Nday Tessest, Gambia Press Union, Gambia
Taran Tejpal, Tehelka, India
Manuel Vazquez Portal, USA
Francis Ventresin, Corriere della Sera, Italy
Hans-Joachim Werhstky, Pagina/2, Argentina
Lal Winkromatunga, Sunday Leader, Sri Lanka
Karim Yahya, Egypt
Farouk Zakaria, Newsweek, USA
Faride Zariw, Chile

International Documentary Film Festival Amsterdam

Henry Abu-Asad, Palestine
Claire Aguiar, USA
Isabel Arriola Fernandez, Netherlands
Jana Balfour, UK
Paola Barreto-Leblanc, Brazil
Tevfik Baser, Turkey
Victoria Belopolsky, Russia
Rudy Buttignol, Canada
Headier Croull, UK
Sandrine Jan Hamer, Netherlands
Alyk Dierckx, Netherlands
Özgür Döğru, Turkey
Sergey Dvortsevoy, Russia
Dan Edkins, South Africa
Dimitri Elpidok, Greece
Hans Robert Eitzenhauser, Germany
Orhan Eskiköy, Turkey
Pelin Esmer, Turkey
Alexey Feduchenko, Russia
Simon Field, UK
Nick Fraser, UK
Erik Gardell, Sweden
Flora Gregary, UK
Carmen Guarini, Argentina
Gus Guzman, Brazil
Huddy Houtingsma, Netherlands
Darkusz Jablonski, Poland
Nishita Jain, India
Yves-Jeanneau, France
Amir Labaki, Brazil
Edward Lachman, USA
Jørgen Leth, Denmark
Kim Longinotto, UK
Pawel Lukowski, Poland
Mottstern Marai, Qatar
Karina Meristany Espinosa, Venezuela
Renzo Martens, Netherlands
Rashid Mashaerawi, Palestine
Dana Mertes, USA
Laura Michalowsky, USA
Rubbie Müller, Netherlands
Ben Nguyen, Australia
Catherine Olsen, Canada
Sevgi Örtac, Turkey
Kostantinos Pavou, Russia
John Petrucci, Venezuela
Aleksander Plestovs, Russia
Makoto Sato, USA
Jett Scaerch, UK
Ulrich Seidl, Austria
Todd Solondz, USA
Jonathan Stack, USA
Muzak Taebi, USA
Pieter van Hoytebe, Netherlands
Adrik Van Nieuwenhuijzen, Netherlands
Mika Vakkilainen, Finland
Marski Vitai, Russia
Wim Wenders, Germany
Diane Weyermann, USA
David Wilson, USA
Rutger Woltzen, Netherlands

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