

Blavatnik's Access Industries Lead Bidder for Warner Music

By [The Moscow Times](#)

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Russian emigre Len Blavatnik has emerged as the leading bidder for Warner Music Group, which put itself up for sale in January, said three people with knowledge of the situation.

A sale to Blavatnik's Access Industries Holdings for \$3 billion or more would end a three-month auction whose finalists include private-equity brothers Tom and Alec Gores and Sony/ATV Music Publishing.

Rival bidders may yet revise their offers, and a sale to Blavatnik is not certain, two people said. The board meets again Thursday, they said. Tom Gores, who runs Beverly Hills, California-based Platinum Equity, is working with Alec Gores, whose Los Angeles-based firm is Gores Group.

Sony/ATV has made a joint bid with billionaire Ronald Perelman and Guggenheim Partners, people have said. Each of the bids is about \$3 billion or higher, they have said.

Michael Sitrick, an outside spokesman for Blavatnik, declined to comment. A Warner Music spokesman declined to comment.

A sale to Blavatnik would position Warner Music to make a bid for EMI Group, the London-based music company that lender Citigroup seized from its owner, Guy Hands. By combining the two companies, a new owner would be able to cut costs.

Warner Music, home to artists including Cee Lo Green and the Black Keys, has long-term debt of \$1.94 billion, according to Bloomberg data.

The list of suitors narrowed last week when billionaire investor Ron Burkle decided to walk away.

The Financial Times reported earlier that Blavatnik was the lead bidder.

Eight of Warner Music's 13 directors are executives of Thomas H. Lee Partners and Bain Capital, two Boston-based private-equity firms that together hold 51 percent of the company's shares. Chairman and chief executive Edgar Bronfman Jr. owns about 7 percent of the stock.

Blavatnik, who is a former director of Warner Music, is one of the three principal owners of AAR — the group that also includes oligarchs Mikhail Fridman and Viktor Vekselberg. AAR, as part owner of TNK-BP, is in a major dispute over BP's planned \$16 billion deal with Rosneft.

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