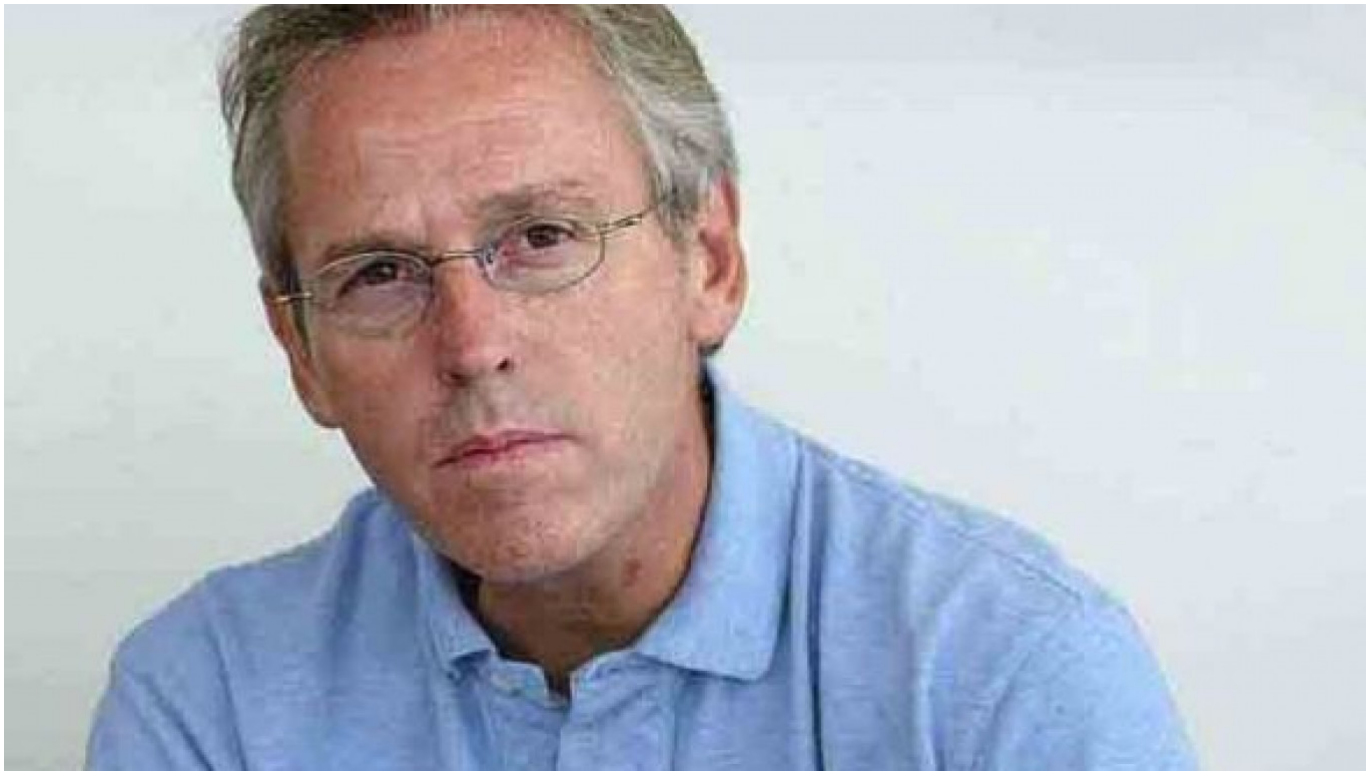
The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Moscow Times Founder Derk Sauer a Possible Buyer of Sanoma Assets in Russia

By Delphine d'Amora

November 01, 2013



Restructuring of Finnish media group Sanoma might see Derk Sauer, the founder of The Moscow Times, purchase the newspaper's publisher. **Igor Tabakov**

Moscow Times founder Derk Sauer is in negotiations with struggling Finnish media group Sanoma over the purchase of the newspaper's Russian publisher Sanoma Independent Media, or SIM, a company that Sauer and his partners sold to Sanoma less than a decade ago.

"SIM continues to be quite profitable," Sauer said Friday. "The reason that Sanoma is selling has little to do with SIM itself and everything to do with the problems that Sanoma has as a corporation."

Sanoma has suffered in recent years from shrinking advertising revenues and an ill-fated purchase of Belgian and Dutch television assets in 2011, after which the company's net debt

almost doubled, reaching 1.6 billion euros ($2.2 billion) that year.

Sanoma CEO Harri-Pekka Kaukonen said in a conference call Thursday that Sanoma was radically restructuring its operations to focus on development in Finland, the Netherlands and on the learning market, Vedomosti reported.

"We are considering various possibilities for our assets in Belgium, Russia and Central and Eastern Europe. We are prepared to sell them, if we get the right price," Kaukonen said.

Sauer said that the asset of most interest to him was Vedomosti, Russia's leading business daily, which is co-owned by SIM and two other news groups — Dow Jones and the FT Group, publishers of The Wall Street Journal and The Financial Times, respectively.

"Vedomosti is a good business, it has good prospects and it is important for the market and for the media," Sauer said, adding that it was "far too early" to discuss what his business strategies would be in the event of a purchase.

Sauer is interested in other assets as well, although the logical buyer for several of SIM's most profitable publications is multinational media group Hearst Corporation, he said.

Hearst and SIM are equal shareholders in Fashion Press, SIM's most profitable subsidiary, which publishes Esquire, Harper's Bazaar and cash cow Cosmopolitan, among others.

On account of their equal ownership, Hearst has the right to first purchase of SIM's half of the company. An individual close to the negotiations said that Fashion Press's stockholders have given Hearst a month to decide whether it will buy out SIM's share.

Other people close to the discussions have named German company Bauer Media Group as a potential buyer of SIM's assets.

Sauer founded Independent Press in 1992, beginning with an English-language newspaper aimed at Moscow's growing expat community — The Moscow Times.

Renamed Independent Media, the company was purchased by Sanoma in 2005 for about 150 million euros ($207 million) and is now one of the largest players on the Russian media scene, owning or co-owning more than 50 publications and media projects.

'It is a bit of a tragedy that it will be sold off," Sauer said. "It has been a strong and proud company."

Contact the author at bizreporter@imedia.ru

Original url:
https://www.themoscowtimes.com/2013/11/01/moscow-times-founder-derk-sauer-a-possible-buyer-of-sanoma-assets-in-russia-a29175