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Times Media's turnaround strategy 'ongoing, on track'

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The group's investment in core assets continues

TIMES Media Group CEO Andrew Bonamour sidesteps suggestions that the group is fattening its "pigs" for market in the wake of subsidiary Van Schaik's bid to buy book stores from Juta & Company.

Mr Bonamour said Van Schaik had its own expansion plans independent of the parent company.

"The fact that we're disposing of Van Schaik does not stop their strategy."

He said the media group, which owns the Sunday Times, had a turnaround strategy that was "ongoing and on track". It entailed selling non-core assets such as the Exclusive Books Van Schaik bookstores and the Gallo Music Group.

The group's investment in core assets also continues, with the buyout of UK publisher Pearson's 50% stake in BDFM, publishers of Business Day and Financial Mail, giving it sole control from June 25.

This week, BDFM relaunched the former Summit TV channel as BusinessDay TV. The partnership with Bloomberg, a global business media company, brings fresh shows to the DStv channel that would previously run JSE tickers during the day, with shows only broadcasting from late afternoon.

Times Media's interim results for the six months to December showed companies in the books division did not warrant further investment owing to "insufficient synergies" with other divisions within the group, while Gallo had been burning cash for years.

The group has already sold digital mapping business MapIT as part of its strategy, which the interim results stated was needed to generate positive returns on capital invested.

Despite being on the "for sale" list, in May Van Schaik signed an agreement with Juta & Company — a wholly owned subsidiary of JSE-listed Kagiso Media — to buy its chain of retail stores in Cape Town, Johannesburg and Pretoria.

Although some reports put the value of the deal at R18-million for six stores, Lynne du Toit, group CEO of Juta & Company, said the value of the deal was variable as Van Schaik would be buying fixed assets and physical stock left in the stores on the conclusion of the deal.

Ms du Toit said her company's executives decided to sell as they wanted to focus on supplying textbooks, scholarly works and other titles digitally.

Van Schaik MD Stephan Erasmus said the acquisition made sense as the company was "in a growth phase".

Separately, Gallo Record Company, which is included in Times Media's Gallo Music Group, struck a mobile digital deal with Content Connect Africa earlier this month.

Content Connect is a "new media" and content business based in Johannesburg. The deal will make Gallo's large catalogue of local music — including tracks recorded by stars such as Lucky Dube and Mango Groove — available on mobile devices from next month.

Mr Bonamour said the decision to sell Gallo was still on track, but Times Media was trying to effect the sale without losing its publishing catalogue, one of the largest in South Africa.

• *This article was first published in Sunday Times: Business Times*

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