

Seabay Media Holdings, a company formed and controlled by Pelle Törnberg, the former CEO of Metro International, will become the new owner of Metro's operations in the United States, London-based Metro said in a statement.

Today there's three free daily newspapers run by Metro in the US with a combined circulation of 590.000 daily copies and approximately 1.2 million readers, published in New York, Philadelphia and Boston through a partnership with the Boston Globe. Seabay Media will continue to run the three newspapers under a service and license agreement with Metro International.

"We are excited and look forward to continuing the business after completion and to further develop Metro in the United States", Pelle Törnberg said in a statement.

The newspapers will also remain in Metro International's global advertising packages, something that Pelle Törnberg holds as affirmative.

"In the current economic situation advertisers are looking to brands like Metro that represents a strong offering through better value and reach", he says.

The company didn't reveal any financial details of the business deal, except it would record a loss of \$2 million tied to the sale. The transaction is expected to be completed by June 1st.

The US operation has been struggling as the crisis at the American newspaper market deepens, forcing a large number of publication into financial nuisance. On April 20, the company reported a first-quarter net loss at 14.1 million euros from 5.56 million euros a year earlier.

"After a rough 2007, we have seen many improvements in Metro USA and losses have decreased significantly", Per Mikael Jensen, president and CEO of Metro International, said in a statement. "I'm confident that Metro USA will reach profitability and steady growth".

Metro sells US business to former CEO

Written by Johan Nylander

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Metro was first launched in Stockholm 1995. Today it's distributed in 150 cities across the globe with more than 20 million readers.