

Danone Profit Slumps amid Weak European Markets

PARIS (AP) — French food manufacturer Danone says its profits slumped 15 percent last year as markets in Europe weakened, and warned that a return to growth won't come before late in the year.

The company behind Dannon yogurt and Evian bottled water says Thursday net profit fell to 1.42 billion euros (\$2 billion) in 2013, from 1.67 billion euros a year earlier.

Danone says an infant formula recall triggered by a false contamination alert at dairy supplier Fonterra in August caused a 200-million-euro loss in sales in the fourth quarter.

The company warned that demand in Europe will remain "sluggish" this year and said its underlying profitability, already down in 2013, could fall further in 2014. Danone says ongoing restructuring will stabilize its performance in Europe by the end of 2014.

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