

Dr Pepper Sells Less Soda in 4Q

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PLANO, Texas (AP) — [Dr Pepper Snapple Group](#) [1] reported a decline in fourth-quarter sales volume as the company struggles to get Americans to drink more of its soda.

The maker of 7Up, Sunkist, A&W root beer and Hawaiian Punch nevertheless saw its core income from operations improve, however, in part because of higher prices. It also forecast earnings per share for 2014 above Wall Street expectations, and its stock rose nearly 3 percent to \$50 in premarket trading.

For the period, sales volume for packaged beverages fell 2 percent for both carbonated drinks and non-carbonated drinks and the company noted that the soda category "continued to face significant headwinds."

Dr Pepper, along with its bigger rivals Coca-Cola and PepsiCo, is trying to figure out ways to stop the years-long decline in U.S. soda consumption. Among the strategies are offering lower-calorie sodas that taste better than traditional diet sodas. Dr Pepper, for instance, has rolled out 10-calorie versions of some its sodas.

Given the growing number of drink options, however, Dr Pepper has struggled to get retailers to give its product extensions shelf space.

PepsiCo reports its quarterly results Thursday and Coca-Cola reports next week.

For the three months ended Dec. 31, Dr Pepper said it earned \$156 million, or 78 cents per share. That's down from \$170 million, or 81 cents per share, a year ago.

Not including one-time items, the company said its core earnings of 97 cents per share, which was above analyst expectations of 85 cents per share, according to FactSet. Lower costs helped improve core income.

Net sales declined \$1.46 billion and fell short of the \$1.47 billion analysts expected.

For the year, Dr Pepper earned \$3.05 per share, up from \$2.96 per share.

For the year ahead, the company said it expect net sales to be flat to up 1 percent, and for its core earnings per share to be in the \$3.38 to \$3.46 range, which is above Wall Street expectations of \$3.26 per share.

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