Group Expects Beer Demand to Fall in Western Europe, Russia

COPENHAGEN, Denmark (AP) — Carlsberg says it expects beer sales [1] to fall this year in western Europe and Russia, but continue to grow in Asia.

The Copenhagen-based group made the forecast Wednesday as it announced that its fourth-quarter net sales fell slightly to 15.7 billion kroner ($2.9 billion) and beer volumes dropped 3 percent.

Net profit nevertheless rose more than expected to 1.13 billion kroner from 192 million kroner a year earlier, mainly because the comparative 2012 figures included discontinued operations in Ukraine and closures in Russia.

Revenue in 2013 increased slightly to 66.6 billion kroner, chiefly because of growth in Asian markets. Carlsberg said Wednesday that Asia would remain a main target of investments.

CEO Joergen Buhl Rasmussen said the group had delivered "solid earnings growth," adding Carlsberg will focus on further strengthening its operations in Russia and Asia.

The group expected western European and Russian beer markets to decline slightly in 2014 while the Asia will continue to grow in line with 2013. The poor demand in many regions was chiefly due to a slowdown in global economic activity.

While western Europe is hugely important to the company and Russia remains Carlsberg's strongest market, the future lies in Asia. Last year, the group acquired Chongqing Brewery in China and now controls 60 percent of the shares, and has started construction of breweries in Myanmar and China.

Carlsberg shares went up 6.5 per cent to 581.5 kroner in midday trading in Copenhagen.

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