

# Carlsberg to Complete Baltika Takeover

By [The Moscow Times](#)

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COPENHAGEN — Danish brewer Carlsberg warned that its operating profit will be flat in 2012 due to declining beer markets in northern and Western Europe, while its biggest market, Russia, will only show a slow recovery.

The world's fourth-largest brewer said Monday that it expects the Russian beer market to return to only modest growth this year after a 3 percent fall in 2011 after big tax hikes, high inflation and tighter regulations.

The group, which brews Baltika, Tuborg and Carlsberg beers, makes nearly a third of its group sales in Russia with a market share of close to 40 percent, and expects the world's fourth-biggest beer market to start recovering in 2012.

It added that it would look to take full control of its Russian Baltika arm to help reverse a fall in market share. An offer to buy the 15 percent of Baltika it does not already own will cost Carlsberg up to 6.5 billion crowns (\$1.15 billion).

Chief executive Jorgen Buhl Rasmussen said the step the group has taken in Russia will strengthen the business and will bear fruit in 2012, while it still faces a "challenging environment" in northern and Western Europe where it has big operations in Scandinavia, France and Britain.

The group reported that fourth-quarter operating profit rose in line with forecasts to 1.83 billion Danish crowns from 1.13 billion a year earlier, but added that 2012 underlying operating profits will be flat.

Group sales rose to 14.85 billion crowns in the fourth quarter from 13.40 billion a year earlier, exceeding a 14.30 billion average forecast.

Carlsberg said buying the rest of Baltika would immediately improve earnings and expects the delisting of Baltika to happen not later than May 2012.

In the Russian market, its volume market share declined to 37.4 percent in 2011 from 39.2 percent previously.

"Russia resulted in market share loss due to a high level of promotional activities from competitors," the brewer said.

It had earlier said it expected its key Russian beer market to begin recovering in 2012 but that the decline in Western European markets could intensify over the next three years as the euro-zone crisis bites.

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