

Carlsberg Ends Licensing Deal with Russian Unit After Seizure

By [AFP](#)

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A sign on the building of the Baltika Brewery in St. Petersburg. **Peter Kovalev / TASS**

Danish brewer Carlsberg said Tuesday that it had cut licensing agreements with its Russian subsidiary, which was seized by authorities in July in response to plans to sell the company after Moscow's invasion of Ukraine.

Several Western firms have stopped operating in Russia over the conflict, which drew hefty sanctions against Moscow from the U.S. and Europe.

Carlsberg had announced in June that a buyer had been found for Baltika, which it has owned since 2000, and its 8,400 employees.

But a decree the following month signed by President Vladimir Putin said the state was taking over the business.

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"We currently see no path to a negotiated solution for exiting Russia. We refuse to be forced into a deal on unacceptable terms, justifying the illegitimate takeover of our business," Carlsberg said in a statement.

The licensing agreements allowed Baltika to produce and market Carlsberg's international and regional brands.

Baltika will nonetheless be allowed to sell off existing stocks until April 2024.

Russia had been one of the group's biggest markets, accounting for 9% of profits in 2021, and exiting the country pushed Carlsberg into a net loss for 2022.

"We will fully impair the value of our business in Russia," the company said Tuesday, without providing financial details of the hit.

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