

Beer Brewer Carlsberg Gets New CEO to Solve Old Russian Problem

By [The Moscow Times](#)

February 18, 2015



Carlsberg Chief Executive Joergen Buhl Rasmussen is pictured in this photo taken in 2014.

COPENHAGEN — Danish brewer Carlsberg named a new chief executive on Wednesday and warned that problems in Russia and Ukraine would weigh on earnings again this year.

Dutchman Cees 't Hart, the head of dairy company FrieslandCampina, will become Carlsberg chief executive in June. He replaces Jorgen Buhl Rasmussen who turns 60 this year and had told the board that he wanted to take a step back into non-executive roles.

"It's a decision we both agreed upon is the right thing for Carlsberg, and also right for Jorgen to move on in his non-executive career," Chairman Flemming Besenbacher told reporters.

For seven years Rasmussen has fought a tough battle as sales in Russia, Carlsberg's main market after the acquisition of the Baltika brand in 2004, had been affected by tighter regulations and more recently a sanctions-hit economy.

"Maybe his energy has been exhausted, and this change will definitely bring a breath of fresh air into the company," analyst Morten Imsgard from Sydbank said.

New CEO 't Hart has run FrieslandCampina, one of the world's largest dairy companies, for six years and steered the group through a large merger and substantial growth in Asia, a key focus area for Carlsberg as well.

Prior to that he had worked for consumer goods company Unilever for 25 years.

Russian Impact

Carlsberg reported a 22 percent fall in fourth-quarter operating profit, hit by 32 percent lower sales in Eastern Europe mainly due to problems in Russia.

Operating profit before special items dropped to 1.79 billion crowns (\$276 million) from 2.3 billion crowns a year earlier, missing analysts' forecasts for 1.93 billion crowns. Its shares fell two percent.

The world's fourth largest brewer expects underlying operating profit to grow by less than 10 percent this year when its eastern European operations will again act as a brake.

"While we expect our Western Europe and Asia regions to continue their positive development, the expected gross domestic product decline and currency devaluation in Russia and Ukraine will put significant pressure on the group's overall performance," Carlsberg said.

Carlsberg's large global competitors, Anheuser-Busch InBev, SABMiller and Heineken, are less dependent on the Russian market than the Danish brewer.

Carlsberg said in January that it had decided to close down two of its 10 breweries in Russia, a market that has declined more than 30 percent since 2008.

However, outgoing CEO Rasmussen told reporters that leaving Russia was not an option for Carlsberg.

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