

Obolon starts producing UK beer under license of US Molson Coors

Obolon Corporation (Kyiv), one of the largest breweries in Ukraine, has agreed with Molson Coors Brewing Company on the production of British Carling beer at Kyiv-based plant Obolon, Molson Coors International Director General in Ukraine Oleksandr Kiselev has reported.

“Molson Coors is entering the Ukrainian market. This is a commercial project, in which the companies agreed to produce and sell Carling beer in Ukraine and share profit. The first result of our cooperation will be the marketing of British Carling light beer in Ukraine,” he said. Kiselev also said that the companies had signed a long-term contract and Molson Coors has no plans to work with other breweries in Ukraine. According to him, Carling beer, whose production started at Obolon plant on May 13, will be produced in Ukraine in 0.5-liter bottles, whereas in other countries it is produced in 0.33-liter bottles and 0.5-liter cans. “We plan to occupy a significant share in the premium segment. We’re talking about the production of 20,000 hectoliters [by the end of 2011],” said Kiselev. The price of a bottle of Carling beer in Ukraine will be UAH 5.50-5.80.



The director general of Molson Coors International in Ukraine also said that the company plans to expand its portfolio of brands in the premium segment in the country after seeing success from the promotion of the Carling brand.

According to the marketing director of PJSC Obolon, Vitaliy Tkachenko, the growth of the premium segment on the beer market in Ukraine this year will be about 1% and reach a share of 13.5%. "Cooperation with Molson Coors will help Obolon Corporation strengthen its position in the premium segment through the Carling brand and expand its presence in HoReCa. Based on the results of our research, Ukrainian consumers like famous brands and beer with a special taste. These characteristics are one of Carling’s major advantages. Thus, Ukrainians are happy to hear the news that the British brand is coming to Ukraine," he said.

The Ukrainian beer market is the second largest by volume in Eastern Europe. The Ukrainian beer market (estimated volume - 3 bn. liters) has grown more than 8% (CAGR) over the past 5 years. Growth rates of the premium segment are highest as consumers increasingly prefer premium-brand beer to beer of the medium-priced segment. The low rate of consumption per person means the market has growth potential for several years to come.

Carling is the most popular British light beer, with over 200 years of brewing experience. Carling is a lager with an intense taste that is easy to drink. Its special taste has helped Carling to remain the Beer No. 1 in Great Britain in terms of sales for the past 30 years. In addition, it is one of the best-loved brands and has 100% brand recognition.

Molson Coors Brewing Company was founded on February 9, 2005 through the merger of two large beer producers in North America, Molson (Canada) and Coors (the United States). The company’s total income in 2010 amounted to \$4.7 billion, and its net profit was \$667 million. Molson Coors Brewing Company operates in 30 countries, and owns 20 breweries. The company’s portfolio includes 65 of its own and partner brands, in particular, Coors, Coors Light, Carling, Blue Moon, Molson Canadian, Miller, and Keystone.

Obolon is one of the largest Ukrainian manufacturers of beer, soft drinks, low alcohol drinks, mineral water and the largest Ukrainian beer exporter. The corporation consists of the main plant in Kyiv and nine enterprises in regions. In 2010, the company increased beer production by 3% compared to 2009, to 99.4 million decaliters.