

## Strong half-year results for V&S Group

**V&S Group's operating profit improved by 32 per cent to SEK 1,085 million in the first half-year compared with 2005. Group net sales increased by 13 per cent to SEK 4,995 million.**

The improved operating profit is due in equal parts to improved results in the ordinary course of business and to capital gains.

The Group's V&S Absolut Spirits business area improved its sales by 13 per cent and operating profit by 6 per cent. Continued good growth for ABSOLUT VODKA and the acquisition of Cruzan Rum have contributed to the increase in sales. Increased market investments coupled with one-off expenses for restructuring in the acquired Cruzan Rum explains why profit did not improve in line with the sales increase.

The V&S Distillers business area improved its profit by 13 per cent, while sales were down 3 per cent. V&S Wine more than doubled its profit, although from a low level. Sales decreased by 6 per cent.

"The Group's good results are due to our focus on the core business and more profitable products, lower costs and a slight change in the US dollar exchange rate," says Bengt Baron, CEO of V&S Group. "This quarter we were also helped by a substantial capital gain."

### Further information

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V&S Group is a Swedish-owned leading producer and distributor of spirits and wine in Northern Europe, and one of the world's ten largest international spirits companies. The product portfolio includes own brands for local, regional and international sales, as well as agency products. The Group has operations in 10 countries and worldwide distribution on about 125 markets. The most important brand is ABSOLUT, the third largest premium spirits brand in the world. The Group has approximately 2,500 employees and sales in 2005 amounted to SEK 9.8 billion.