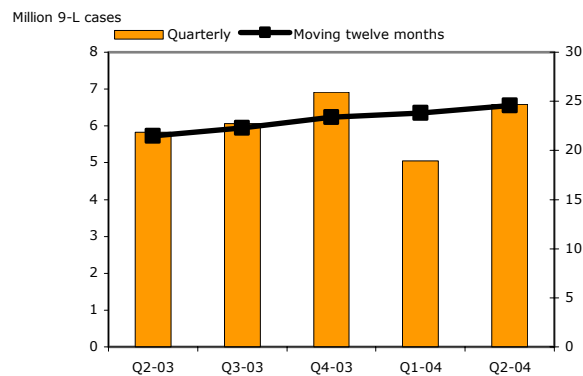


INTERIM REPORT JANUARY- JUNE 2004

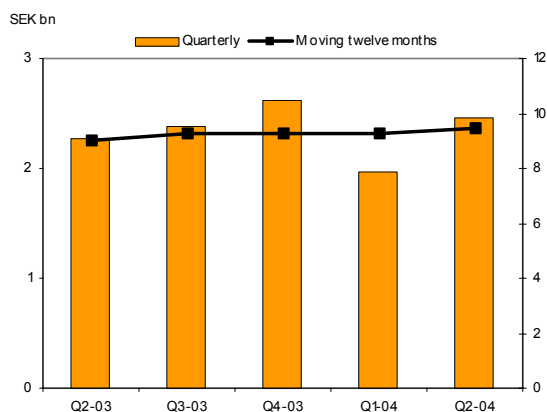
This is a translation. The Swedish version is the official.

- **Sales volume for the first six months 2004 amounted to 11.6 million 9-liter cases, an increase of 12 percent compared to the same period last year.**
- **Net sales during the same period increased by 3 percent to SEK 4,436 million.**
- **Operating profit decreased by 18 percent to SEK 634 million. Without the effect of the lower US dollar rate, operating profit would have increased by around 7 percent.**
- **ABSOLUT celebrated its 25th birthday, introduced ABSOLUT CUT, a premium pre-mixed drink, and announced the introduction of ABSOLUT RASPBERRI.**
- **Bengt Baron was named new CEO from July 1, after Peter Lagerblad who went into retirement.**

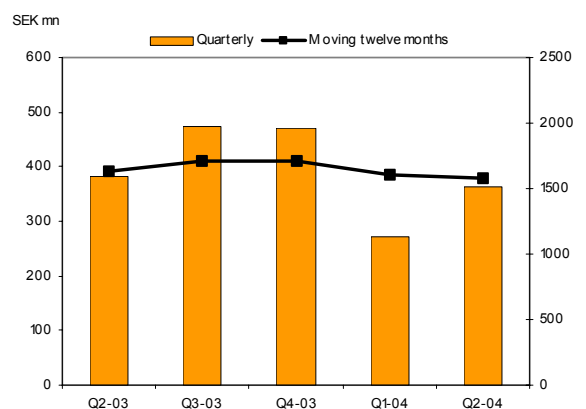
Sales Volume



Net Sales



Operating Profit



Key Ratios for the Group

		Q2 2004	Q2 2003	Jan-Jun 2004	Jan-Jun 2003
Sales Volume	Million 9-liter cases	6.6	5.8	11.6	10.4
Net sales	SEK mn	2 461	2 267	4 436	4 288
Operating profit	SEK mn	362	382	634	772
Operating margin ¹	%	14.7	16.8	14.3	18.0
Return on stockholders' equity ²	%			23.4	22.8
Interest-bearing net liability ³	SEK mn			6 363	7 133
Debt/equity ratio ⁴	times			1.4	1.7
Equity/assets ratio ⁵	%			31.5	27.1

1) Operating profit as a percentage of net sales.

2) Net profit (moving 12 months) as a percentage of average stockholders' equity. The minority share has been excluded.

3) Interest-bearing liabilities less interest-bearing assets. All calculated at end of period.

4) Interest-bearing net liability divided by stockholders' equity. All calculated at end of period.

5) Stockholders' equity as a percentage of total assets.

GROUP

Market and Sales

Sales volumes in the first half of 2004 amounted to 11.6 million 9-liter cases (10.4), an increase of 12 percent compared with the corresponding period last year. The increase is primarily due to the acquisition of operations at Zielona Góra in Poland in May 2003, and to the continued success of ABSOLUT.

The Group's invoiced sales for the same period excluding tax on alcohol increased by 3 percent, to SEK 4,436 (4,288) million. The increase in sales is attributable to higher volumes, and with an unchanged dollar exchange rate the increase would have been of a similar magnitude as the rise in volumes.

Sales volume for the second quarter amounted to 6.6 million 9-liter cases (5.8), an increase of 13 percent compared with the corresponding quarter last year, or of 30 percent on the previous quarter. These increases are primarily due to the success of ABSOLUT. There was also a seasonal variation in relation to the first quarter.

Group net sales during the second quarter amounted to SEK 2,461 (2,267) million, 9 percent higher than the same quarter last year and 25 percent above the first quarter of 2004. This development can be explained by the previously mentioned volume increases.

Financial Results

The Group's operating profit for the first quarter decreased by 18 percent on the corresponding period in 2003, to SEK 634 (772) million. The weakening of the US dollar is behind a reduction in profits of SEK 190 million, which is partly compensated for by the fact that Group-wide costs were just over SEK 50 million lower than the previous year.

Mainly due to the sales success enjoyed by ABSOLUT, the deterioration in profit slowed during the latter part of the period. Group operating profit for the second quarter amounted to SEK 362 (382) million, just under 6 percent lower than the same period last year and an improvement of 33 percent on the first quarter of this year.

Development by business area

V&S Distillers

The business area encompasses the Group's spirits activities in the Nordic region and Central Europe.

First half-year sales volumes for V&S Distillers in 2004 increased by 50 percent to 2.7 million 9-liter cases (1.8). The increase is primarily attributable to the acquisition in Poland, but also to strong development in Denmark and Finland. Both of these countries have reduced their alcohol taxes: Denmark in fall 2003 and Finland as of 1 March 2004. At the same time, volumes decreased sharply in Sweden. Sales volumes also fell dramatically in the Czech Republic, where alcohol taxes were raised at the beginning of the year.

Income from sales for the first half-year amounted to SEK 883 (665) million. Of this increase, approximately two-thirds is due to the acquisition in Poland, the rest being attributable to price improvements and a better product mix in several of the business area's other markets.

Sales volume for the second quarter amounted to 1.5 million 9-liter cases (1.2), an increase of 25 percent. The reason why the increase for the quarter is relatively less than for the half-year is that the Polish acquisition was carried out in May 2003, and therefore impacted on the figures for the second quarter last year. The increase over the year's first quarter is primarily explicable by seasonal variations.

The business area's sales for the second quarter amounted to SEK 477 (388) million. The development largely follows in line with changes in volume.

Operating profit for the first half-year was SEK 61 (80) million. The decrease is attributable to restructuring costs being brought forward in Poland. For the same reasons, the reported operating profit for the second quarter is lower than for the same period last year, SEK 36 (55) million.

V&S Wine

The V&S Wine business area encompasses the Group's wine operations.

Sales volume for the first half-year remained unchanged at 4.7 million 9-liter cases (4.7). Increases in most of the business area's markets were balanced out by the discontinuation of agencies in the Finnish market for external producers, which came into effect on January 1, 2004.

Income from sales decreased by 5 percent to SEK 1,044 (1,093) million. The decline is due to the above-mentioned discontinuation of external products in Finland.

The second quarter showed a slight volume increase to 2.7 million 9-liter cases (2.6) as well as some decline in net sales to SEK 585 (611) million. Compared to the first quarter, both volume and net sales report a normal increase bearing in mind seasonal fluctuations.

The business area made nil return for the first half-year, which is a slight improvement on the loss of SEK 1 million for the same period last year. The figures for the second quarter showed a small profit of SEK 10 (21) million, although this was lower than for the same period last year.

V&S Absolut Spirits

The V&S Absolut Spirits business area encompasses global sales of ABSOLUT and selected other premium brands.

After a first quarter of virtually unchanged volumes, the business area achieved an increase of over half a million 9-liter cases in the second quarter. This makes the total volume for the first half-year 4.6 million cases (4.1). Most of the business area's products contributed to this increase as did many markets, including the United States, Canada and several European countries.

The increases in volume more than compensated for the effects of a weaker dollar, and sales income increased slightly to SEK 2,515 (2,493) million.

Volumes for the second quarter amounted to 2.7 million 9-liter cases (2.2), and net sales to SEK 1,418 (1,255) million.

The business area's half-year profits decreased to SEK 736 (912) million, which is a smaller drop than dollar-related effects for the corresponding period. The success of the second quarter is also evident in the profits for the quarter, which despite currency effects remained largely unchanged compared to the same period last year, at SEK 414 (419) million.

Investments

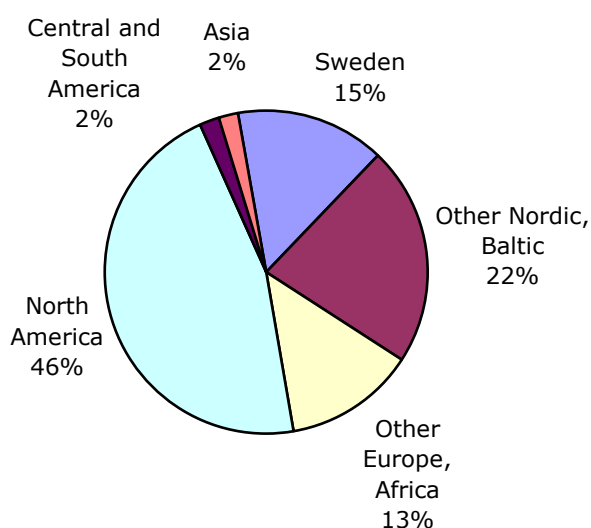
Total Group investment has been relatively low during the first half of 2004. Investments in fixed assets amounted to SEK 134 (424) million, and were primarily capacity and environmental investments in Åhus. Investment in the second quarter amounted to SEK 57 million. After the period's depreciation, write-down and translation differences, fixed assets increased by SEK 24 million to SEK 10,627 million.

Cash Flow

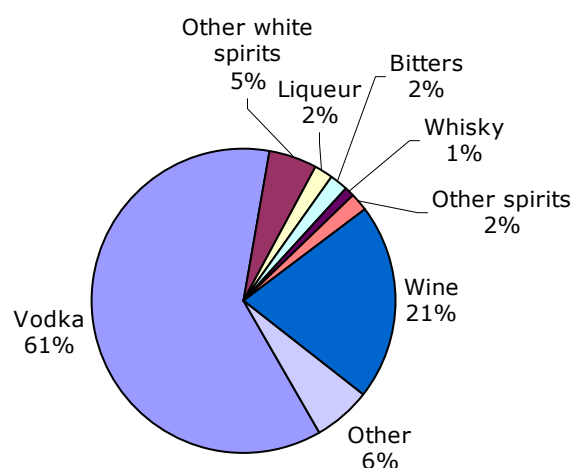
Cash flow from operating activities during the first half of 2004 amounted to SEK 490 (744) million. The Group's liquid funds decreased by SEK 224 (increased by 180) million during the same period. Net interest-bearing loans for the Group decreased by SEK 770 million, and liquid funds on June 30 amounted to SEK 734 (743) million. Together with confirmed loan promises, the Group has a liquidity reserve of SEK 4,062 (3,567) million.

Net Sales (January – June)

NET SALES PER MARKET



NET SALES PER CATEGORY



PARENT COMPANY

Net sales for the first half-year amounted to SEK 2,598 (2,532) million, of which SEK 1,419 (1,282) million referred to the second quarter. The parent company's profit after financial income and expenses amounted to SEK 613 (704) million, of which SEK 307 (337) million referred to the second quarter. Investment in fixed assets during the first six months of 2004 amounted to SEK 104 (337) million. The number of employees on June 30 was 788.

OTHER

There are no significant events after the end of the reporting period to report.

The accounts have been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendations, and this Interim Report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR20.

The companies in the Group mostly use fee-based pension plans. In Sweden, however, benefits-based pension plans are the most common. As from 2004 the company applies the Swedish Financial Accounting Standards Council's recommendation RR29, Remuneration to employees. The regulation is based on IAS 19 and the effects of the change of principles has been charged directly against stockholders' equity on 1 January, 2004. The adjustment to this recommendation is displayed in the specification of change in stockholders' equity below.

For information on accounting principles, see the 2003 Annual Report, pages 36-40. This interim report has not been subject to examination by the company's auditors.

V&S Vin & Sprit AB (publ) is a company wholly owned by the Kingdom of Sweden. The Group, V&S Group, consists of the parent company and operating activities in Sweden, Denmark, Finland, Norway, Estonia, Germany, Poland, the Czech Republic, Chile, the USA, Great Britain and France.

Consolidated Income Statement

SEK mn	2004	2004	Q2 2003	Jan-Jun 2004	Jan-Jun 2003
Net sales	2 461	1 975	2 267	4 436	4 288
Other operating revenues	21	21	17	42	26
	<u>2 482</u>	<u>1 996</u>	<u>2 284</u>	<u>4 478</u>	<u>4 314</u>
Operating expenses	-1 992	-1 604	-1 786	-3 596	-3 306
Value adjustments of assets	-128	-120	-116	-248	-236
<i>Operating profit</i>	<u>362</u>	<u>272</u>	<u>382</u>	<u>634</u>	<u>772</u>
Profit from financial income and expenses	-5	-3	-46	-8	-81
<i>Profit before taxes</i>	<u>357</u>	<u>269</u>	<u>336</u>	<u>626</u>	<u>691</u>
Taxes	-119	-93	-134	-212	-251
Minority share	1	1	-1	2	-1
<i>Profit for the period</i>	<u>239</u>	<u>177</u>	<u>201</u>	<u>416</u>	<u>439</u>
<i>Profit per share (500 pcs)</i>	0,48	0,35	0,40	0,83	0,88

Consolidated Balance Sheet

SEK mn	30 June 2004	31 December 2003
Intangible assets	4 272	4 320
Tangible assets	1 722	1 650
Financial assets	4 633	4 643
<i>Total fixed assets</i>	<u>10 627</u>	<u>10 613</u>
Inventories etc	1 154	1 049
Current receivables	2 172	2 373
Short-term investments	119	295
Cash and bank balances	615	663
<i>Total current assets</i>	<u>4 060</u>	<u>4 380</u>
<i>Total assets</i>	<u>14 687</u>	<u>14 993</u>
Stockholders' equity	4 620	4 496
Minority interest	54	59
Provisions	1 114	1 097
Long-term liabilities	6 949	6 821
Current liabilities	1 950	2 520
<i>Total stockholders' equity, provisions and liabilities</i>	<u>14 687</u>	<u>14 993</u>

Consolidated Cash Flow Analysis

SEK mn	Q2 2004	Q1 2004	Q2 2003	Jan-Jun 2004	Jan-Jun 2003
Cash and cash equivalents at beginning of period	843	958	925	958	563
Cash flow fr op act bef changes in working cap	299	275	358	574	840
Cash flow from changes in working capital	<u>26</u>	<u>-110</u>	<u>-255</u>	<u>-84</u>	<u>-96</u>
Cash flow from operating activities	325	165	103	490	744
Cash flow from investment activities	-70	-60	21	-130	-22
Cash flow from financing activities	-371	-226	-306	-597	-534
<i>Cash flow for the period</i>	<u>-116</u>	<u>-121</u>	<u>-182</u>	<u>-237</u>	<u>188</u>
Translation differences	7	6		13	-8
Cash and cash equivalents at end of period	734	843	743	734	743
Employees, average number				2 359	2 242

Change in stockholders' equity for the period (Group)

SEK mn

At beginning of period	4 496
Transition to the Swedish Financial Accounting Standards Council's Recommendation	3
At beginning of period, adjusted	4 499
Dividend	-350
Profit for the period	416
Translation difference for the period	55
At end of period	4 620

Quarterly data (Group)

		Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003
Volumes	Thousand 9-l	6 580	5 042	6 913	6 057	5 828
Net Sales	SEK mn	2 461	1 975	2 622	2 384	2 267
Operating Profit	SEK mn	362	272	471	474	382
Operating Margin	%	14.7	13.8	18.0	19.9	16.8

Segments (Group)

	Volumes		Net Sales		Operating Profit	
Q2	2004	2003	2004	2003	2004	2003
V&S Distillers	1 524	1 170	477	388	36	55
V&S Wine	2 701	2 630	585	611	10	21
V&S Absolut Spirits	2 675	2 154	1 418	1 255	414	419
Other and Elimin.	-320	-126	-19	13	-98	-113
	6 580	5 828	2 461	2 267	362	382
(Jan-Jun)						
V&S Distillers	2 675	1 811	883	665	61	80
V&S Wine	4 738	4 733	1 044	1 093	0	-1
V&S Absolut Spirits	4 635	4 106	2 515	2 493	736	912
Other and Elimin.	-426	-228	-6	37	-163	-219
	11 622	10 422	4 436	4 288	634	772

Stockholm, August 24, 2004

Bengt Baron
Chief Executive Officer