

Increased sales and continued strong profit for V&S Group during 2006

- Operating profit increased by 10% to SEK 2,275 (2,069) million
- Profit after tax increased by 5% to SEK 1,577 (1,505) million
- Net sales increased by 8% to SEK 10,345 (9,578) million
- Sales volume increased by 3% to 25.7 (24.9) million 9-litres cases
- Improved operating profit for all business areas
- ABSOLUT VODKA increased its volumes by 7%

"It is pleasing that our focus on profitable growth, a better product mix and lower costs is yielding results. All three business areas are reporting increased profitability for the second consecutive year. This demonstrates that we have a stable foundation for continued growth and increased profitability," says Bengt Baron, CEO of V&S Group.

In V&S Absolut Spirits, the Group's business area for international brands, operating profit increased by 9% to SEK 1,912 million. Sales increased by 9% to SEK 5,882 million and volumes by 13% to 11.2 million 9-litre cases.

"Increased sales of the Group's largest brand, ABSOLUT VODKA, are a result of our strategy of increasing efforts on the US market while focusing on a number of prioritized markets. We are increasing our market share in the United States and volumes are continuing to show double-digit percentage growth on most prioritized markets outside the United States."

Operating profit in the V&S Distillers business area increased by 8% to SEK 284 million, mainly due to streamlining and a focus on products with higher margins. Sales decreased by 4% to SEK 1,948 million.

Operating profit in the V&S Wine business area increased considerably to SEK 112 million, mainly due to continued cost control, streamlining and a focus on products with higher margins. Sales decreased by 2% to SEK 2,160 million.

The entire year-end report is enclosed and will be published at www.vsgroup.com

Further information

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V&S Group is a Swedish-owned corporation with extensive international operations. Its product portfolio includes both own brands for local, regional and international sales, as well as agency products. The Group has operations in 10 countries and worldwide distribution on approximately 125 markets. The most important brand is ABSOLUT, the third biggest premium spirits brand in the world. V&S has approximately 2,500 employees and sales in 2006 amounted to approximately SEK 10.3 billion.