

Strong first quarter for V&S Group

- Operating profit increased by 10% to SEK 458 (417) million
- Profit after tax increased by 21% to SEK 303 (251) million
- Net sales decreased by 1% to SEK 2,223 (2,238) million
Exchange rate fluctuations reduced sales by approximately SEK 100 million
- Sales volumes increased by 5% to 5.5 million 9-litre cases (5.2)
- Sales volumes for ABSOLUT VODKA rose by 10%
- The remaining 50% of Norwegian wine and spirits distributor Amundsen AS was acquired
- The Florida Distillers operation was divested on 1 April

"It is very pleasing to see that our efforts to focus V&S are continuing to yield results. A focus on prioritized markets, prioritized products and lower costs have contributed to our strong figures," 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 1% to SEK 429 million. Net sales decreased by 3% to SEK 1,284 million. Adjusted for exchange rate fluctuations and divested units however, net sales rose by 4% and operating profit by 15%. Volumes were up 8% to 2.5 million 9-litre cases, primarily due to higher sales volumes for ABSOLUT VODKA and the premium rum brand Cruzan Rum, which was acquired in 2006.

"Sales of ABSOLUT VODKA are continuing to develop well both in the United States and other prioritized markets. In the United States, ABSOLUT VODKA grew both in terms of volumes and sales in dollars. The total global volume growth for ABSOLUT VODKA was 10%. It is my hope that ABSOLUT VODKA will continue to develop well during the year," says Bengt Baron.

The V&S Distillers business area saw a 27% increase in operating profit to SEK 36 million, mainly due to higher sales in Poland. Operating profit for the V&S Wine business area decreased during the quarter and amounted to SEK -6 million, mainly attributable to lower sales in Denmark.

The full interim report can be viewed at www.vsgroup.com

Further information

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V&S Group is a Swedish-owned corporation with extensive international operations. The V&S 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 in about 125 markets. The biggest brand is ABSOLUT, the fourth biggest premium spirits brand in the world. The Group has approximately 2,300 employees and sales in 2006 amounted to SEK 10.3 billion.