

V&S Group: Continued organic growth

- **Operating profit decreased 19% to SEK 878 (1,085) million**
- **Adjusted for exchange rate fluctuations, capital gains and divestments, both operating profit and sales increased 4%**
- **Profit after tax decreased 7% to SEK 580 (626) million**
- **Group net sales decreased 3% to SEK 4,683 (4,842) million. Organic growth amounted to 4%**
- **Sales volume increased by 2% to 12.1 million 9-litre cases (11.9)**
- **Sales volume for ABSOLUT VODKA increased 3%**

"V&S continues to perform well. Adjusted for exchange rate fluctuations, one-off revenues and divestments, sales and operating profit were both up 4 per cent," says Bengt Baron, CEO of V&S Group, at the release of the Group's half-year results.

Operating profit for the V&S Absolut Spirits business area decreased by 2 per cent to SEK 844 million and net sales by 2 per cent to SEK 2,731 million. Adjusted for exchange rate fluctuations however, sales rose by 4 per cent and operating profit by 9 per cent. Volumes were up 4 per cent to 5.4 million 9-litre cases, primarily due to higher sales volumes for ABSOLUT VODKA and Cruzan Rum.

ABSOLUT VODKA sales continue to develop well on most prioritized markets. The positive development is continuing also in the United States, where sales from distributor to retail increased by 4 per cent. However, the business area's sales fell due to inventory reductions among distributors compared to the same period last year.

Operating profit in the V&S Distillers business area decreased by 8 per cent to SEK 93 million. In business area V&S Wine operating profit decreased to SEK 10 million.

"It is my hope that we will see even better results for the Group this year than last year. I base this on continued good sales development for ABSOLUT VODKA, while we are also increasing efficiency throughout the Group," says Bengt Baron.

The Interim Report is available at www.vsgroup.com

Further information

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V&S Group is a Swedish-owned corporation with extensive international operations. The 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 126 markets. The most important brand is ABSOLUT, the fourth biggest premium spirits brand in the world. V&S has approximately 2,300 employees and sales in 2006 amounted to approximately SEK 10.3 billion.