



INTERIM REPORT

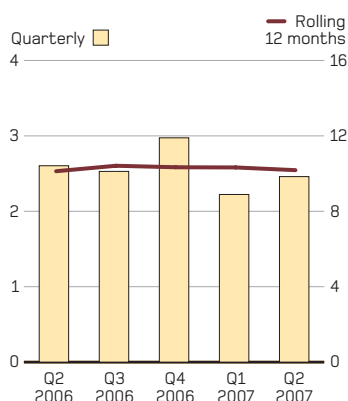
January – June 2007

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

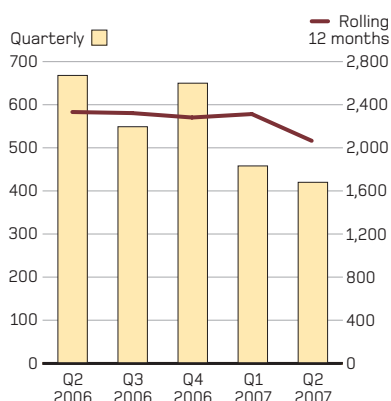
Q2

- Group net sales for the first half-year decreased by 3 per cent to SEK 4,683 (4,842) million.
- Net sales for comparable units increased by 4 per cent.
- Operating profit for the first half-year declined by 19 per cent to SEK 878 (1,085) million and the operating margin was 18.7 per cent (22.4).
- Adjusted for exchange rate fluctuations, primarily the lower US dollar, capital gains and divestments, operating profit improved by 4 per cent and the operating margin was unchanged.
- Profit after tax decreased by 7 per cent to SEK 580 (626) million.
- Sales volumes increased by 2 per cent to 12.1 million 9-litre cases (11.9).
- Sales of ABSOLUT VODKA rose by 3 per cent in volume.

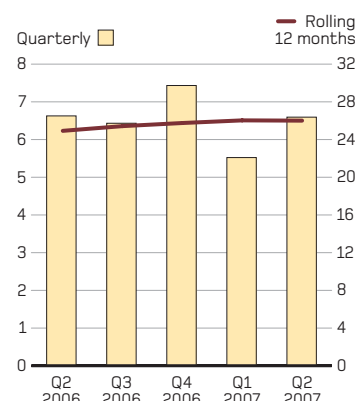
NET SALES
SEK bn



OPERATING PROFIT
SEK mn



SALES VOLUME
Million 9-l cases



KEY RATIOS FOR THE GROUP

	Q2 2007	Q2 2006	Jan–Jun 2007	Jan–Jun 2006	Rolling 12 months	Full year 2006
Net sales, SEK mn	2,460	2,604	4,683	4,842	10,186	10,345
Operating profit, SEK mn	420	668	878	1,085	2,068	2,275
Profit after tax, SEK mn	277	375	580	626	1,531	1,577
Operating margin ¹ , %	17.1	25.7	18.7	22.4	20.3	22.0
Cash flow before financing activities, SEK mn	183	625	780	402	304	–74
Return on shareholders' equity ² , %	–	–	22.4	24.7	–	22.3
Interest-bearing net liability ³ , SEK mn	–	–	5,202	4,960	–	5,267
Debt/equity ratio ⁴ , times	–	–	0.7	0.8	–	0.7
Equity/assets ratio ⁵ , %	–	–	40.9	38.5	–	40.5
Sales volume, thousand 9-litre cases	6,594	6,627	12,116	11,867	25,981	25,732
Average number of employees ⁶	–	–	2,174	2,330	–	2,304

¹ Operating profit as a percentage of net sales.

² Net profit (rolling 12 months) as a percentage of average equity.

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

⁴ Interest-bearing net liability divided by equity, calculated at end of period.

⁵ Equity as a percentage of total assets.

⁶ Average number of employees based on number of hours worked.

THE GROUP

Market and Sales

Group net sales for the first half-year excluding alcohol excise amounted to SEK 4,683 (4,842) million, a drop of 3 per cent. The change in exchange rates, primarily the lower US dollar rate compared to the same period last year, has reduced sales by approximately SEK 155 million. For comparable units, organic growth amounted to 4 per cent. V&S Absolut Spirits continues to show good growth. V&S Distillers has increased net sales thanks to continued strong growth on the Polish vodka market. V&S Wine increased net sales on several markets. Group sales include Florida Distillers' sales figures in the amount of SEK 166 (357) million. The operation was divested on 1 April.

Total Group sales volume increased by 2 per cent to 12.1 million 9-litre cases (11.9).

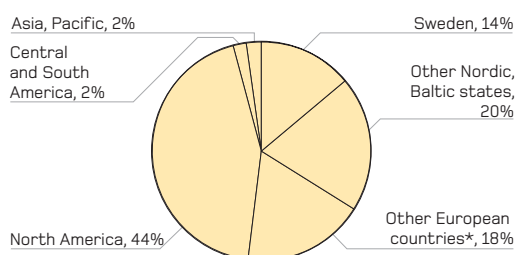
Net sales for the second quarter of 2007 amounted to SEK 2,460 (2,604) million, a fall of 6 per cent on the corresponding period last year. Sales volume decreased somewhat to 6,6 million 9-litre cases (6,6).

Profit

Group operating profit for the first half-year declined by 19 per cent to SEK 878 (1,085) million and the operating margin was 18.7 per cent (22.4). In total, exchange rate fluctuations compared to the same period last year have affected operating profit by approximately SEK –100 million. The comparison is also influenced by a considerably higher capital gain from divestments in 2006. For comparable units, operating profit was up 4 per cent. V&S Absolut Spirits continues to show good organic growth while the operating profit for both V&S Distillers and V&S Wine was down on last year. The operating profit for the first half-year include Florida Distillers' operating profit in the amount of SEK 18 (35) million, as well as capital gains totalling SEK 20 (136) million from the divestment of Florida Distillers and the production of industrial alcohol.

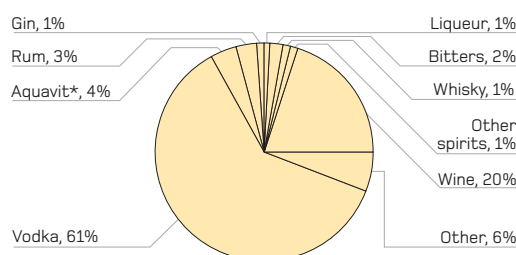
Net financial income and expenses totalled SEK –85 (–125) million. The improvement in financial income and expense can be attributed to a positive exchange rate income

NET SALES BY GEOGRAPHICAL MARKET



* Including CIS, the Middle East and Africa.

NET SALES BY PRODUCT CATEGORY



* Including other spiced spirits.

of SEK 38 million on further loans raised and forwards. The exchange rate income is counterbalanced by an equally large tax expense. See also page 4 for further information.

Profit for the period amounted to SEK 580 (626 million).

Operating profit for the second quarter declined to SEK 420 (668) million. Comparison with the corresponding quarter in 2006 is adversely affected by the lower dollar exchange rate and considerably higher capital gains from divestments the previous year. Profit for the period was SEK 277 (375) million, a decline of 26 per cent.

DEVELOPMENT BY BUSINESS AREA

V&S Absolut Spirits

The business area encompasses global sales of ABSOLUT VODKA and the Group's other international premium spirits brands.

ABSOLUT PEARS was launched in the United States during the first quarter and is gradually being launched on other markets. ABSOLUT 100, a premium vodka initially intended for the Duty Free & Travel Retail market, was launched in March. Cruzan Black Cherry was launched in the United States in May. In May, V&S formed a joint venture with China's JianNanChun (JNC), the aim being to develop a portfolio of premium-quality and premium-price baijiu brands.

Net sales for the first half-year decreased by 2 per cent to SEK 2,731 (2,787) million. The change in the US dollar exchange rate compared to the same period last year has affected sales by approximately SEK -135 million. Excluding currency effects, net sales rose by 4 per cent. Sales volume increased by 4 per cent to 5.4 million 9-litre cases (5.2). Growth is primarily attributable to continued good development for ABSOLUT VODKA and Cruzan Rum. Sales of ABSOLUT VODKA increased on most prioritized markets. The positive development of ABSOLUT VODKA in the United States is continuing. Sales from distributor to retail increased by just over 4 per cent during the period. However, the business area's sales declined due to stock reductions among distributors compared to the same period last year. Cruzan Rum continued to show very good growth both in terms of volume and net sales.

Operating profit decreased by 2 per cent to SEK 844 (860) million while the operating margin remained unchanged at 31 per cent (31). The lower dollar exchange rate compared to the same period last year has affected operating profit by approximately SEK -95 million. Excluding currency effect, operating profit increased by 9 per cent. The improvement is mainly due to continued organic growth and good cost efficiency.

Net sales for the second quarter of 2007 amounted to SEK 1,447 (1,465) million, a decrease of 1 per cent compared to the same quarter last year. Sales volume amounted to 2.9 million 9-litre cases (2.8), an increase of 1 per cent. Second-quarter operating profit was SEK 415 (437) million, a decline of 5 per cent. The second quarter was adversely affected by the lower dollar exchange rate by approximately SEK -40 million compared to the same quarter in 2006, as well as stock reductions among distributors.

V&S Distillers

The business area encompasses the Group's spirits activities in Northern Europe.

Several new products were launched during the first six months, including Malteser Bitter on the German market and Aalborg Nordguld Aquavit.

Production of industrial alcohol was divested on 1 June 2007.

Spirits sales in the subsidiary V&S Norway (formerly Amundsen AS) are included in the business area's figures from 1 January 2007, whereas they were recognized in V&S Wine in 2006.

Net sales for the first half-year increased by 6 per cent to SEK 918 (868) million. Sales volume increased by 7 per cent to 2.7 million 9-litre cases (2.5). The improvement both in sales volume and net sales is due to a continued strong rise in vodka sales on the Polish market.

Operating profit for the first half-year decreased by 8 per cent to SEK 93 (101) million and the operating margin was 10.1 per cent (11.6). Higher sales of vodka have impacted positively on operating profit, although this has been countered by lower sales of other product groups and higher market investment for new launches.

Net sales for the second quarter of 2007 amounted to SEK 481 (484) million, a decrease of 1 per cent compared to the second quarter last year. Sales volume increased by 3 per cent to 1.4 million 9-litre cases (1.4). Operating profit for the second quarter decreased by 22 per cent to SEK 57 (73) million due to increased market investment for new launches.

V&S Wine

The business area encompasses the Group's wine business, and operates in Northern Europe.

In May the range was extended with further products from Foster's wine portfolio, including Lindemans and Wolf Blass.

Sales for 2006 also include spirits sales in the subsidiary V&S Norway (formerly Amundsen AS), although from 1 January 2007 these figures are recognized in V&S Distillers.

Net sales for the first half-year increased by 1 per cent to SEK 982 (968) million, while the sales volume fell by 3 per cent to 4.3 million 9-litre cases (4.4). For comparable units, net sales were up 5 per cent. Net sales during the first half-year increased in Sweden and Norway but also in Finland. Sales volume and net sales decreased in Denmark due to reduced subcontracted bottling, and in Estonia where the sale of brewery products has ceased.

The business area's operating profit for the first half-year fell to SEK 10 (25) million and the operating margin was 1 per cent (3). The fall is mainly due to continued lower sales and profit in Denmark, but also to the above-mentioned change in recognition of the Norwegian spirits sales.

Net sales for the second quarter of 2007 amounted to SEK 574 (547) million, a rise of 5 per cent on the corresponding period last year. Sales volume amounted to 2.4 million 9-litre cases (2.5), a decrease of 4 per cent. Operating profit for the second quarter decreased by 41 per cent to SEK 16

(27) million, as a result of the above mentioned lower result in Denmark and the change in the recognition of the Norwegian spirits.

ACQUISITIONS AND DIVESTMENTS

In May, V&S Group formed a joint venture with China's JianNanChun (JNC), the aim being to develop a portfolio of premium-quality and premium-price baijiu brands. JNC is one of China's three leading producers of the traditional Chinese spirit baijiu. V&S Group owns 51 per cent of the new company, and JNC 49 per cent. The operation will be part of the V&S Absolut Spirits business area.

The divestment of Florida Distillers was finalized on 1 April 2007. In 2006 the operation's sales amounted to SEK 600 million, operating profit to SEK 48 million and the number of employees to 303.

Production of industrial alcohol was divested on 1 June 2007.

Divestments during the first half-year resulted in net capital gains of SEK 20 (136) million.

INVESTMENT

During the first six months of 2007, total Group investments amounted to SEK 254 (782) million, primarily relating to capacity investments in Åhus and the investment in the remaining 50 per cent of V&S Norway (formerly Amundsen AS). After the period's value adjustments and translation differences, fixed assets totalled SEK 13,062 (11,638) million.

CASH FLOW

Cash flow from operating activities during the first half of 2007 amounted to SEK 699 (976) million.

On 30 June net interest-bearing loans for the Group was SEK 5,202 (4,969) million a decrease of SEK 55 million since 31 December 2006. Cash and cash equivalents totalled SEK 325 (563) million on 30 June. Together with confirmed loan promises, the Group has a liquidity reserve of SEK 4,338 (5,356) million.

PARENT COMPANY

Net sales for the first six months of 2007 amounted to SEK 2,759 (2,576) million. The Parent Company's sales included SEK 1,293 (1,313) million in sales to Group companies. Purchases from Group companies amounted to SEK 134 (135) million. Profit after financial income and expenses amounted to SEK 485 (871) million. The average number of employees during the period was 740 (755). Cash and cash equivalents and short-term investments totalled SEK 107 (258) million on 30 June.

The operational business takes place within three business areas which cross the legal units. The sections within each business area that have had operations in Sweden during the period are recognized for in the Parent Company. Group-wide functions are also included.

At an extraordinary general meeting in June 2007, Patrik Jönsson was elected as a new Board member.

In June the Swedish parliament authorized the government to sell its holding in V&S Vin & Sprit AB. The government has since taken certain preparatory steps, although no decision has been made regarding the form or date of a potential sale.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

Risks in the Group's operation are divided into business risks, operational risks, financial risks, accounting risks, physical risks, legal risks and risks to reputation.

Financial risk management for the entire Group takes place in the Parent Company. There is no separate risk management for the Parent Company.

V&S works continuously to identify and assess risks. Risks are described in more detail in the Corporate Governance Report and Board of Directors' Report in the 2006 Annual Report, which can be found at vs.group.com.

In addition to what has been said in the Annual Report, uncertainty has now increased regarding future grain prices. To an increasing extent, these prices depend on the use of agricultural products for energy purposes. The agricultural product's cost as a proportion of the total product costs is relatively small for V&S, but if grain prices rise dramatically this could affect profits for the V&S Absolut Spirits and V&S Distillers business areas, as well as for the Group.

TRANSACTIONS WITH ASSOCIATED PARTIES

There have been no transactions between V&S and associated parties that have had a significant impact on the company's position and profit.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL PERIOD

There have been no significant events after the end of the financial period.

GENERAL ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Financial Accounting Standards Council's Recommendation RR 31 Interim reporting for groups.

The general accounting principles and calculation methods correspond to those used in preparing the latest Annual Report.

The Parent Company applies the same accounting principles as the Group except for the exclusions specified in RR 32 Financial reporting for legal entities.

Recognition and tax effects of the holding in Beam

V&S's holding of shares in American company Beam Global Spirits & Wine Inc. amounts to USD 498 million. The holding is fiscally classified as a business-related holding and any change in value is therefore not subject to taxation. Currency risks associated with the holding have been protected, as the Group raised loans and entered into forward contracts for a corresponding amount at the time of acquisition. In 2004

V&S applied for advance notice from the Swedish National Tax Board to ascertain whether value changes in the protecting loans/forwards are also exempt from taxation. In spring 2007 the Supreme Administrative Court came to the decision that this was not the case. V&S has therefore during 2007 increased the amount in forwards so that the total value in loans and forwards for currency protection on the shareholding now amounts to USD 691 million. The Group therefore has effective protection against exchange rate fluctuations for this holding.

The consolidated income statement recognizes exchange rate gains and losses in asset and liability items as financial income and expenses. As the total amount of the loans and forwards used to protect the holding in Beam Global Spirits & Wine Inc. are higher than the value of the shares, an exchange rate gain arises which is recognized as financial income. The Group's tax expense increases by exactly the same amount, which means that post-tax profit is completely unaffected.

FINANCIAL REPORTING

The Interim Report for the period January–September will be published on 31 October. The 2007 Year-End Report will be published on 31 January 2008.

OTHER

This Interim Report has not been subject to examination by the company's auditors.

V&S Vin & Sprit AB (publ) is a corporation 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 USA, the US Virgin Islands, UK and Hong Kong.

CONSOLIDATED INCOME STATEMENT

SEK mn	Q2 2007	Q1 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006	Full year 2006
Net sales	2,460	2,223	2,604	4,683	4,842	10,345
Shares in associated companies' and joint ventures' results	24	36	33	60	58	238
Other operating revenues	63	42	165	105	194	313
	2,547	2,301	2,802	4,848	5,094	10,896
Operating expenses	-2,077	-1,799	-2,090	-3,876	-3,912	-8,357
Depreciation/amortization and write-down of tangible and intangible assets	-50	-44	-44	-94	-97	-264
Operating profit	420	458	668	878	1,085	2,275
Financial income and expenses	-39	-46	-70	-85	-125	-281
Profit before taxes	381	412	598	793	960	1,994
Taxes	-104	-109	-223	-213	-334	-417
PROFIT FOR THE PERIOD	277	303	375	580	626	1,577
Profit for the period attributable to:						
The parent company's shareholders	277	302	372	579	625	1,572
Minority owners	-	1	3	1	1	5
Profit per share (500 pcs)	0.55	0.60	0.74	1.16	1.25	3.14

CONSOLIDATED BALANCE SHEET

SEK mn	30 Jun 2007	30 Jun 2006	31 Dec 2006
Intangible fixed assets	4,097	4,053	4,009
Tangible fixed assets	1,914	1,837	1,818
Financial fixed assets	7,051	5,748	6,995
Total fixed assets	13,062	11,638	12,822
Inventories etc.	1,110	1,082	955
Current receivables	3,034	2,564	3,270
Cash and cash equivalents	325	563	400
Assets held for sale	-	521	427
Total current assets	4,469	4,730	5,052
TOTAL ASSETS	17,531	16,368	17,874
Shareholders' equity attributable to the parent company's shareholders	7,164	6,287	7,232
Shareholders' equity attributable to minority owners	-	12	15
Long-term interest-bearing liabilities	3,642	4,404	3,645
Pension provisions	95	85	89
Deferred tax	2,224	1,984	2,174
Other long-term liabilities	28	3	20
Current interest-bearing liabilities	1,790	1,034	1,933
Other current liabilities	2,588	2,456	2,701
Liabilities related to assets held for sale	-	103	65
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	17,531	16,368	17,874

CONSOLIDATED CASH FLOW ANALYSIS

SEK mn	Q2 2007	Q1 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006	Full year 2006
Cash and cash equivalents at beginning of period	491	400	716	400	626	626
<i>Cash flow from operating activities before changes in working capital</i>	<i>98</i>	<i>500</i>	<i>567</i>	<i>598</i>	<i>854</i>	<i>1,595</i>
<i>Cash flow from changes in working capital</i>	<i>-108</i>	<i>209</i>	<i>-88</i>	<i>101</i>	<i>58</i>	<i>-5</i>
Cash flow from operating activities	-10	709	479	699	912	1,590
Cash flow from investing activities	193	-112	146	81	-510	-1,664
Cash flow from financing activities	-353	-509	-762	-862	-443	-146
CASH FLOW FOR THE PERIOD	-170	88	-137	-82	-41	-220
Exchange rate difference in cash and cash equivalents	4	3	-16	7	-22	-6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	325	491	563	325	563	400

CONSOLIDATED CHANGE IN EQUITY

SEK mn	Q2 2007	Q2 2006	Full year 2006
At beginning of period	7,247	6,886	6,886
Change in translation reserve	89	–74	–121
Change in hedging reserve	–26	10	45
Change in minority interest	–16	–549	–540
Dividend	–710	–600	–600
Profit for the period	580	626	1,577
At end of period	7,164	6,299	7,247
Equity attributable to:			
The parent company's shareholders	7,164	6,287	7,232
Minority owners	–	12	15

CONSOLIDATED QUARTERLY DATA

	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Net sales, SEK mn	2,460	2,223	2,974	2,529	2,604
Operating profit, SEK mn	420	458	641	549	668
Operating margin ¹ , %	17.1	20.6	21.6	21.7	25.7
Sales volume, thousand 9-litre cases	6,594	5,522	7,433	6,432	6,627

¹ Operating profit as a percentage of net sales.

CONSOLIDATED SEGMENT DATA

Q2	Net sales (SEK mn)		Operating profit (SEK mn)		Volumes (thousand 9-l. cases)	
	2007	2006	2007	2006	2007	2006
V&S Absolut Spirits	1,447	1,465	415	437	2,866	2,825
V&S Distillers	481	484	57	73	1,436	1,398
V&S Wine	574	547	16	27	2,423	2,512
Capital gains	–	–	12	136	–	–
Other and eliminations	–42	108	–80	–5	–131	–108
	2,460	2,604	420	668	6,594	6,627

CONSOLIDATED SEGMENT DATA

Jan–Jun	Net sales (SEK mn)		Operating profit (SEK mn)		Volumes (thousand 9-l. cases)	
	2007	2006	2007	2006	2007	2006
V&S Absolut Spirits	2,731	2,787	844	860	5,398	5,169
V&S Distillers	918	868	93	101	2,674	2,488
V&S Wine	982	968	10	25	4,286	4,409
Capital gains	–	–	12	136	–	–
Other and eliminations	52	219	–81	–37	–242	–199
	4,683	4,842	878	1,085	12,116	11,867

EXCHANGE RATES

Jan–Jun	Closing day rate		Average rate	
	2007	2007	2006	2006
USD/SEK	6.86	6.94	7.27	7.59
EUR/SEK	9.24	9.22	9.24	9.33
DKK/SEK	1.24	1.24	1.24	1.24
PLN/SEK	2.46	2.40	2.28	2.40

PARENT COMPANY INCOME STATEMENT

SEK mn	Q2 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006	Full year 2006
Net sales	1,510	1,386	2,759	2,576	5,654
Other operating revenues	18	153	35	168	207
	1,528	1,539	2,794	2,744	5,861
Operating expenses	-1,214	-1,073	-2,164	-1,943	-4,182
Depreciation/amortization and write-down of tangible and intangible assets	-46	-33	-93	-64	-203
Operating profit	268	433	537	737	1,476
Financial income and expenses	46	94	-52	134	223
Profit after financial income and expenses	314	527	485	871	1,699
Appropriations	-	-	-	-	-543
Profit before taxes	314	527	485	871	1,156
Taxes	-88	-149	-105	-225	-334
PROFIT FOR THE PERIOD	226	378	380	646	822

PARENT COMPANY BALANCE SHEET

SEK mn	30 Jun 2007	30 Jun 2006	31 Dec 2006
Intangible fixed assets	1,562	482	1,611
Tangible fixed assets	1,038	975	974
Financial fixed assets	12,194	11,947	12,139
Total fixed assets	14,794	13,404	14,724
Inventories etc.	384	418	346
Current receivables	1,868	2,147	2,344
Financial investments	63	212	76
Cash and cash equivalents	44	46	115
Total current assets	2,359	2,823	2,881
TOTAL ASSETS	17,153	16,227	17,605
Equity	3,869	4,024	4,200
Untaxed reserves	3,129	2,586	3,129
Provisions	202	141	148
Long-term liabilities	5,610	6,434	5,610
Current liabilities	4,343	3,042	4,518
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	17,153	16,227	17,605

The half-yearly report provides a true and fair reflection of the Parent Company's and Group's operations, position and financial results, and outlines significant risks and uncertainty factors faced by the Parent Company and the Group companies.

Stockholm, 22 August 2007

Anders Narvinger
Chairman

Jonas Iversen
Member

Patrik Jönsson
Member

Eva Lindqvist
Member

Ebbe M Loiborg
Member

Helle Kruse Nielsen
Member

Mats G Ringesten
Member

Bengt Baron
Chief Executive Officer

Jan Lundin
Member
Employee Representative

Johan Lund
Member
Employee Representative