

Improved results for third consecutive year for V&S

- **Operating profit in 2007 increased by 2% to SEK 2,305 million (2,275). Operating profit increased by 19% for comparable units, i.e. adjusted for divestments and currency exchange effects.**
- **ABSOLUT VODKA rose by 9% in volume in 2007.**
- **The weaker US dollar compared to the previous year affected Group net sales by SEK -280 million and operating profit by SEK -155 million.**
- **Profit after tax amounted to SEK 1,469 (1,577) million. Adjusted for a one-off tax effect in 2006, this year's profit represents a considerable improvement.**
- **Fourth quarter operating profit was up 17% to SEK 750 (641) million.**

"V&S has improved its operating profit for the third year in a row. The fourth quarter was extremely successful with operating profit up 17%. The main contributing factors are continued strong development for ABSOLUT VODKA and very positive developments in Sweden and Poland," says Bengt Baron, CEO of V&S Group.

In V&S Absolut Spirits, the Group's largest business area, operating profit increased by 6% to SEK 2,024 (1,914) million. Excluding currency effects, operating profit was up 15%. V&S Distillers increased its operating profit to SEK 321 (284) million and V&S Wine's operating profit amounted to SEK 108 (112) million.

Increased sales of ABSOLUT VODKA in the United States have led to a somewhat higher market share on that market. Outside of the United States, sales saw double-digit percentage growth on most prioritized markets. The sales volume

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for Cruzan Rum rose by 19%. In Poland, sales of V&S's vodka brands increased by more than 30%, which is above the general market growth.

Net sales remained virtually unchanged in 2007 at SEK 10,313 (10,345) million. For comparable units the increase was 7%. Sales volume increased to 26.9 million 9-litre cases (25.7). For the fourth quarter net sales amounted to SEK 2,964 (2,974) million and sales volume was up 5%.

"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.

The year-end report can be found at www.vsgroup.com

Further information

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