



# YEAR-END REPORT

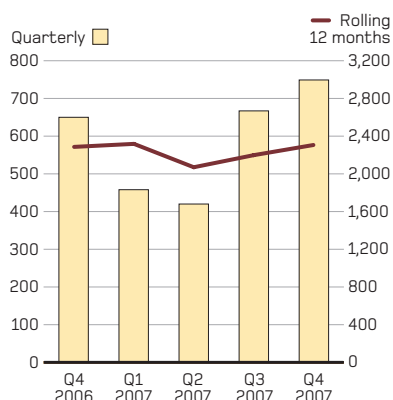
January – December 2007

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

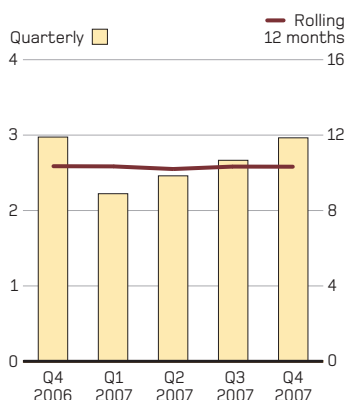
## Q4

- Group operating profit in 2007 totalled SEK 2,305 (2,275) million. Operating profit increased by 19 per cent for comparable units, i.e. adjusted for divestments and currency exchange effects.
- Net sales amounted to SEK 10,313 (10,345) million and sales volume to 26.9 million 9-litre cases (25.7). For comparable units, net sales were up 7 per cent and volume by 5 per cent.
- The weaker US dollar compared to the previous year affected 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.
- All business areas have strengthened their profitability for comparable units.
- Sales of ABSOLUT VODKA continued to increase in the United States and on most other prioritized markets. Volume rose by 9 per cent in total.
- Non-core operations were divested: production of industrial alcohol, of yeast and of molasses alcohol in Denmark as well as Florida Distillers.
- For the fourth quarter, operating profit amounted to SEK 750 (641) million, net sales to SEK 2,964 (2,974) million and profit after tax to SEK 466 (622) million.

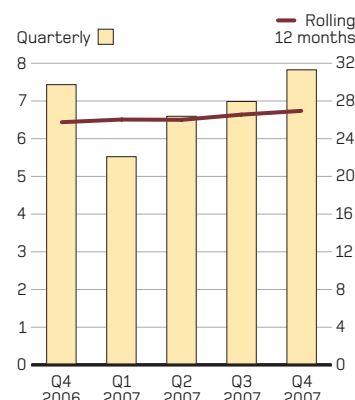
OPERATING PROFIT  
SEK mn



NET SALES  
SEK bn



SALES VOLUME  
Million 9-l cases



## KEY RATIOS FOR THE GROUP

	Q4 2007	Q4 2006	Full year 2007	Full year 2006
Net sales, SEK mn	2,964	2,974	10,313	10,345
Operating profit, SEK mn	750	641	2,305	2,275
Profit for the period, SEK mn	466	622	1,469	1,577
Operating margin <sup>1</sup> , %	25.3	21.6	22.4	22.0
Cash flow before financing activities, SEK mn	775	283	2,310	–74
Return on equity <sup>2</sup> , %	–	–	19.4	22.4
Interest-bearing net liability <sup>3</sup> , SEK mn	–	–	3,447	5,308
Debt/equity ratio <sup>4</sup> , times	–	–	0.4	0.7
Equity/assets ratio <sup>5</sup> , %	–	–	46.6	40.3
Sales volume, thousand 9-litre cases	7,826	7,433	26,928	25,732
Average number of employees <sup>6</sup>	–	–	2,104	2,304

<sup>1</sup> Operating profit as a percentage of net sales.

<sup>2</sup> Net profit (rolling 12 months) as a percentage of average equity.

<sup>3</sup> Interest-bearing liabilities less interest-bearing assets, calculated at end of period.

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

<sup>5</sup> Equity as a percentage of total assets.

<sup>6</sup> Average number of employees based on number of hours worked.

## THE GROUP

## Market and Sales

The global spirits market is stable but both vodka and rum are showing good growth. The higher price segments for vodka and rum are growing both in the Western World and in many developing economies. The US market has been and remains the Group's most important market financially. Western Europe is the next largest and there is strong potential in former Eastern Europe, Russia, China and several other countries. Traditional vodka territories such as Poland and Russia are currently showing rapid 'premiumization'.

The sales volume for ABSOLUT VODKA, the Group's largest brand, increased by 9 per cent during the year. In the United States growth was 122,000 9-litre cases or 2 per cent. Sales from distributor to retail increased by just under 4 per cent during the year.

ABSOLUT VODKA grew even more quickly outside of the United States, by 747,000 9-litre cases or 15 per cent. The rapid growth is the result of sustained long-term market investments and a well-structured distribution partnership.

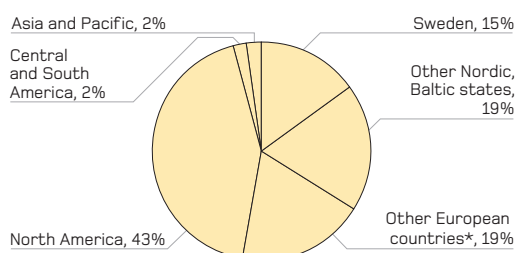
Cruzan Rum, which was acquired around year-end 2005/2006, grew during its first year as a fully integrated part of the V&S organization to 125,000 9-litre cases, an increase of 19 per cent. This success was achieved primarily in the United States, the brand's most important market.

In Northern Europe, Poland is the Group's fastest growing market. The total market but above all the upper standard segment and premium segment have developed strongly during the year, partly due to an increase in purchasing power. The Group's sales volume grew by over 30 per cent in Poland in 2007, which is above the general market growth.

Development on the Nordic spirits market is, however, unchanged or declining. Demand for aquavit and bitters has continued to fall during the year, with the result that Group sales volume declined in these product categories.

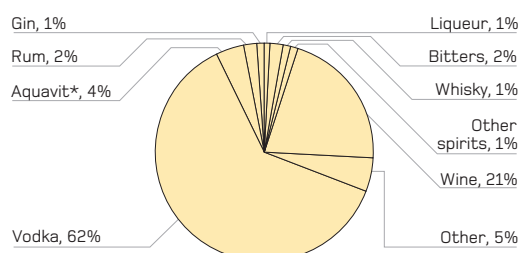
Northern Europe is the world's ninth largest wine market and the world's fourth largest import market for wine. Wine consumption has increased more or less unabated for many consecutive years, the exception being Denmark. Develop-

## NET SALES BY GEOGRAPHICAL MARKET



\* Including CIS, the Middle East and Africa.

## NET SALES BY PRODUCT CATEGORY



\* Including other spiced spirits.

ment has been good during the year on most of V&S markets. Volumes have risen strongly in Sweden and Norway, and in Duty Free & Travel Retail. In Finland volumes are largely unchanged but with a better price mix. The Danish market is characterized by a fragmented structure driven by retail. In 2007 Group sales volumes fell in the standard Danish wine business and in V&S bottling operation for retailers' private labels. The latter is a low-margin operation that has only a minor effect on operating profit, although it does impact on the volume figures.

Total Group sales volume in 2007 increased by 5 per cent to 26.9 million 9-litre cases (25.7). For comparable units, volume growth amounted to just over 5 per cent. Of the total sales volume, spirits accounted for 17.8 million 9-litre cases (16.3) and wine for 9.1 million 9-litre cases (9.4).

### Net sales

Group net sales excluding alcohol excises in 2007 totalled SEK 10,313 (10,345) million. The change in exchange rates, primarily the lower US dollar rate compared to the same period last year, has affected sales by approximately SEK –280 million. For comparable units, growth amounted to 7 per cent. Group sales for 2007 include Florida Distillers' net sales figures in the amount of SEK 137 (544) million. The operation was divested on 1 April.

Net sales for the fourth quarter of 2007 amounted to SEK 2,964 (2,974) million. The change in the US dollar exchange rate compared to the same quarter last year has affected sales by approximately SEK –70 million. For comparable units, net sales were up 9 per cent. Sales volume amounted to 7.8 million 9-litre cases (7.4), an increase of 5 per cent. Compared to the previous quarter, net sales were up 11 per cent, which can be attributed to seasonal variations.

### Profit

The Group's operating profit for 2007 totalled SEK 2,305 (2,275) million, corresponding to an operating margin of 22.4 per cent (22.0). For comparable units, operating profit was up 19 per cent. In total, exchange rate fluctuations compared to the same period last year have affected operating profit by approximately SEK –155 million. The operating profit includes Florida Distillers' operating profit in the amount of SEK 17 (48) million, as well as capital losses totalled SEK –32 (135) million from the divestments of Florida Distillers and of the production of industrial alcohol, of yeast and of molasses alcohol.

Net financial income and expenses totalled SEK –91 (–281) million. The improvement in financial income and expense can primarily be attributed to lower interest costs due to lower borrowing overall, as well as a positive exchange rate income of SEK 120 million on loans raised and forwards. The exchange rate income is counterbalanced by an equally large tax expense. See also page 5 for further information.

Profit for the year after tax totalled SEK 1,469 (1,577) million, a decrease of 7 per cent. Comparison with previous

years is affected by a lower tax expense in 2006 when the sale of the Cruzan Rum and Plymouth Gin trademarks to the Parent Company entailed a positive one-off tax effect equivalent to SEK 274 million.

Operating profit for the fourth quarter increased by 17 per cent to SEK 750 (641) million, even though changes in exchange rates compared to the same quarter last year had an adverse effect amounting to approximately SEK –30 million. The comparison is also influenced by higher costs for restructuring in 2006. For comparable units, operating profit was up 30 per cent, driven by increased sales. Profit for the quarter after tax totalled SEK 466 (622) million, a decrease of 25 per cent. Comparison is affected by the above-mentioned tax effect in 2006.

## DEVELOPMENT BY BUSINESS AREA

### V&S Absolut Spirits

The business area encompasses the global production, marketing and sales of ABSOLUT VODKA, Cruzan Rum, Plymouth Gin, Level Vodka and Fris Vodka.

ABSOLUT PEARS and ABSOLUT 100 were launched during the year. A limited edition of ABSOLUT NEW ORLEANS was sold to benefit the rebuilding of New Orleans. Cruzan Rum was launched in Spain during the year, and a new flavour was introduced on the US market: Cruzan Black Cherry.

Net sales for 2007 increased by 3 per cent to SEK 6,084 (5,882) million. The change in the US dollar exchange rate compared to the same period last year has affected sales by approximately SEK –280 million. Excluding currency effects and Danzka Vodka which was divested in 2006, net sales rose by 9 per cent. Sales volume increased by 8 per cent to 12.0 million 9-litre cases (11.2). For comparable units, volume growth amounted to 9 per cent. This growth is primarily attributable to excellent development for ABSOLUT VODKA and Cruzan Rum. Development for ABSOLUT VODKA in the United States has remained positive in 2007, where according to AC Nielsen the market share has once again increased slightly. This is despite tough competition and the launch of many new vodkas. Outside of the United States, sales of ABSOLUT VODKA saw double-digit percentage growth on most prioritized markets. In its first year of full integration in V&S Group, Cruzan Rum is showing excellent growth in both volume and net sales.

Operating profit increased by 6 per cent to SEK 2,024 (1,914) million and the operating margin improved to 33.3 per cent (32.5). The lower dollar exchange rate compared to the same period last year has affected operating profit by approximately SEK –155 million. Excluding currency effects, operating profit increased by 15 per cent. The improvement is mainly due to continued organic growth and good cost efficiency.

Net sales for the fourth quarter of 2007 amounted to SEK 1,686 (1,599) million, a rise of 5 per cent on the corresponding quarter last year. Excluding currency effects of approximately SEK –68 million, net sales rose by 10 per cent. Sales volume amounted to 3.3 million 9-litre cases (3.1), an

increase of 6 per cent. Operating profit for the fourth quarter decreased by 2 per cent to SEK 582 (593) million and the operating margin was 34.5 per cent (37.1). The lower dollar exchange rate compared to the same quarter last year has affected operating profit by approximately SEK –30 million. Excluding currency effects, operating profit increased by 4 per cent. Sales of ABSOLUT VODKA in the United States and on most prioritized markets remained strong in the fourth quarter. Marketing investments were also higher during the quarter compared to last year.

### V&S Distillers

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

Several new products were launched during the year including Malteser Bitter, Aalborg Nordguld Aquavit, premium bitters Gammel Dansk Asmund Special and Minttu Black with liquorice flavour.

The operations for production of industrial alcohol and production of yeast and molasses alcohol were divested.

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 2007 increased by 5 per cent to SEK 2,050 (1,948) million. Sales volume increased by 10 per cent to 6.1 million 9-litre cases (5.6). For comparable units, net sales were up 4 per cent and sales volume 8 per cent. The improvement both in sales volume and net sales is due to a continued strong rise in vodka sales on the Polish market. Sales on other markets declined, primarily in Denmark where aquavit and bitters are the predominant product groups.

Operating profit increased by 13 per cent to SEK 321 (284) million and the operating margin improved to 15.7 per cent (14.6). For comparable units operating profit improved by 7 per cent. The dramatic rise in sales in Poland has improved operating profit considerably, and has more than compensated for the lower sales in other countries, as well as market investments for new launches.

Net sales for the fourth quarter of 2007 amounted to SEK 634 (625) million, a rise of 1 per cent on the corresponding quarter last year. Sales volume increased by 11 per cent to 1.9 million 9-litre cases (1.8). For comparable units, net sales were up 5 per cent and sales volume 8 per cent. Operating profit for the fourth quarter increased by 20 per cent to SEK 156 (130) million. For comparable units, the improvement was 15 per cent which is mainly due to the continued increase in sales on the Polish market.

### V&S Wine

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

During the year the range was extended with further products from the Foster's Wine Estates portfolio, including Lindemans and Wolf Blass, for distribution on the entire

Nordic market. Launches in V&S own brand portfolio included new mulled wines.

The figures 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 2007 increased by 5 per cent to SEK 2,258 (2,159) million. For comparable units, net sales were up 8 per cent. Sales volume was down to 9.3 million 9-litre cases (9.5) due to a shift in the product mix: sales of products at lower prices have decreased partly in Denmark due to reduced subcontracted bottling, and partly in Estonia where the sale of brewery products has ceased. Net sales increased in Sweden, Norway and Finland, and in Duty Free & Travel Retail.

The business area's operating profit for 2007 totalled SEK 108 (112) million and the operating margin was 4.8 per cent (5.2). The decline compared to last year is principally due to the change in accounting for the Norwegian operation as mentioned above. For comparable units, operating profit improved by 8 per cent. The increase is attributable to higher sales in Sweden, Norway and Duty Free & Travel Retail, but also to developments in Finland where there is now a better price mix. Sales of the expanded Foster's range had a very positive effect during the second half of the year. The figures have been adversely affected by restructuring and considerable inventory write-downs in Denmark, which is a stage in the work towards fewer stock-keeping units in order to increase the focus on profitable products.

Net sales for the fourth quarter of 2007 increased by 5 per cent to SEK 719 (685) million. Sales volume was unchanged and amounted to 2.8 million 9-litre cases (2.8). The sale of more products from the Foster's wine portfolio has had a very positive effect during the quarter both on net sales and volume. Operating profit amounted to SEK 60 (61) million and the operating margin to 8.3 per cent (8.9). For comparable units, however, operating profit improved by 7 per cent. A better product mix and higher sales on the Nordic market have more than compensated for the inventory write-down in Denmark mentioned above.

### 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 for the Chinese market. JNC is one of China's three leading producers of the traditional Chinese white spirit, baijiu. V&S Group owns 51 per cent of the new company, and JNC 49 per cent. The operation is part of the V&S Absolut Spirits business area.

Florida Distillers was divested on 1 April 2007. In 2006 the operation's sales amounted to approximately 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.

On 1 November 2007 production of yeast and molasses alcohol in Grenaa, Denmark was divested. In 2006 the yeast operation had net sales of approximately SEK 230 million and 81 employees.

Divestments during the year resulted in total net capital losses of SEK -32 (135) million.

## INVESTMENT

In 2007, total Group investments amounted to SEK 403 (2 097) 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 depreciation and amortization, and translation differences, fixed assets totalled SEK 12,483 (12,822) million.

## CASH FLOW

Cash flow from operating activities amounted to SEK 1,982 (1,590) million.

Net interest-bearing loans for the Group totalled SEK 3,447 (5,308) million on 31 December. Net loans have decreased by SEK 1,861 million since 31 December 2006, primarily due to bond loan repayments.

Cash and cash equivalents totalled SEK 555 (400) million on 31 December. Together with confirmed loan promises, the Group had a liquidity reserve of SEK 5,137 (4,260) million at the end of the year.

## PARENT COMPANY

Net sales in 2007 amounted to SEK 6,034 (5,654) million. Profit after financial income and expenses amounted to SEK 1,564 (1,699) million. The average number of employees during the period was 806 (750). Cash and cash equivalents and short-term investments totalled SEK 421 (191) million on 31 December.

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.

## Transactions with associated parties

The Parent Company's most important close association comprises a controlling influence in its subsidiaries. The Parent Company's sales included SEK 2,968 (2,805) million in sales to subsidiaries. Purchases from subsidiaries amounted to SEK 304 (291) million. Transactions with associated parties are priced in accordance with market conditions.

## Altered ownership of V&S

In June the Swedish parliament authorized the government to sell its holding in V&S Vin & Sprit AB (publ). During autumn 2007 the government conducted a comprehensive analysis of the conditions for the divestment. This analysis and preparation phase was finalized in December 2007 and a more active implementation phase began. An auction process was initiated whereby interested parties are asked to submit

bids for the entire company. The divestment is expected to be finalized later in 2008.

## Significant agreements

V&S has long-term business agreements with the distribution organizations Future Brands LLC and Maxxium Worldwide B.V. Premature termination of these agreements or other major changes could entail costs for V&S.

## 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 [vsgroup.com](http://vsgroup.com).

In addition to what has been said in the Annual Report, uncertainty has now increased regarding future grain prices. The cost of agricultural raw materials 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.

## 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 year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting. The general accounting principles and calculation methods correspond to those used in preparing the latest Annual Report. In addition, starting in 2007 the Group charges actuarial gains and losses directly to equity. This principle has been applied retroactively from 2006 and the accumulated actuarial loss of SEK 38.8 million, of which SEK 2.7 million refers to 2007 and SEK 36.1 million to earlier years, has reduced the Group's equity.

The Parent Company has prepared its interim report in accordance with the Swedish Annual Accounts Act and Recommendation 32:06 of the Swedish Financial Accounting Standards Council, Financial reporting for legal entities. This means the Parent Company applies the same accounting principles as the Group except for the exclusions and additions specified in Recommendation 32:06.

## Recognition and tax effects of the holding in Beam Global

V&S's holding of shares in the American company Beam Global Spirits & Wine Inc. amounts to USD 498 million. The holding is fiscally classified as a business-related hold-

ing 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 changes by exactly the same amount, which means that post-tax profit is completely unaffected.

#### **ANNUAL GENERAL MEETING 2008**

The Annual General Meeting of V&S Vin & Sprit AB (publ) will be held on 12 May 2008 in Stockholm. In accordance with guidelines for companies wholly owned by the state, the AGM will be open to the general public. Further information will be available at [vsgrupp.com](http://vsgrupp.com).

#### **FINANCIAL REPORTING**

The Annual Report is expected to be available on the V&S website [vsgrupp.com](http://vsgrupp.com) by the end of March. The Interim Report for the period January–March 2008 will be published on 12 May 2008.

#### **OTHER**

This year-end report has not been subject to auditing 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, China and Hong Kong.



## CONSOLIDATED INCOME STATEMENT

SEK mn	Q4 2007	Q3 2007	Q4 2006	Full year 2007	Full year 2006
Net sales	2,964	2,666	2,974	10,313	10,345
Shares in associated companies' and joint ventures' results	126	36	132	222	238
Other operating revenues	25	59	48	189	313
	<b>3,115</b>	<b>2,761</b>	<b>3,154</b>	<b>10,724</b>	<b>10,896</b>
Operating expenses	-2,311	-2,037	-2,394	-8,224	-8,357
Depreciation/amortization and write-down of tangible and intangible assets	-54	-47	-119	-195	-264
<b>Operating profit</b>	<b>750</b>	<b>677</b>	<b>641</b>	<b>2,305</b>	<b>2,275</b>
Financial income and expenses	-21	15	-72	-91	-281
<b>Profit before taxes</b>	<b>729</b>	<b>692</b>	<b>569</b>	<b>2,214</b>	<b>1,994</b>
Taxes	-263	-269	53	-745	-417
<b>PROFIT FOR THE PERIOD</b>	<b>466</b>	<b>423</b>	<b>622</b>	<b>1,469</b>	<b>1,577</b>
Profit for the period attributable to:					
The parent company's shareholders	465	423	619	1,468	1,572
Minority owners	1	-	3	1	5
<b>Profit per share (500 pcs)</b>	<b>0.93</b>	<b>0.85</b>	<b>1.24</b>	<b>2.94</b>	<b>3.14</b>

## CONSOLIDATED BALANCE SHEET

SEK mn	31 Dec 2007	31 Dec 2006
Intangible fixed assets	3,849	4,009
Tangible fixed assets	1,908	1,818
Financial fixed assets	6,138	6,399
Deferred tax receivables	588	596
<b>Total fixed assets</b>	<b>12,483</b>	<b>12,822</b>
Inventories etc.	1,105	955
Current receivables	2,942	3,270
Cash and cash equivalents	555	400
Assets held for sale	-	427
<b>Total current assets</b>	<b>4,602</b>	<b>5,052</b>
<b>TOTAL ASSETS</b>	<b>17,085</b>	<b>17,874</b>
Shareholders' equity attributable to the parent company's shareholders	7,966	7,196
Shareholders' equity attributable to minority owners	4	15
<b>Total equity</b>	<b>7,970</b>	<b>7,211</b>
Long-term interest-bearing liabilities, Note 1	2,520	3,645
Provisions for pension	59	130
Deferred tax liabilities	2,208	2,174
Other provisions	27	20
<b>Total long-term liabilities</b>	<b>4,814</b>	<b>5,969</b>
Current interest-bearing liabilities, Note 1	1,423	1,933
Other current liabilities	2,878	2,696
Liabilities related to assets held for sale	-	65
<b>Total current liabilities</b>	<b>4,301</b>	<b>4,694</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>17,085</b>	<b>17,874</b>

## CONSOLIDATED CASH FLOW ANALYSIS

SEK mn	Q4 2007	Q3 2007	Q4 2006	Full year 2007	Full year 2006
Cash and cash equivalents at beginning of period	510	325	1,560	400	626
Cash flow from operating activities before changes in working capital	394	929	289	1,921	1,595
Cash flow from changes in working capital	160	-200	-29	61	-5
Cash flow from operating activities	554	729	260	1,982	1,590
Cash flow from investing activities	221	26	23	328	-1,664
Cash flow from financing activities	-734	-571	-1,444	-2,167	-146
<b>CASH FLOW FOR THE PERIOD</b>	<b>41</b>	<b>184</b>	<b>-1,161</b>	<b>143</b>	<b>-220</b>
Exchange rate difference in cash and cash equivalents	4	1	1	12	-6
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>555</b>	<b>510</b>	<b>400</b>	<b>555</b>	<b>400</b>

## CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE

SEK mn	Full year 2007	Full year 2006
At beginning of period	7,211	6,886
Change in translation reserve	56	-121
Change in hedging reserve	-41	45
Change in minority interest	-12	-540
Change in actuarial loss attributable to defined benefit obligations	-3	-36
Dividend	-710	-600
Profit for the period	1,469	1,577
<b>At end of period</b>	<b>7,970</b>	<b>7,211</b>
<b>Equity attributable to:</b>		
The parent company's shareholders	7,966	7,196
Minority owners	4	15

## CONSOLIDATED QUARTERLY DATA

	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net sales, SEK mn	2,964	2,666	2,460	2,223	2,974
Operating profit, SEK mn	750	677	420	458	641
Operating margin <sup>1</sup> , %	25.3	25.4	17.1	20.6	21.6
Sales volume, thousand 9-litre cases	7,826	6,986	6,594	5,522	7,433

<sup>1</sup> Operating profit as a percentage of net sales.

## CONSOLIDATED SEGMENT DATA

Q4	Net sales (SEK mn)		Operating profit (SEK mn)		Volumes (thousand 9-l. cases)	
	2007	2006	2007	2006	2007	2006
V&S Absolut Spirits	1,686	1,599	582	593	3,321	3,123
V&S Distillers	634	625	156	130	1,943	1,753
V&S Wine	719	685	60	61	2,760	2,767
Capital losses/gains, write-downs	-	-	-62	-82	-	-
Other and eliminations	-75	65	14	-61	-198	-210
	<b>2,964</b>	<b>2,974</b>	<b>750</b>	<b>641</b>	<b>7,826</b>	<b>7,433</b>

Full year	Net sales (SEK mn)		Operating profit (SEK mn)		Volumes (thousand 9-l. cases)	
	2007	2006	2007	2006	2007	2006
V&S Absolut Spirits	6,084	5,882	2,024	1,914	12,038	11,195
V&S Distillers	2,050	1,948	321	284	6,138	5,603
V&S Wine	2,258	2,159	108	112	9,338	9,465
Capital losses/gains, write-downs	-	-	-41	61	-	-
Other and eliminations	-79	356	-107	-96	-586	-531
	<b>10,313</b>	<b>10,345</b>	<b>2,305</b>	<b>2,275</b>	<b>26,928</b>	<b>25,732</b>

## EXCHANGE RATES

Jan-Dec	Closing day rate		Average rate	
	2007	2007	2006	2006
USD/SEK	6.43	6.76	6.87	7.38
EUR/SEK	9.45	9.25	9.05	9.25
DKK/SEK	1.27	1.24	1.21	1.24
PLN/SEK	2.62	2.45	2.36	2.38



## PARENT COMPANY INCOME STATEMENT

SEK mn	Q4 2007	Q4 2006	Full year 2007	Full year 2006
Net sales	1,739	1,611	6,034	5,654
Other operating revenues	49	26	124	207
	<b>1,788</b>	<b>1,637</b>	<b>6,158</b>	<b>5,861</b>
Operating expenses	-1,365	-1,214	-4,640	-4,182
Depreciation/amortization and write-down of tangible and intangible assets	-46	-105	-187	-203
<b>Operating profit</b>	<b>377</b>	<b>318</b>	<b>1,331</b>	<b>1,476</b>
Financial income and expenses	-189	138	233	223
<b>Profit after financial income and expenses</b>	<b>188</b>	<b>456</b>	<b>1,564</b>	<b>1,699</b>
Appropriations	-170	-543	-170	-543
<b>Profit before taxes</b>	<b>18</b>	<b>-87</b>	<b>1,394</b>	<b>1,156</b>
Taxes	-44	-16	-386	-334
<b>PROFIT FOR THE PERIOD</b>	<b>-26</b>	<b>-103</b>	<b>1,008</b>	<b>822</b>

## PARENT COMPANY BALANCE SHEET

SEK mn	31 Dec 2007	31 Dec 2006
Intangible fixed assets	1,513	1,611
Tangible fixed assets	1,105	974
Financial fixed assets	11,841	12,139
<b>Total fixed assets</b>	<b>14,459</b>	<b>14,724</b>
Inventories etc.	368	346
Current receivables	1,912	2,344
Short term investments	367	76
Cash and cash equivalents	54	115
<b>Total current assets</b>	<b>2,701</b>	<b>2,881</b>
<b>TOTAL ASSETS</b>	<b>17,160</b>	<b>17,605</b>
Equity	4,497	4,200
Untaxed reserves	3,299	3,129
Provisions	97	148
Long-term liabilities, Note 1	3,873	5,610
Current liabilities, Note 1	5,394	4,518
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>17,160</b>	<b>17,605</b>
<b>Pledged assets</b>	<b>None</b>	<b>None</b>
<b>Contingent liabilities</b>	<b>630</b>	<b>608</b>

## NOTE TO THE FINANCIAL REPORTS

## NOTE 1 INTEREST-BEARING LIABILITIES

For information on the Group's contractual terms with regard to interest-bearing liabilities and the Group's exposure to interest rate risk and currency risk, please refer to Note 24 and Note 30 of the 2006 Annual Report.

SEK mn	GROUP		PARENT COMPANY	
	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
<b>Long-term liabilities</b>				
Bond loans	2,398	3,519	3,873	5,610
Financial lease liabilities	122	126	-	-
	<b>2,520</b>	<b>3,645</b>	<b>3,873</b>	<b>5,610</b>
<b>Current liabilities</b>				
Commercial paper programmes	404	1,309	404	1,309
Short-term part of bond loans	993	600	1,722	811
Other interest-bearing liabilities	10	-	10	-
Accrued interest	11	19	11	19
Short-term part of financial lease liabilities	5	5	-	-
	<b>1,423</b>	<b>1,933</b>	<b>2,147</b>	<b>2,139</b>

Stockholm, 31 January 2008

Bengt Baron  
Chief Executive Officer