

ARCUSGRUPPEN

Otto Drakenberg, CEO
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The ArcusGruppen Journey



1531	1805	1821	1875	1985	1996	2005	2006	2008	2011
The first reference to aquavit in Norway as a treatment for illness	The first shipment of Linie aquavit travels around the world	Lysholm distillery is founded and all Linie aquavit starts traveling the globe	Tiffon House of Cognac is founded	Vikingfjord vodka is launched	Arcus-Gruppen established 100% owned by the Norwegian govt.	Current owner structure: Ratos 83,1% Hoff 9,9% Board + Mgmt. 7%	Acquired Vingruppen (62%)	Acquired Pernod Ricard brands Sale & lease back new premises Gjelleråsen	Acquired Excellars Testing Gjelleråsen plant Additional acquisition Vingruppen to 91%





ArcusGruppen

Key Facts 2011



- 1,8 billion NOK in turnover
- 126 million NOK EBITA 2011
- 169 million NOK adjusted EBITA 2011
- 38+ million liters sold
- #1 in Norway in wine and spirits
- #2 in Sweden in wine



ArcusGruppen

Key Brands



AQUAVIT

Linie Lysholm
 Linie Løiten
 Gammel Opland
 Gilde
 Fru Lysholm



VODKA

Vikingfjord
 Hammer
 Amundsen Artic
 Dobra
 SEKSTI



COGNAC

Braastad VSOP
 Braastad VS
 Braastad XO



OTHER

Hammer Gin
 Star Gin
 Fireball Whiskey
 Label 5 Whiskey
 Huracán Rum



WINES

Lois Roederer
 Laroche
 Allegrini
 JP Chenet
 Foot of Africa
 Doppio Passo



Business unit performance

2011



BUSINESS UNIT SPIRITS



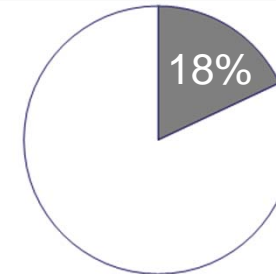
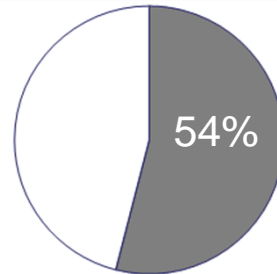
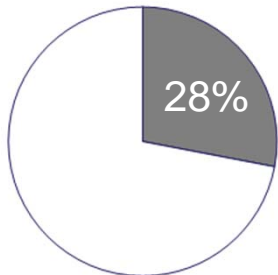
BUSINESS UNIT WINES



BUSINESS UNIT DISTRIBUTION



SHARE OF TURNOVER



MARKET POSITION



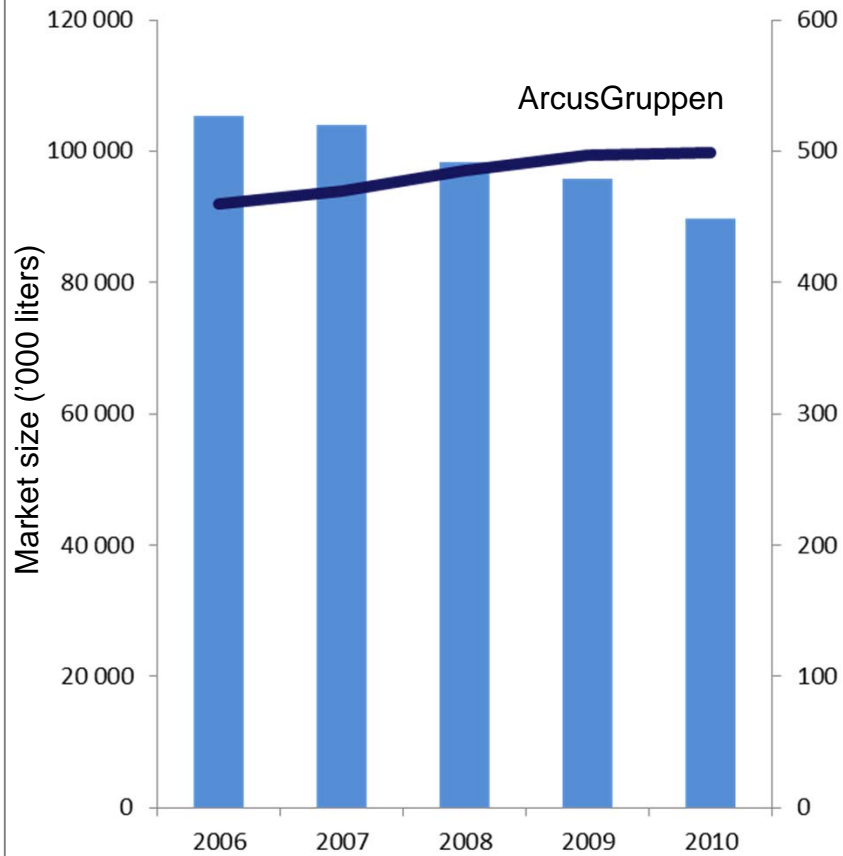
Market development

2006 - 2010



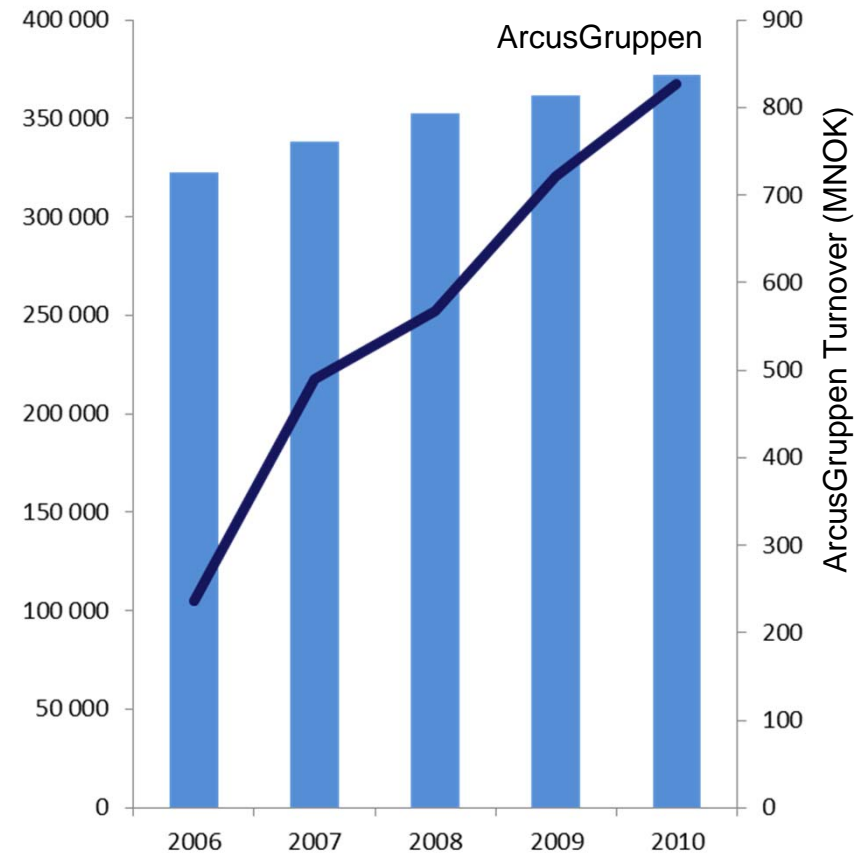
SPIRITS

NO, SE, FI



WINE

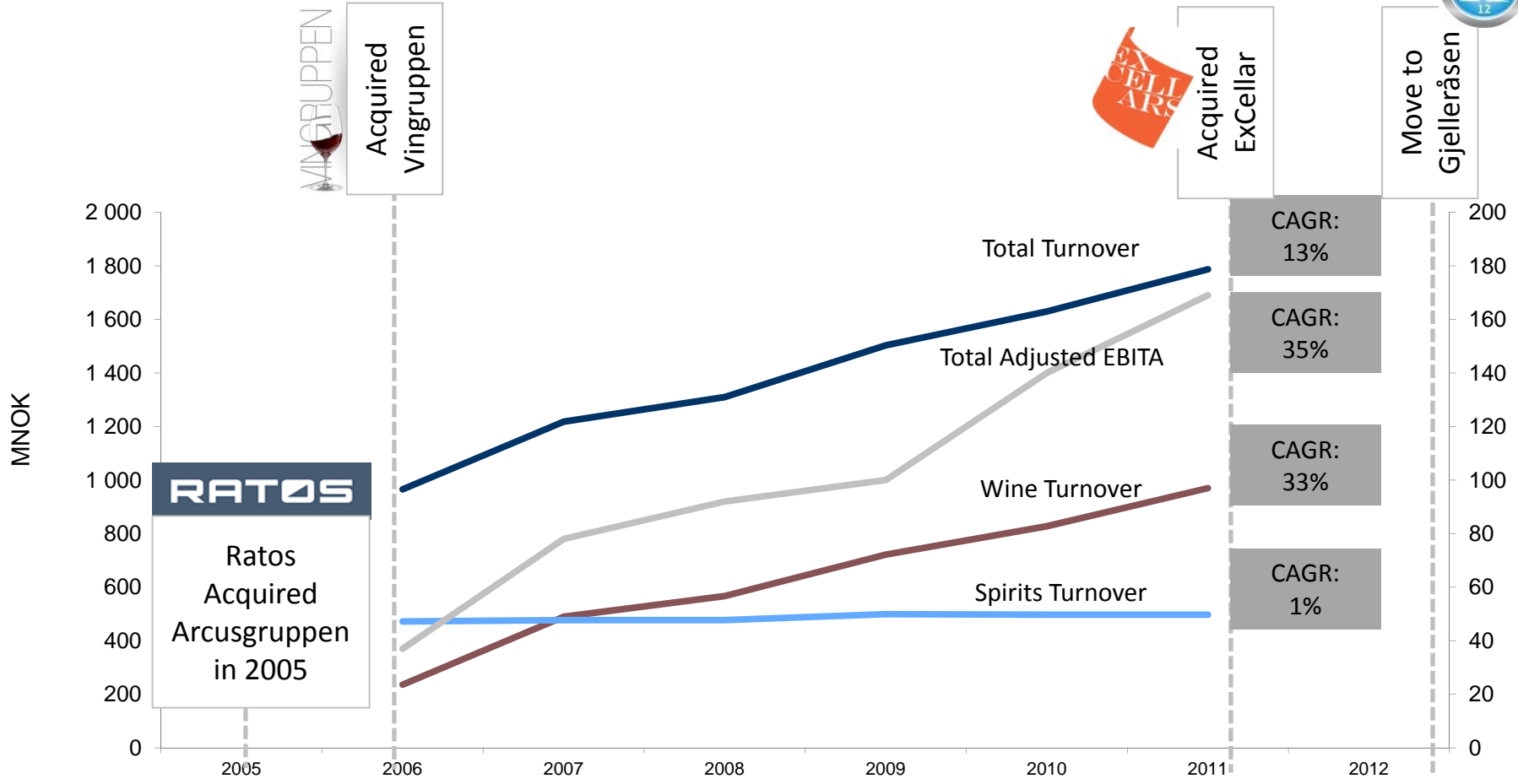
NO, SE, FI



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ArcusGruppen Financial Performance

2006 - 2011





ArcusGruppen Regional Performance

2011



NORWAY

Rest of NORDIC

PLUS



% OF TOTAL TURNOVER

2011

50%

42%

8%

2016

43-48%

43-48%

9-14%

STRATEGIC ROLE:

Profit engine

Strategic expansion

Volume scale



Key building blocks 2012



TAX FREE



ACCELERATED WINE BUSINESS



VODKA US



GJELLERÅSEN



Vikingfjord in the US

A local brand going international



- Controlled expansion (60% of the volume from 7 core states).
- Drive distribution and in-store presence.
- Increase brand awareness.





Gjelleråsen

Efficiency for the future



Base Case Improvements:

Index 2013 vs. 2011

Production capacity liters	124
Production cost NOK / liter	81
Logistics cost NOK / liter	87
Supply Chain Headcount	81

Annual savings > 30 MNOK





Summary



2012-2016 growth will increase balance between geographies and categories

Developed markets: drive EBIT
Under-developed strategic markets: drive volume

Cultural transformation



ARCUSGRUPPEN



RATOS

Arcus-Gruppen

Susanna Campbell

15 mars 2012

Ratos's investment in Arcus-Gruppen

- Ratos acquired 83% of Arcus-Gruppen in 2005
 - Hoff 9.9%
 - Board and management ~7%
- Ratos invested NOK 396m (83%)
 - Enterprise value (EV) at acquisition NOK 820m
- Ratos has received dividends totalling NOK 645m
- Ratos's company team:
 - Susanna Campbell (responsible for the holding until 31 March)
 - Mikael Norlander (responsible for the holding from 1 April)
 - Daniel Repfenning
 - Leif Johansson

Ratos's investment case (from CMD 2006)

Arcus-Gruppen – an unpolished diamond...

- ...with several strong brands
- ...with good opportunities to improve margins
- ...with good opportunities to build a strong Nordic wine and spirits platform
- ...opportunities to realise significant value from property

- 
- ...provides a polished diamond at exit!

Development 2005-2011

- Significant restructuring
 - Sale of Arcus Kjemi
 - Sale of the Hasle property
 - M&A – primarily within wine (Vingruppen and Excellars)
- From Norwegian to Nordic
- Strong financial performance
 - Growth: +13% per year (2005-2011)
 - EBITA: From 0% to 9% (operating)
 - Dividends: ~160% of invested amount
- On the way to establishing world-class production and distribution

A lot remains to be done

- New management 2011
- Best practice at Gjelleråsen
- Spirits – growth and profitability
- M&A