



TRADE

MARK

Heineken®



Heineken N.V.
Half Year Results 2006
Presentation



Heineken
NV

Half Year Results 2006

Press/Analyst Presentation

6 September 2006



Heineken
NV

Half Year Results 2006

Jean-François van Boxmeer,
Chairman Executive Board



A strong start

- Group beer volume +11.6% to 62.8m hl
- Heineken® volume in premium segment +12.7% to 11m hl
- Organic revenues growth +6.3%
- Organic EBIT (beia) growth +10.4%
- Organic Net profit (beia) growth +13.7%
- Organic Net profit (beia) growth forecast for the full year raised to “slightly above 10%”



Priorities for action and key initiatives for 2006

Accelerate



1. Top Line Growth

- The Heineken® brand
- Innovations roll-out
- USA and Heineken Premium Light
- Russia: Integrate and take-off
- Best brand portfolio
- On-trade improvement



2. Efficiency Improvements

- Reduce fixed cost vs 2005 by €200m by 2008 (Fit 2 Fight programme)
- Central Purchasing
- Continued focus on supply chain efficiency and Total Productive Management (TPM)



3. Speed of Implementation

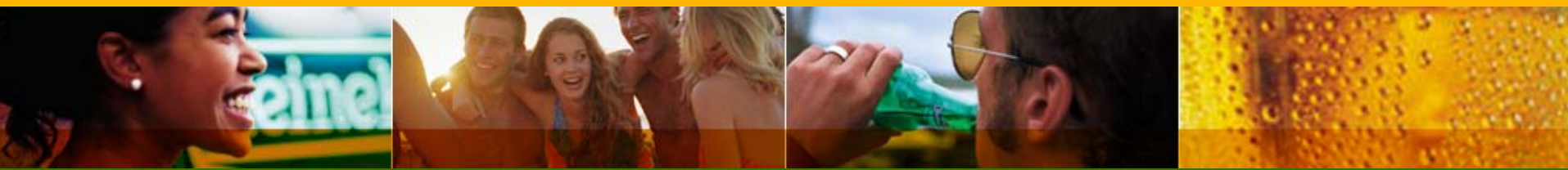
- Performance driven culture
- Leaner management structure
- Introduction Long-Term Incentive Plan (LTIP) for top management

Select



4. Acquisition Opportunities

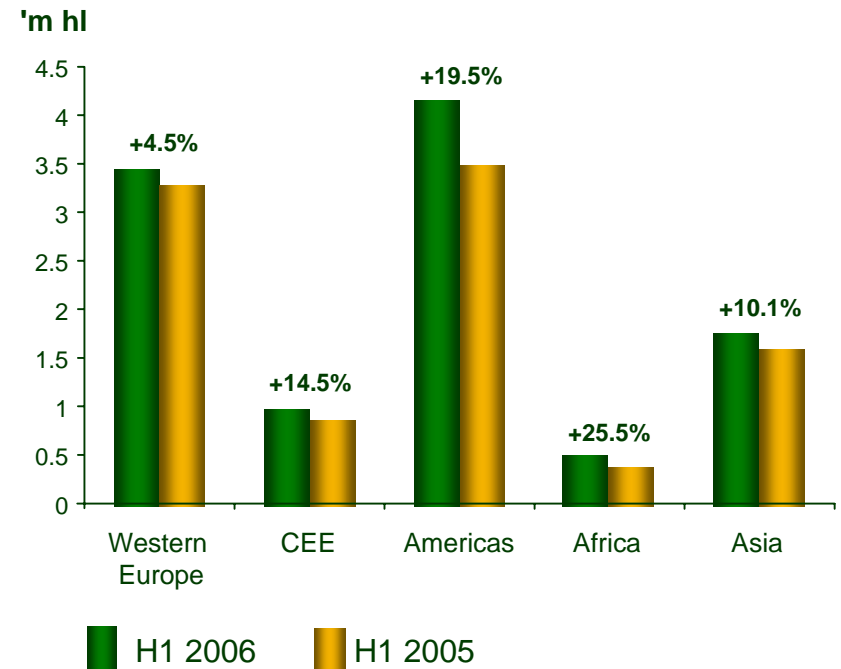
- Where we choose to compete aim for #1 or #2 position



Topline: Strong Heineken sales growth

- Volume growth accelerated from 3.5% at the end of last year to 12.7%
- Heineken extended leadership and share within the international premium beer segment
- Driven by the extra €100m marketing & innovation investment

Heineken® brand performance by region

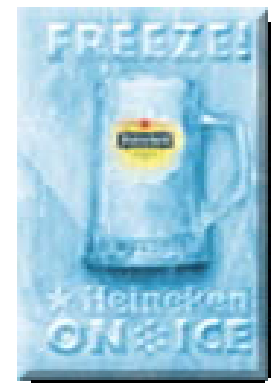




Topline: Innovation is a key driver of growth

- DraughtKeg
- BeerTender
- Xtreme draught
- Extra cold beer

30% volume growth



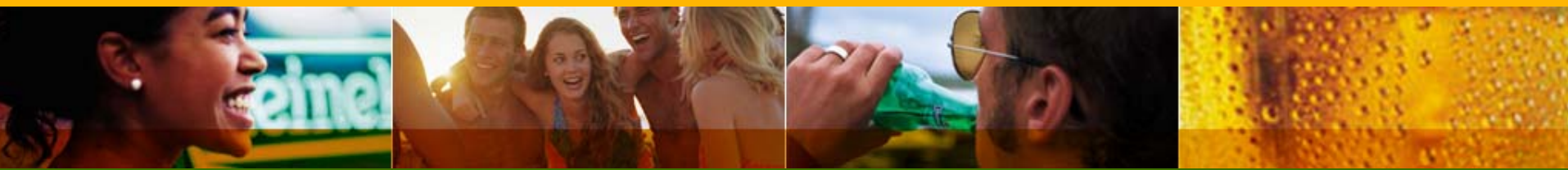


Topline: launch Heineken Premium Light in USA exceeded targets

- Heineken Premium Light sales volume exceeded 300,000 hl in H1 06, far ahead of forecast
- Our market share in the US Light segment: 0.5%
- Halo effect on Heineken lager and no evidence of cannibalisation
- Strong sales in July and August: FY06 forecast raised from 400,000 to 600,000 hl
- Expected EBIT negative impact in 2006 improved by €7m despite additional marketing investments in Heineken Premium Light

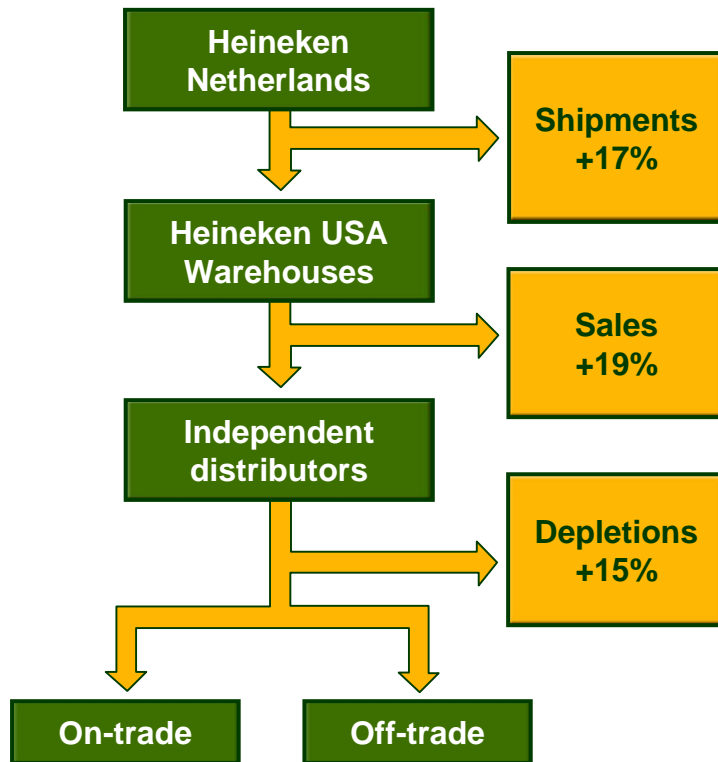
Surprisingly smooth
New Heineken Premium Light





Topline: Strong volume growth of our USA brand portfolio

Heineken USA*



* Excluding Femsa brands

- Total beer market +0.6%, imports +10.6%
- Total Dutch Portfolio: sales +19%, depletions +15%
 - Gap due to: pipe line filling HPL, safety stocks Heineken Lager, seasonal patterns, build up DraughtKeg
- Heineken Lager: sales +11%, depletions +8%
- Heineken Lager grew in all 4 regions including the Northeast
- Amstel Light: sales –5%, depletions –6%
- Femsa portfolio: sales +17%, depletions +17%



Topline: Strong volume growth in Russia



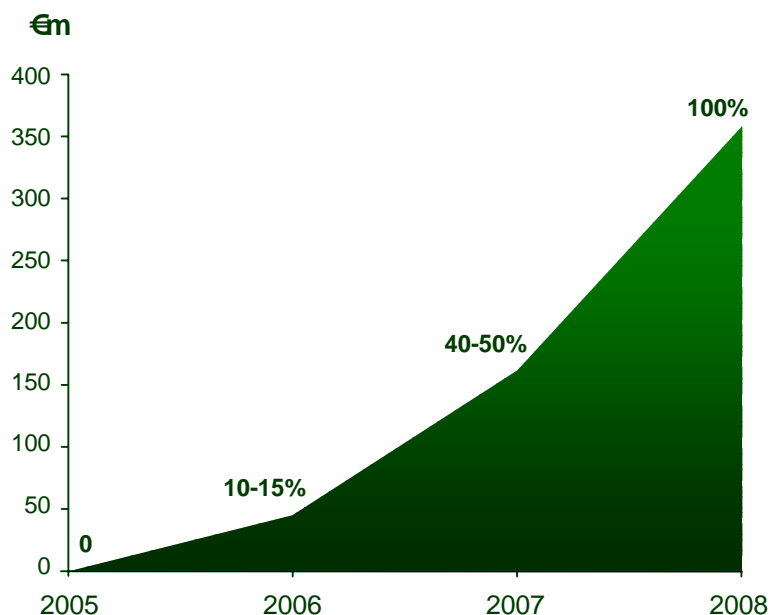
ЕРНОЕ УПОТРЕБЛЕНИЕ ПИВА

- Acquisition of Ivan Taranov closed at the end of 2005
- More than 6m hl of beer sold in H1 06
- Brand portfolio review completed and the findings are being implemented
- Key international brands are performing excellently: Heineken®, Amstel, Guinness and Bitburger. Bud beer introduced on 1 September
- Organisations integrated without disrupting operations
- Volume expected to grow 8% organically in 2006, faster than market

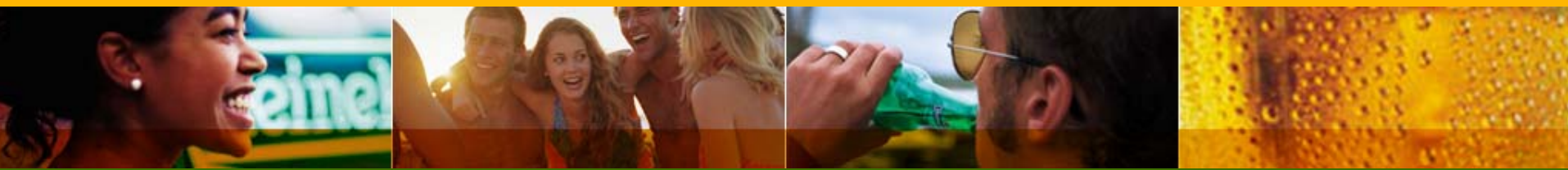


Efficiency : Fit 2 Fight

Cumulative Gross F2F savings

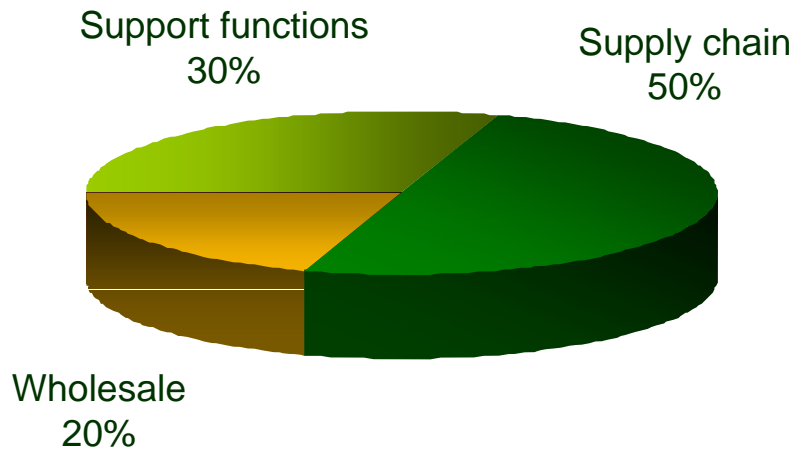


- Fit 2 Fight is Heineken's programme to reduce fixed costs versus 2005 by €200m net of inflation by the end of 2008
- Heineken estimates that inflation will add €160m to fixed cost. This increase will be absorbed by further cost savings
- Heineken has identified projects that will save the €360m by the end of 2008, positively impacting the bottom line
- Total related restructuring and other costs estimated at €325-375m

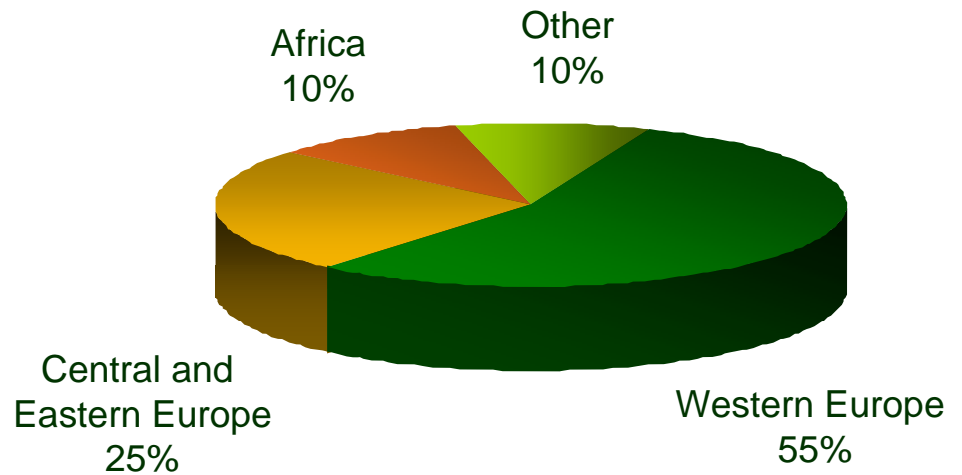


Efficiency: Fit 2 Fight by region and by stream of business

Fit 2 Fight: functional split



Fit 2 Fight: regional split





Acquisitions: recent investments

In the last 6 months, Heineken (through APB) has acquired new positions in the Asian Pacific region:

● India:

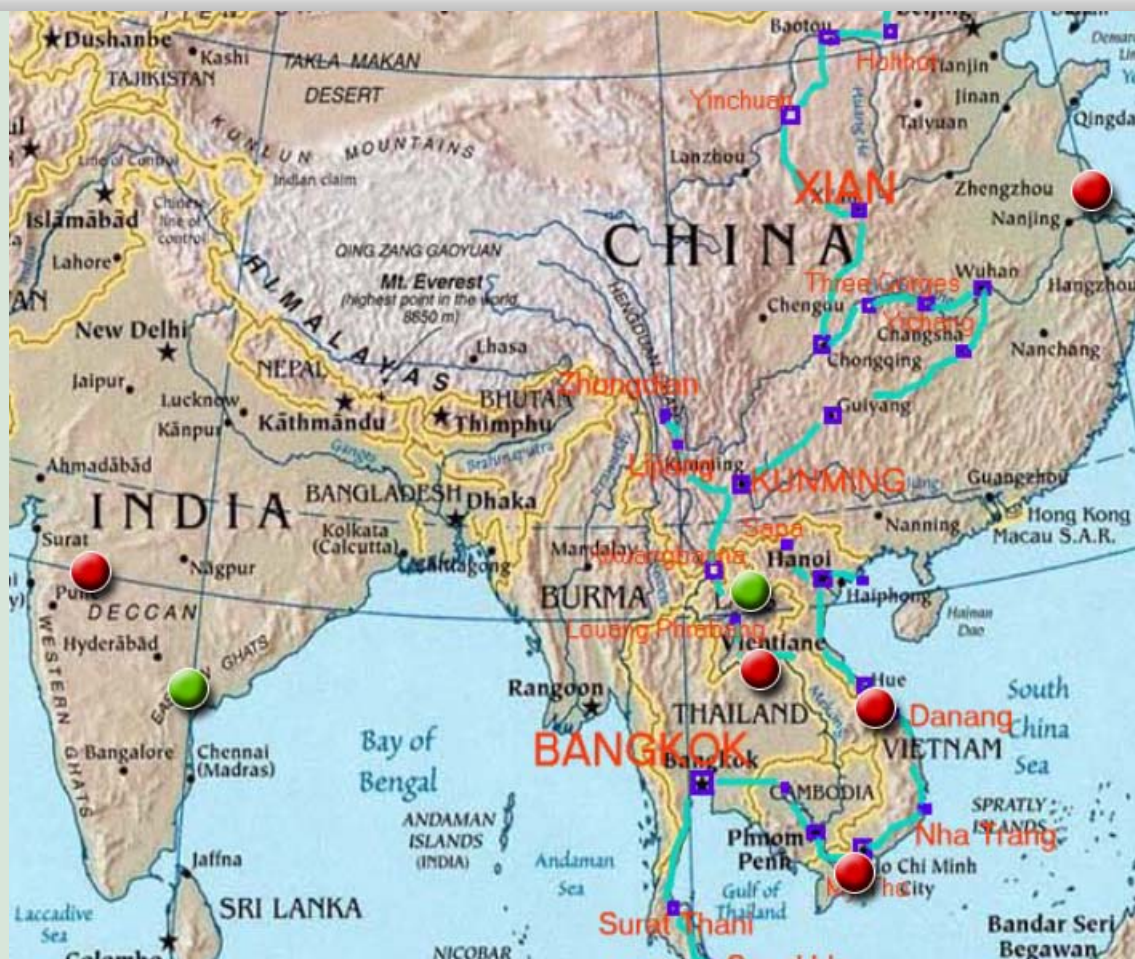
- Acquired a 76%-stake in Aurangabad breweries
- Announced a greenfield in the region of Andhra Pradesh

● Laos: construction of a greenfield brewery

● Vietnam: acquired the Foster's breweries in Centre and South Vietnam with a total capacity of 1.5 m hl

● Increased stake in Da Fu Hao from 40% to 49%

Brewery ●
Greenfield operation ●





Accelerate speed of implementation



Two examples:

- Introduction of Heineken Premium Light
- Start of the F2F programme

Making Heineken a more focussed and competitive company!



Profit outlook for 2006*



On 18 July 2006 Heineken raised its organic net profit growth forecast for the full year 2006 to “slightly above 10%” (from “mid-single digit”)

This upgrade forecast reflected:

- The good performance of the Heineken® brand
- Strong volume growth in Central and Eastern Europe, the Americas, Africa and South East Asia
- Better than expected volumes in Russia
- The successful introduction of Heineken Premium Light in the USA

In H2 06 Heineken will incur exceptional reorganisation charges of €60-€75m before tax and an exceptional net gain of €279m on the sale of land in Spain

* The full text of the full-year profit outlook for 2006 can be found in Heineken H1 2006 results press release



Commercials

Heineken Premium Light





Heineken
NV

Half Year Results 2006

René Hooft Graafland
CFO and Member
of the Executive Board

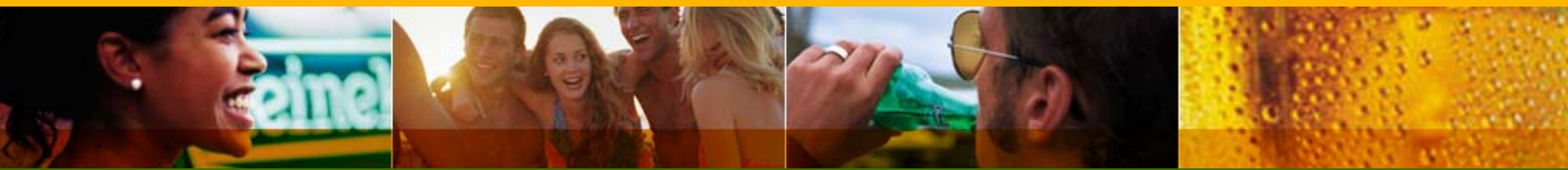


Key figures H1 2006 (million of hl/€million)

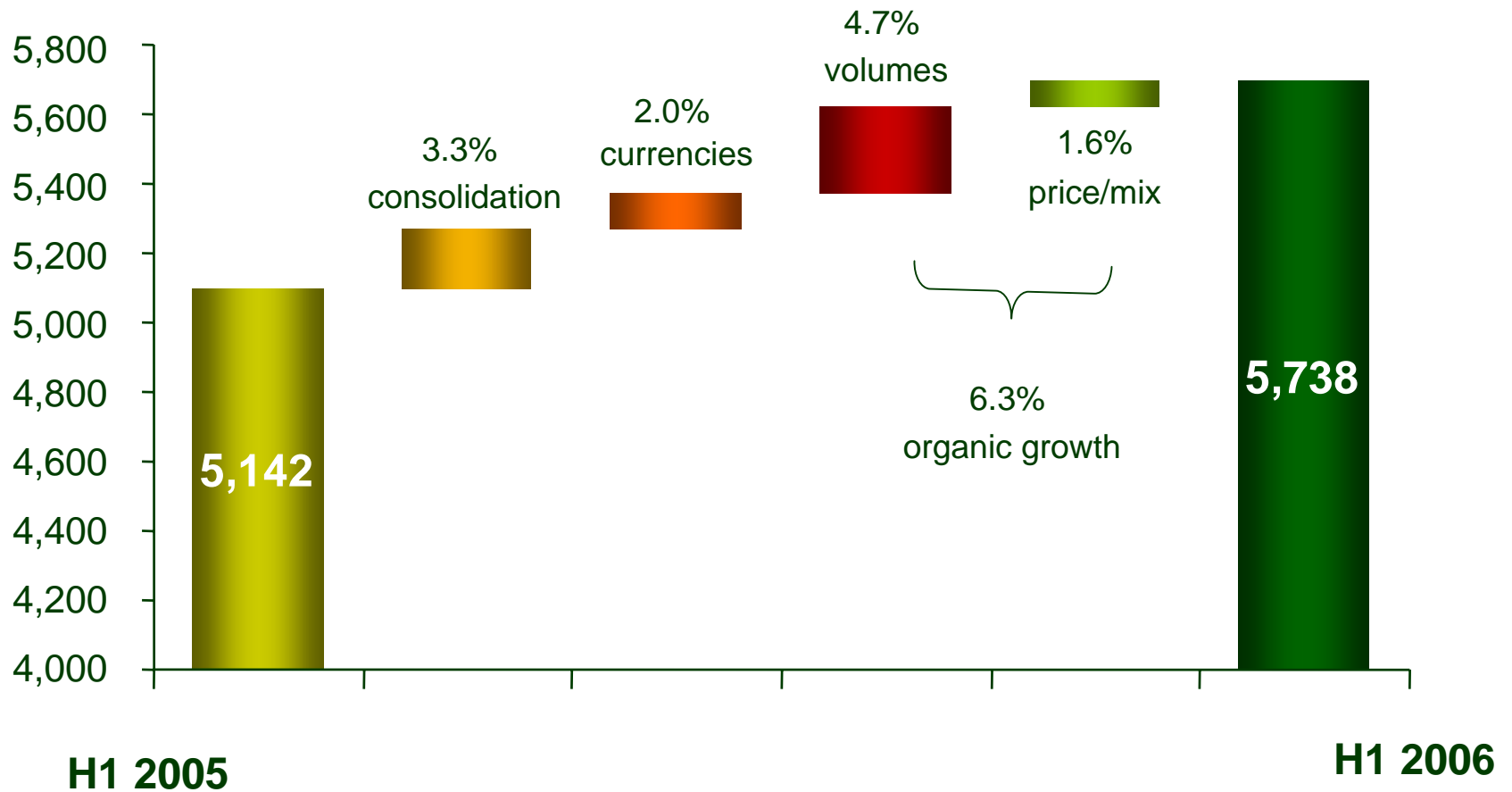
	H1 2006	H1 2005	Increase	Organic growth
Group beer volume	62.8	56.2	11.6%	6.6%
Revenues	5,738	5,142	11.6%	6.3%
EBIT*	759	601	26.3%	
EBIT (beia)	726	638	13.8%	10.4%
Net Profit**	433	345	25.5%	
Net Profit (beia)	410	371	10.5%	13.7%

* Includes exceptional items before tax in H1 2006: +€38m (in H1 2005: -€34m) and amortisation of brands (in H1 2006: -€5m, in H1 2005: -€3m).

** Includes exceptional items after tax in H1 2006: +€28m (in H1 2005: -€23m) and amortisation of brands (in H1 2006: -€5m, in H1 2005: -€3m).

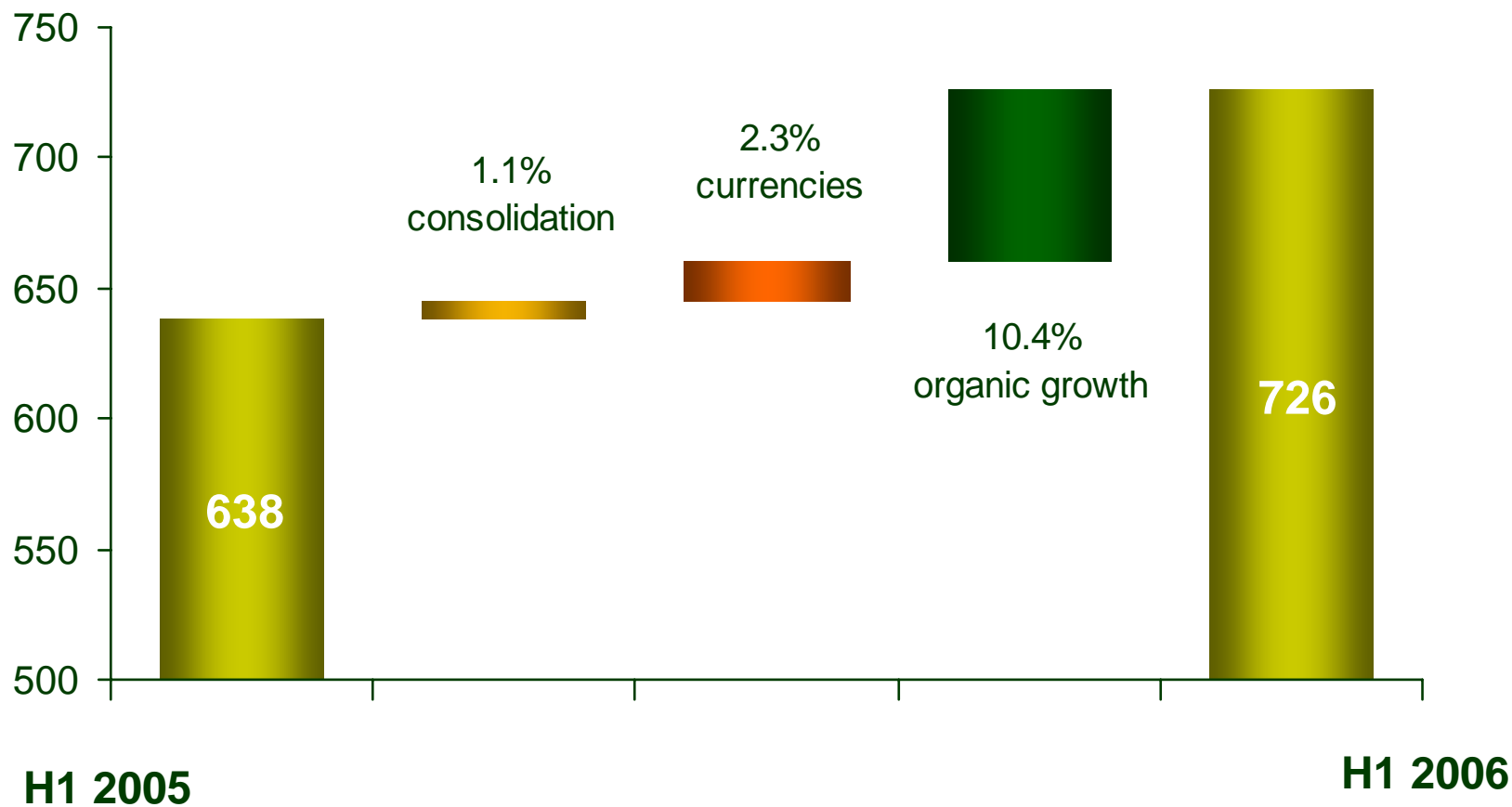


Revenues (€million)





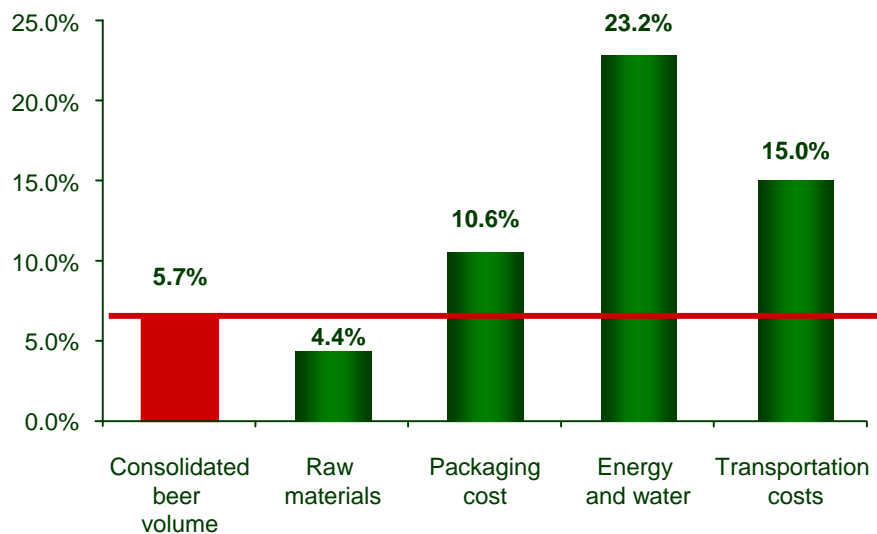
EBIT (beia) (€million)



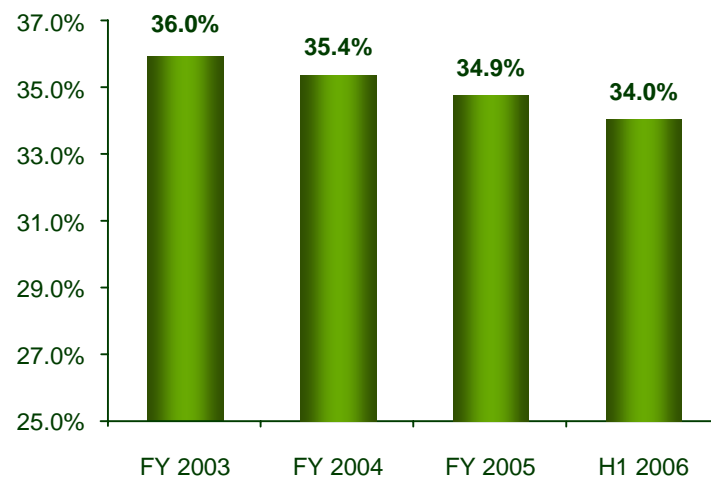


Costs evolution in H1 2006

Input costs
Organic Growth (%)

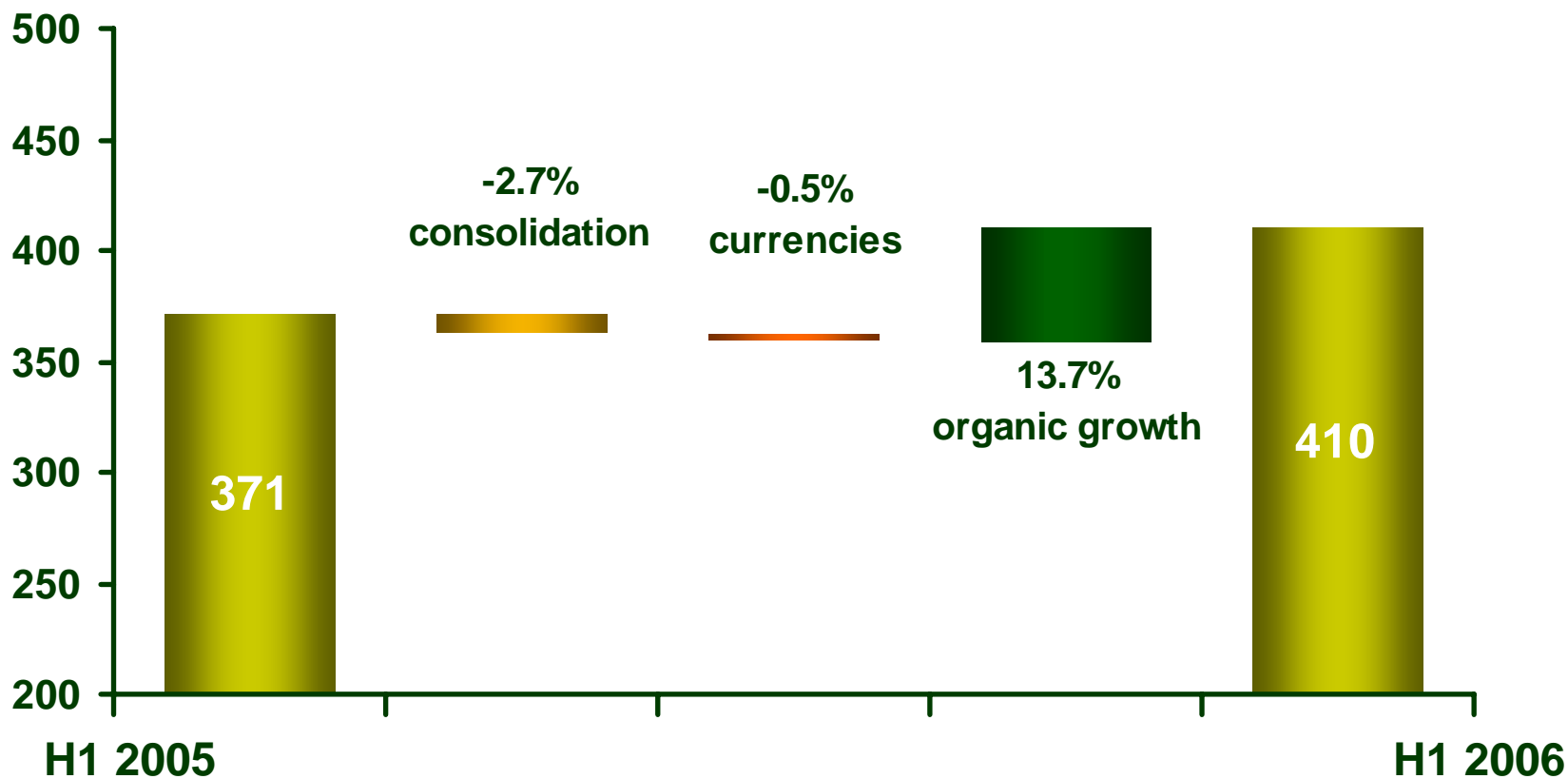


Fixed costs ratio under F2F





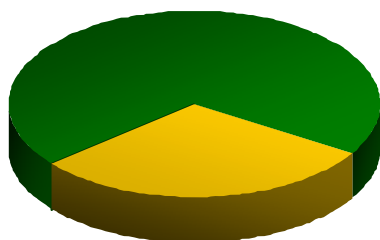
Net Profit (beia) (€million)





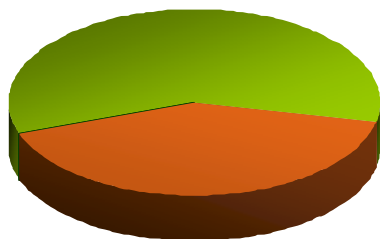
Western Europe

Consolidated Volumes



30%

EBIT (beia)



41%

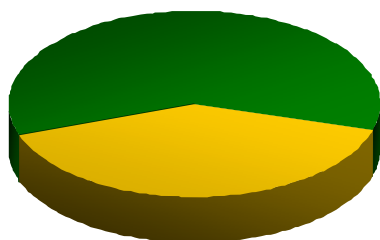
	H1 2006	H1 2005	% chg
Group beer volumes	16.0	15.8	0.7%
Revenues	2,653	2,566	3.4%
EBIT (beia)	296	289	2.0%

- Positive price/mix contribution
- Heineken® in premium segment: +4.5%
- Netherlands: Higher beer volumes and increased market share
- France: challenging environment. Heineken® grew 2.4% in a declining market.
- Italy: lower market. Heineken® and Moretti volume stable
- Spain: Strong market, Heineken® +7.6%
- UK: volume growth >25%, progress in repositioning of Heineken®
- Streamlining organisation announced in France and the Netherlands



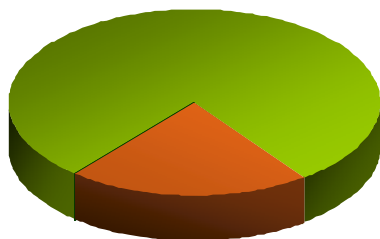
Central and Eastern Europe

Consolidated Volumes



40%

EBIT (beia)



21%

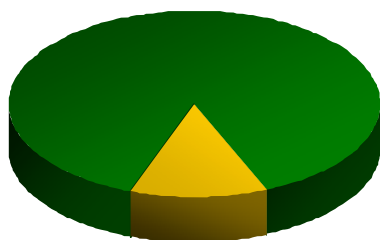
	H1 2006	H1 2005	% chg
Group beer volumes	25.1	21.1	18.8%
Revenues	1,591	1,279	24.4%
EBIT (beia)	155	111	39.6%

- Heineken® volume in the premium segment up 14.5%
- Poland: Higher EBIT, with Heineken® volume +13.5%
- Russia: strong volume growth, driven by Ochota and premium beers
- Austria: portfolio rationalisation and higher prices led to lower volumes and substantial increase in EBIT
- Romania: Strong volumes and EBIT improvement after implementation of brand portfolio optimisation
- Germany: group beer volumes +5.8% and higher EBIT
- Hungary: group beer volumes +4% and substantial EBIT increase
- Greece: better market due to increased tourism flows, Heineken® +7.4%
- Slovakia: Closure of the Rimavska' Sobota brewery announced



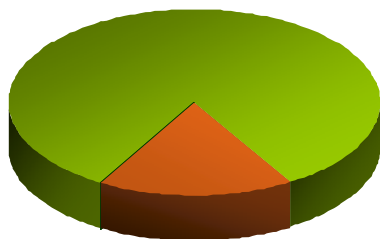
The Americas

Consolidated Volumes



12%

EBIT (beia)



17%

	H1 2006	H1 2005	% chg
Group beer volumes	8.1	7.2	13.4%
Revenues	964	821	17.4%
EBIT (beia)	127	120	6.5%

- Regional beer volume +13.4%, USA +19.1%
- Heineken® brand +19.5%
- USA:
 - Strong volume performance
 - Price/mix positive, despite more expensive packaging
 - EBIT marginally up despite high marketing investments
 - USD effect limited at both EBIT and net profit level
- CCU: strong beer volumes and significant growth in EBIT
- Caribbean: weak market, but EBIT grew due to cost control



US Dollar Hedging

Position

USD million

	Net Inflow	Hedged Part**	Hedged Rate***
2003A	795	795	0.96
2004A	772	772	1.13
2005A	767	767	1.26
2006F	870	793	1.26
2007F	890	656	1.26

Impact

€million

	EBIT	Net Profit
2003A	-46	-27
2004A	-124	-79
2005A	-67	-39
2006F*	NA	-2
2007F*	NA	-5

* Assuming \$ spot rate at 31 December 2006 corresponds with the hedging rate

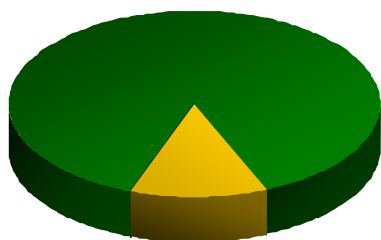
** Hedging at 1 September 2006

*** Including the costs of hedging



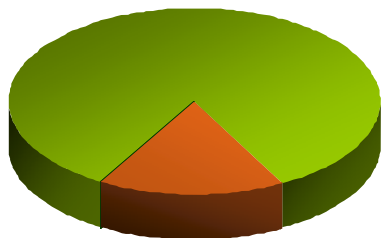
Africa and Middle East

Consolidated Volumes



12%

EBIT (beia)



16%

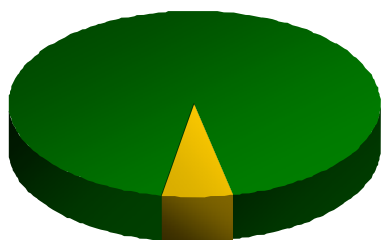
	H1 2006	H1 2005	% chg
Group beer volumes	8.2	7.1	15.5%
Revenues	564	483	16.7%
EBIT (beia)	115	100	14.7%

- Strong volumes and EBIT growth in Central Africa and Nigeria
- Heineken® brand +25.5%
- South Africa: very strong performance of Heineken® +45% and Amstel +36%
- Middle East:
 - EBIT lower due to one-off costs in Al Ahram
 - Lebanon operations affected by the war



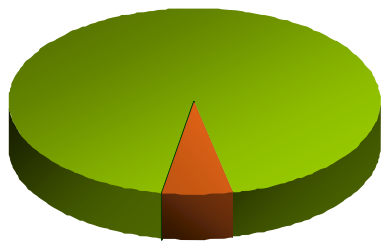
Asia Pacific

Consolidated Volumes



6%

EBIT (beia)



6%

	H1 2006	H1 2005	% chg
Group beer volumes	5.4	5.0	8.2%
Revenues	281	249	12.7%
EBIT (beia)	47	37	26.3%

- Heineken® +10.1%, driven by China, Taiwan, Australia, Indonesia and Cambodia
- APB:
 - EBIT (beia) grew 18%, driven by volume (+9.7%) and price/ mix
 - Expanding into India, Laos and Vietnam
- China: Good volumes (+16.7%), but EBIT impacted by low prices and strong competition
- Taiwan: good volume development (+ 39%) for the Heineken® brand



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Commercial Heineken brand





Questions
please





TRADE

MARK

Heineken®

