



TRADE

MARK

Heineken®



Global Consumer and Food Retail  
Conference

Deutsche Bank

18-19 June 2008, Paris



**Heineken**  
NV

**Heineken Holding N.V.**

**Presentation for Investors**

Paris, 18-19 June 2008

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**Heineken**  
NV

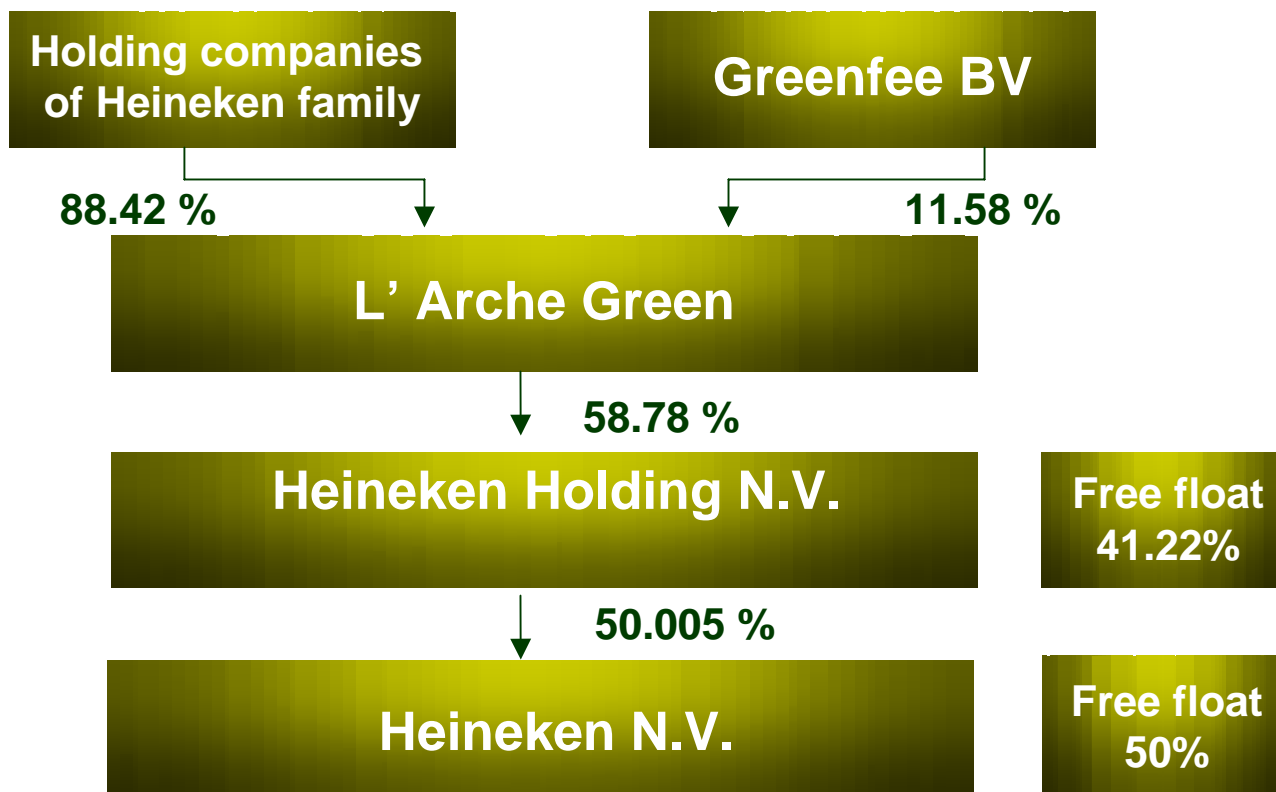


## Heineken's strategy and the Acquisition of Scottish & Newcastle



# Heineken Shareholder Structure

One share of Heineken Holding N.V. equals one share of Heineken N.V.





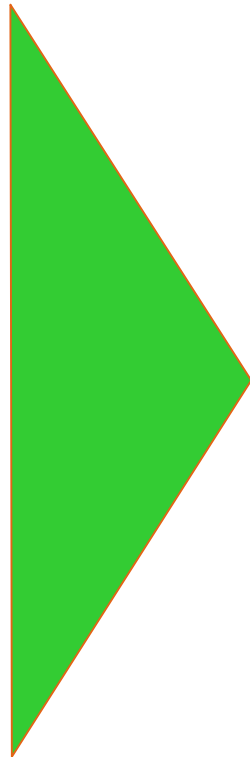
## Vision and goals: Independent leading brewer

**Leadership positions  
in key markets**

**Most valuable  
brand portfolio**

**Leadership Heineken©  
brand in IPS**

**Low cost producer**



**Excellent and  
sustainable financial  
performance**



# Generating sustainable financial growth

## Organic Profit Growth

### Top-line growth

- Building winning brand portfolios
- Focus on our flagship brand Heineken®
- Innovation

### Cost reduction

- Continued focus in all business areas

### Cash generation

- Strict cash flow management



## Business Development

- Acquisitions
- Focus on #1 and #2 positions and the premium segment

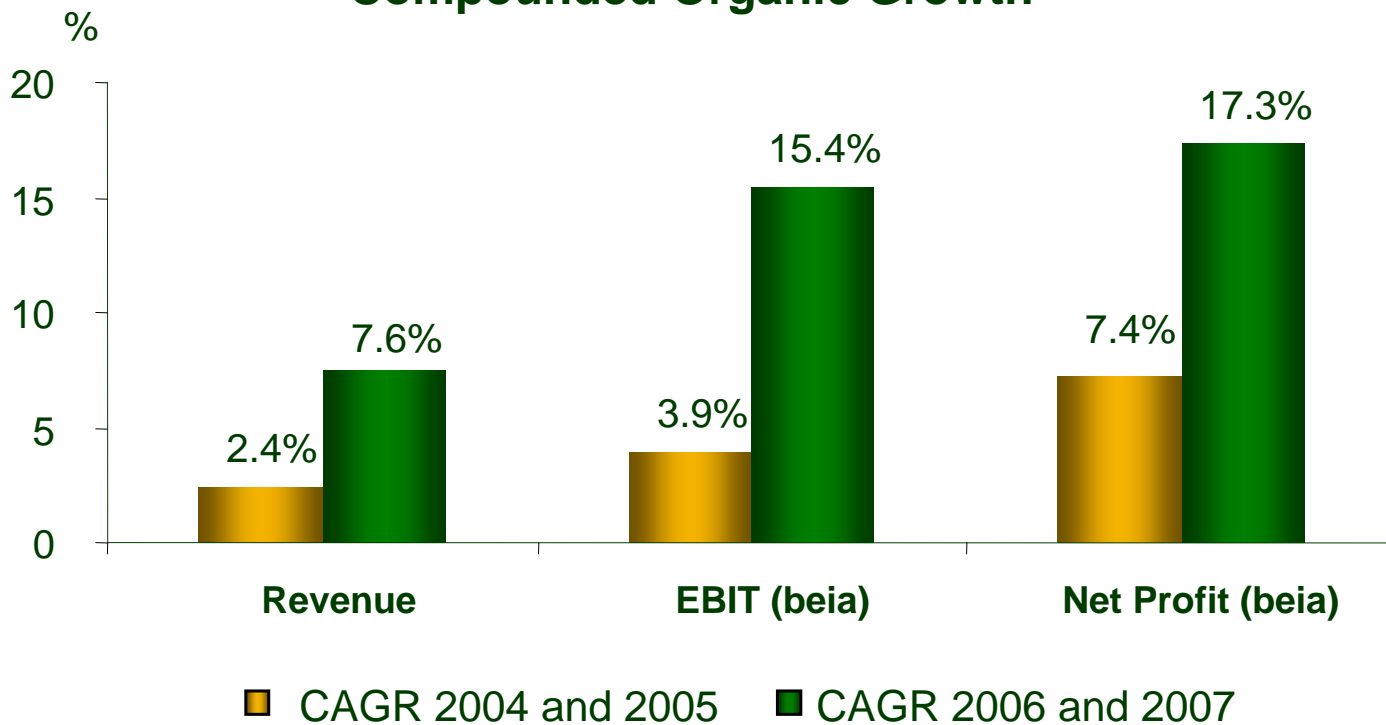
## Debt reduction, dividend





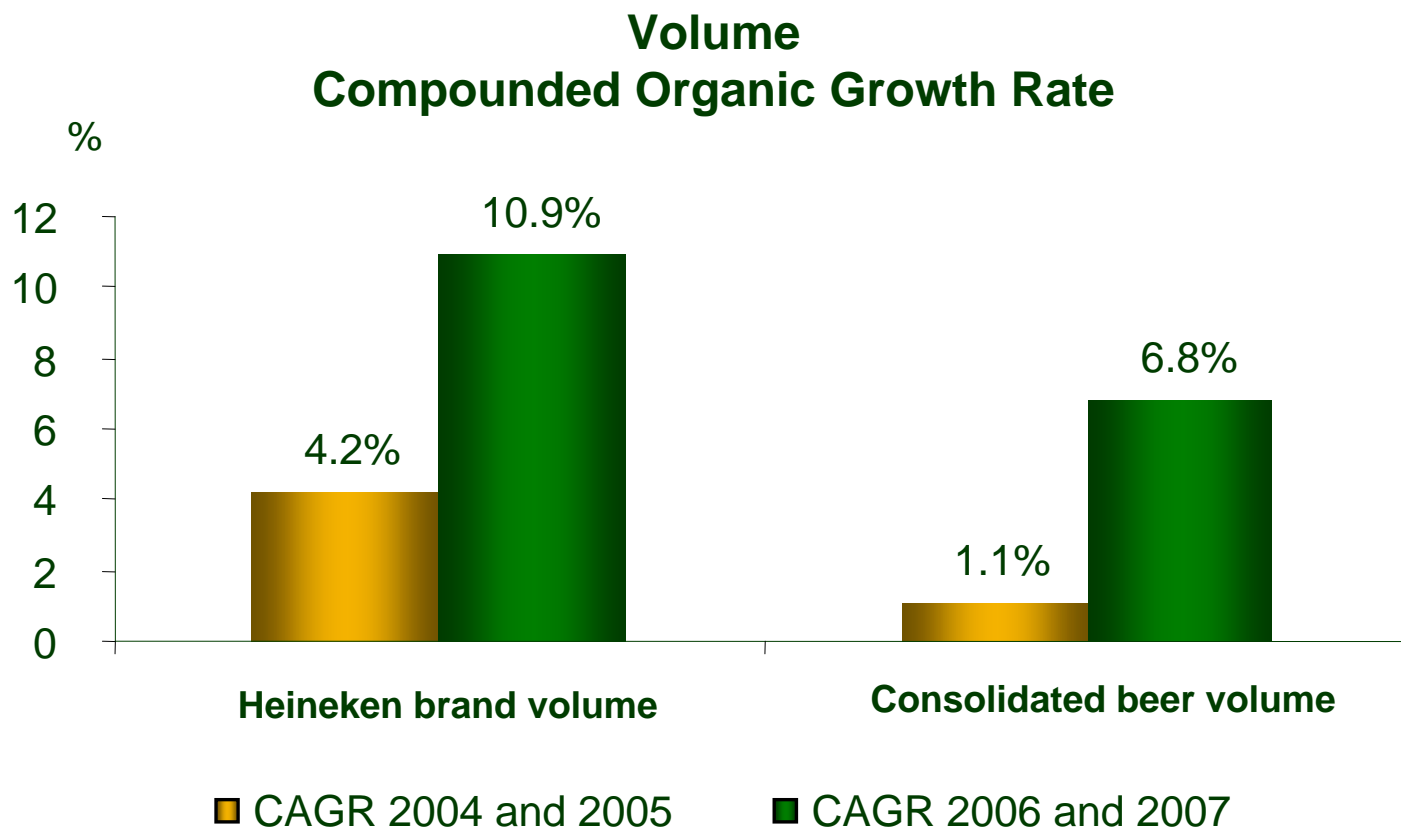
# A step change in profit growth...

## Key Metrics Compounded Organic Growth





...and in Heineken brand growth





# Leadership Positions and Brands

**Scottish & Newcastle UK Ltd.**

#1

**Beamish & Crawford Plc Ireland**

#3

**Brouwerijen Alken-Maes Belgium**

#2

**Oy Hartwall AB Finland**

#2

**Scottish & Newcastle Importers Co, USA**

#2 US Ale Importer

**Soc. Central de Cervejas e Bebidas, Portugal**

#2

**United Breweries Ltd India**

#1 via joint venture

Source: Company information, June 07



## Compelling Strategic Rationale

### Strong platforms for future growth

- New distribution platforms to drive premium Heineken brand growth
- Strong complementary brands to leverage internationally
- Access to the growing UK cider market and exploitation of international potential

### Leadership positions in key European markets combined

- Leading brewer by volume and value in Europe
- #1 in the U.K., #2 in Portugal, Finland, Belgium, Ireland

### Greater exposure to developing markets and segments

- Investment in the #1 in India
- #2 in imported ale segment in the USA

### Leverage unique experience in pub management across Europe

### Great people – great potential to learn from each other



## Key metrics of the transaction for Heineken

### Acquisition of S&N's assets

- EUR 6.1bn enterprise value
- Implied EV/EBITDA multiple of 11.9x\*
- Financed entirely with debt

### Key metrics of relevant assets

- Volume 27mhl of beer and cider for 2006
- Revenue approx. EUR 3.6bn for 2007\*
- EBITDA of approx. EUR 472m for 2007\*
- Pro forma Net debt/EBITDA maximum 2.7x\*
- Strong cash flow

\*2007 based on £ /€1.35 rate. EV multiple excluding India valued at EUR 439m



## Value creation through synergies

- ROIC expected to reach transaction WACC by year 4
- Synergies of €162 mm (£120mm) before tax: €115mm cost and €47mm top-line by year 4
- Cost synergies front loaded, revenue synergies back loaded

### Cost synergies: 70% of the total

- Key sources
  - Reduce central overhead costs
  - Centralize purchasing
  - Combine administrative functions
  - Integration of operations in UK, Ireland and USA
  - Share best practices in logistics, distribution and production

### Revenue synergies: 30% of the total

- Key sources
  - Combine brand portfolios and leverage distribution platforms
  - Develop the premium segment and the Heineken brand
  - Leverage unique experience in pub management
  - Cross implement product and packaging innovations
  - Develop cider internationally
  - Share best practice in portfolio management
  - Newcastle Brown Ale in the US



## Illustrative combined financial information

(in € millions, unless otherwise stated)

	Heineken	S&N business to take over	Combination
<b>Consolidated beer and cider volume (in m hl)</b>	<b>120</b>	<b>27</b>	<b>147</b>
<b>Revenue</b>	<b>12,564</b>	<b>3,498</b>	<b>16,062</b>
<b>EBITDA (beia)</b>	<b>2,568</b>	<b>474</b>	<b>3,042</b>
<b>EBITDA (beia) % of revenue</b>	<b>20%</b>	<b>14%</b>	<b>19%</b>
<b>EBIT (beia)</b>	<b>1,846</b>	<b>343</b>	<b>2,189</b>
<b>EBIT (beia) % of revenue</b>	<b>15%</b>	<b>10%</b>	<b>14%</b>
<b>Net debt/EBITDA (beia) after acquisition of S&amp;N</b>			<b>2.7x</b>



## Acquisitions announced 2007 and 2008 till date

### 2007

- Krusovice
- Rodic Brewery
- Syabar Brewery

Czech Republic  
Serbia  
Belarus

14 June  
5 December  
28 December

### 2008

- Tango Brewery
- Scottish & Newcastle
- Efes (joint venture)
- Bere Mures
- Drinks Union
- Eichhof Brewery\*
- Rechista

Algeria  
Several countries  
Uzbekistan, Serbia, Kazakhstan  
Romania  
Czech Republic  
Switzerland  
Belarus

14 January  
25 January  
28 January  
29 February  
25 March  
10 April  
22 May

\*subject to approval of the AGM



## Key developments 2007



## Key figures 2007

Million of hl/EUR million	2007	2006	Increase	Organic growth
Cons. beer volume	119.8	111.9	7.1%	6.5%
Revenue	12,564	11,829	6.2%	7.3%
EBIT*	1,528	1,832	-16.6%	
EBIT (beia)	1,846	1,569	17.6%	20.0%
Net profit**	807	1,211	-33.4%	
Net profit (beia)	1,119	930	20.4%	22.6%
Dividend per share	0.70	0.60	16.7%	

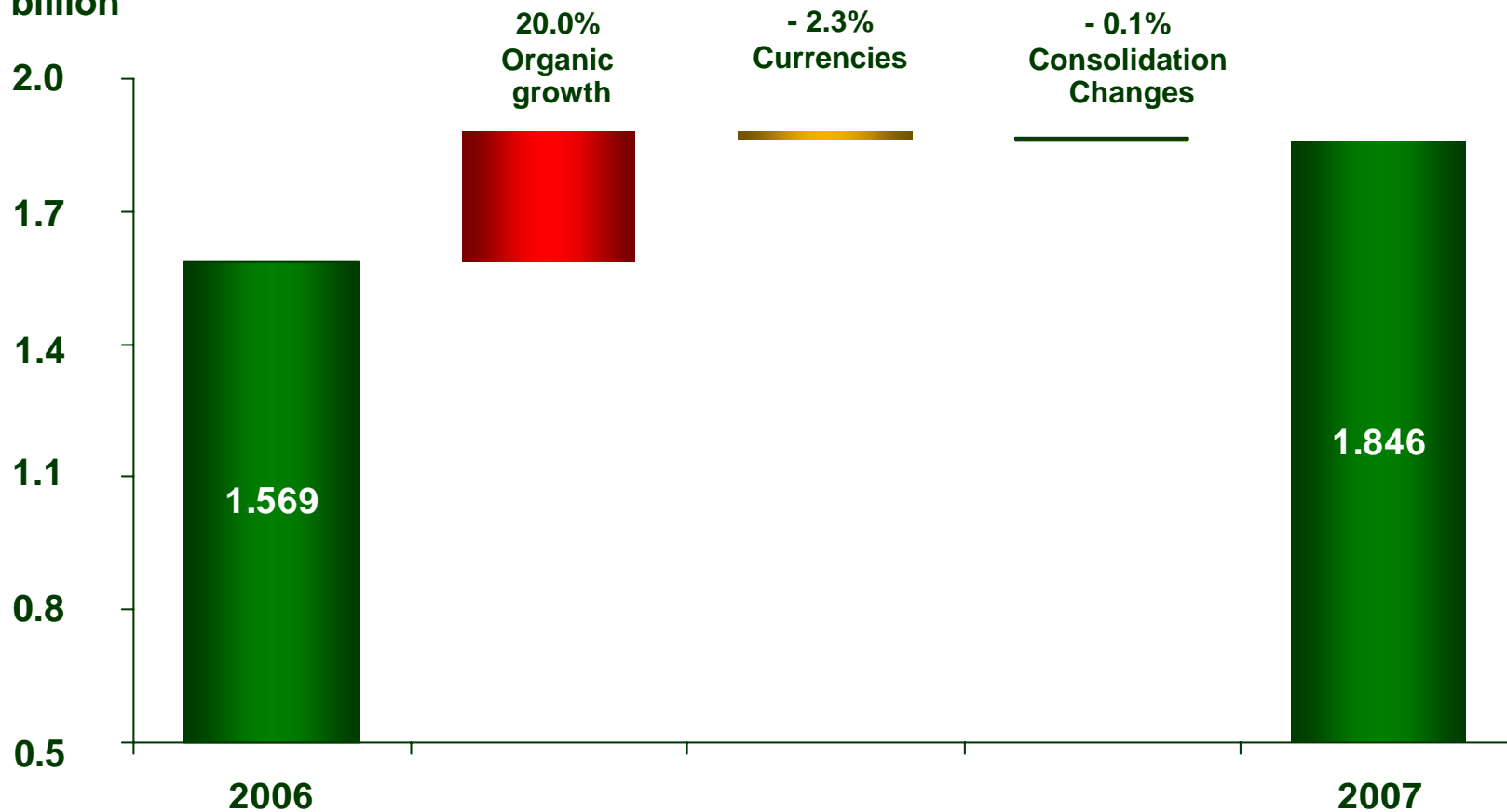
\* Includes exceptional items before tax in 2007: -EUR307m (in 2006: +EUR273m) and amortisation of brands (in 2007: -EUR11m, in 2006: -EUR10m).

\*\* Includes exceptional items after tax in 2007: -EUR301m (in 2006: +EUR291m) and amortisation of brands (in 2007: -EUR11m, in 2006: -EUR10m).



# EBIT (beia), organic growth drives increase

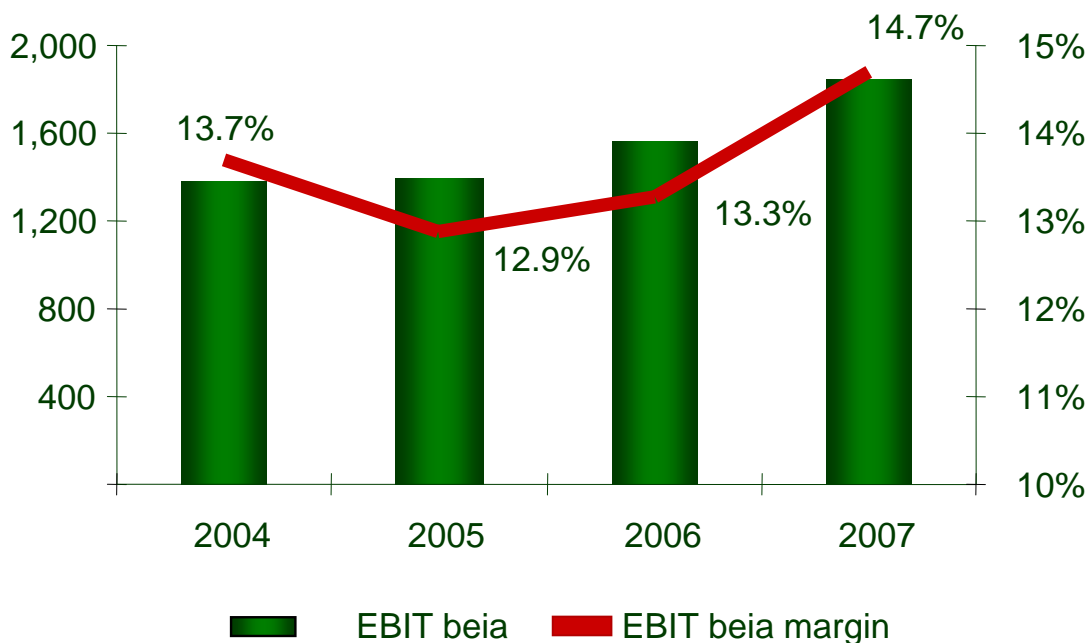
EUR billion





## Improvement in EBIT (beia) margin

EUR million

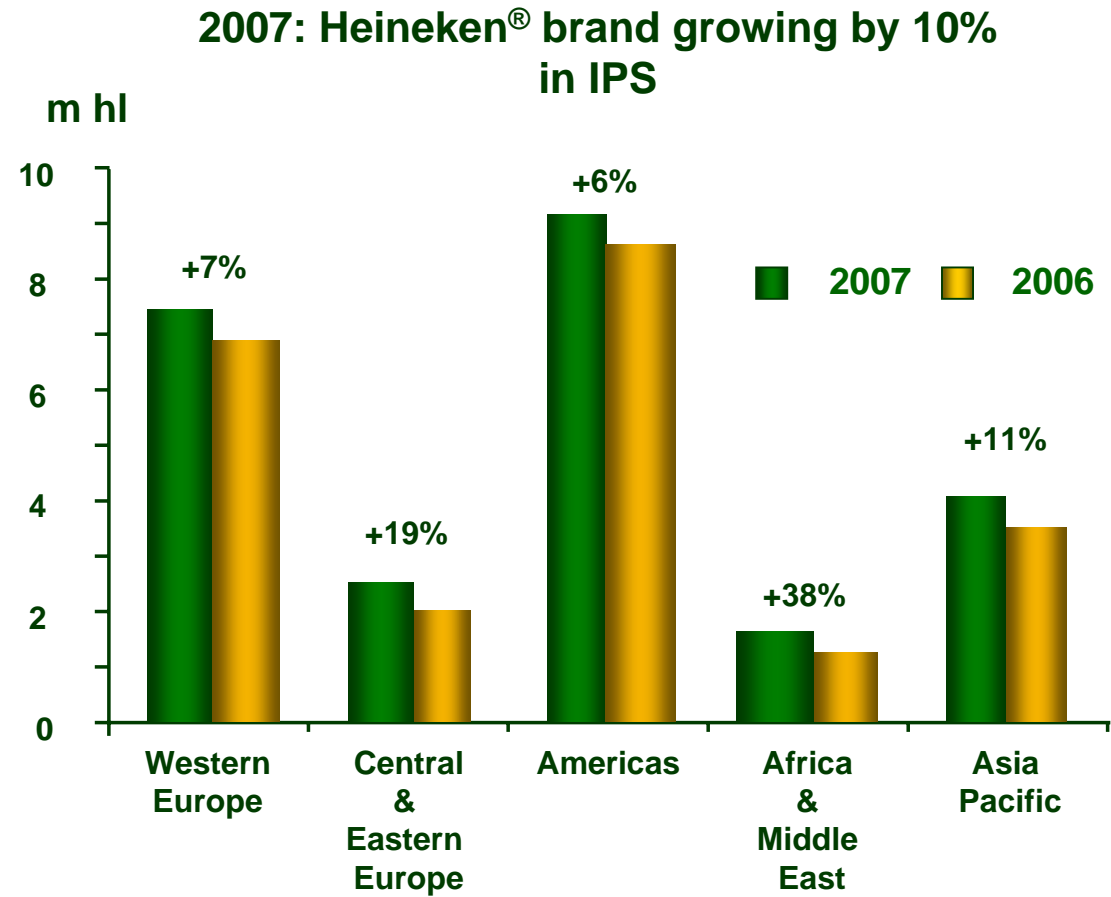


### Drivers:

- Higher volumes
- Higher pricing
- Better sales mix
- Cost efficiencies



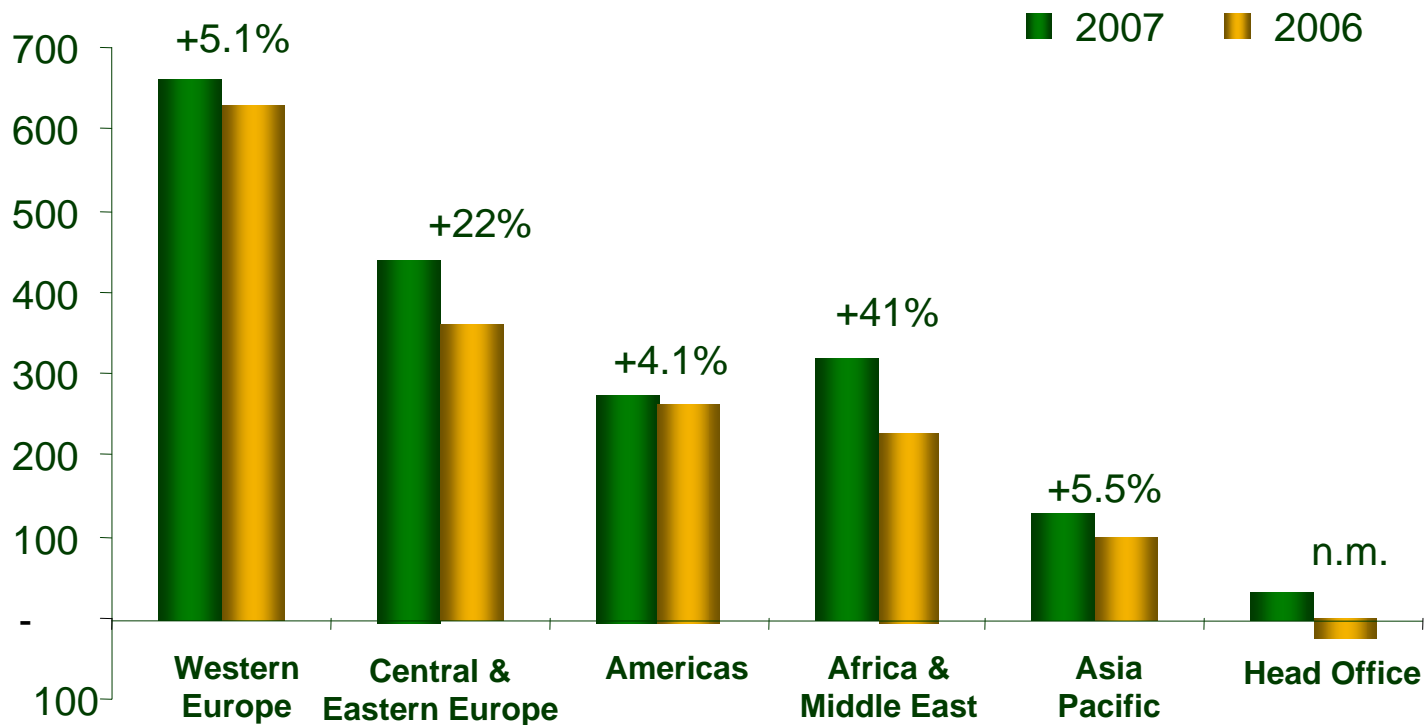
# Heineken®: Strong growth across all regions





## EBIT (beia) growth across all regions

EUR million



Volume (m hl)

Western Europe	31.9	51.1	13.7	15.7	7.4	-
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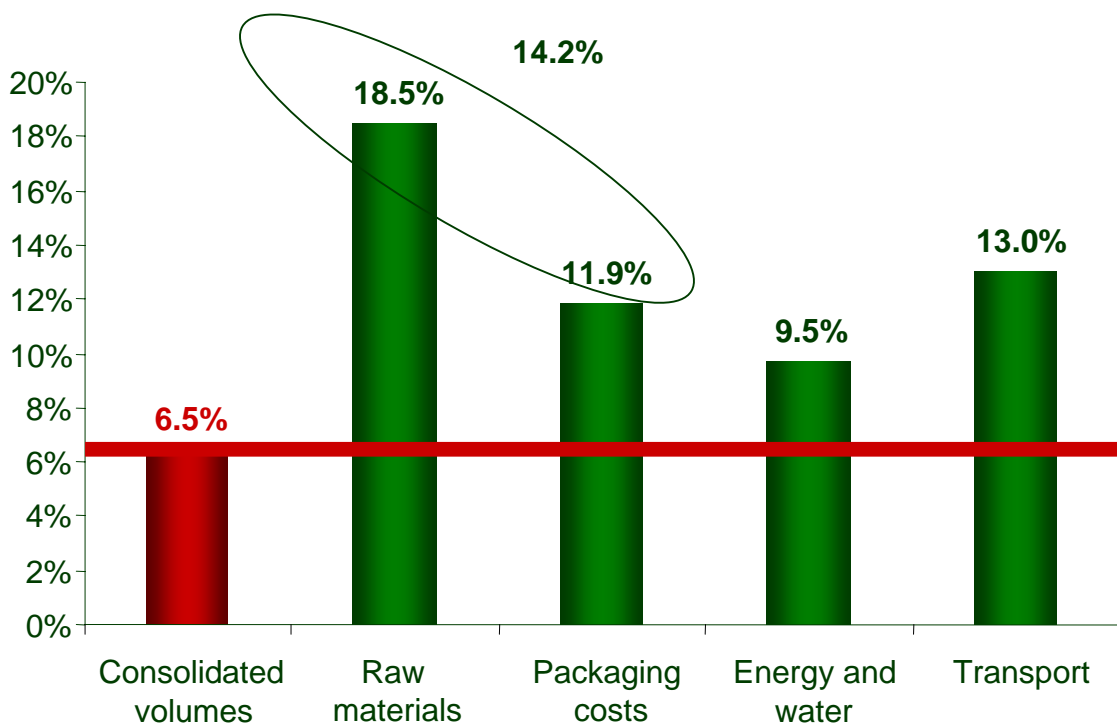


## Input costs, Cost savings and 2008 outlook



# Input Costs

## Organic growth in 2007

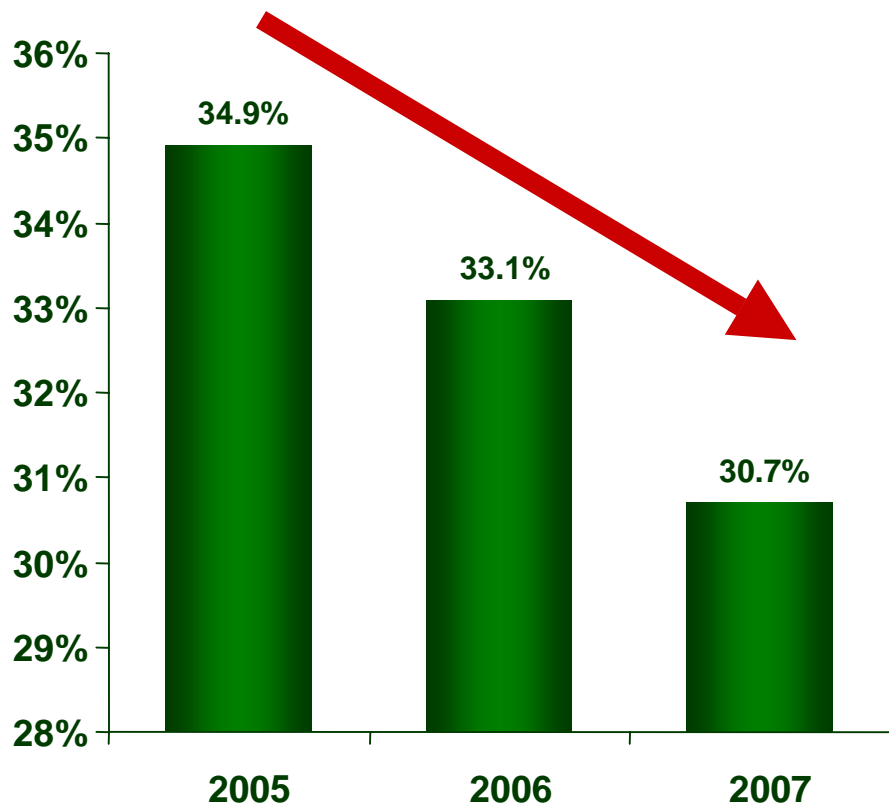


## 2008

- Input costs +15% price/hl, mainly malt prices
- Heineken has secured of its needs
- Expect to pass on the impact in most of its markets



## Fit 2 Fight: accelerated delivery



- F2F ratio improved 240 bp to 30.7%
- Gross savings 2007: EUR 191m
- Exceptional restructuring costs EUR 57m before tax
- EUR 450m will be achieved as planned
- Gross savings EUR 150m for 2008
- Restructuring costs 2008 ca. EUR 75m



## 2008 outlook

**Heineken expects 2008 to be another year of positive growth in organic net profit**

Driven by:

- A better sales mix driven by the Heineken brand
- A further increase in consolidated beer volumes
- Fully passing on higher input costs in most markets
- F2F to delivering EUR150m gross savings



## 2007 Summary



- Clear and successful strategy
- Expanding leading positions in attractive markets
- Acquisition of Scottish & Newcastle strengthens the company
- Organic net profit growth +22.6% for 2007
  - Organic consolidated beer volume +6.5%
  - Price/mix improvement 3.1%, passing on input costs increases
  - 10% volume growth of Heineken brand, gaining share in International Premium Segment
  - F2F delivering EUR 191m gross savings
  - EBIT (beia) margin +140 bp to 14.7%
- Expecting another year of positive organic net profit growth for 2008

A green-tinted advertisement for Heineken. The top half shows a bar counter with a single Heineken bottle on the left and a row of glasses on the right. The word "Questions" is written in white on the right side of the counter. The bottom half shows five bar stools with white seats and chrome bases, arranged in a row. The stools are illuminated from below, creating a gradient of colors (red, orange, yellow, green, blue) that matches the Heineken logo. The background is dark, and the floor is reflective.

# Questions

for a fresher world\*  **Heineken**<sup>®</sup>



# Appendix





## Western Europe: Strong brands, cost savings drive growth



Cruzcampo recomienda el consumo responsable.

	2007	2006	% change
Consolidated beer volume	31.9	32.1	- 0.6%
Revenue EUR m	5,450	5,351	+ 1.9%
EBIT (beia) EUR m	665	633	+ 5.1%
EBIT (beia) margin	12.2%	11.8%	+ 40 bp

- Another year of growing profits and margins
- Outperformed competition, growing share in value
- Heineken brand grew 7%
- Key mainstream brands did well: Pelforth, Cruzcampo, Moretti
- Beer consumption slowed in NW Europe in Q3
- Significant cost savings in production and distribution



## Central and Eastern Europe: Leveraging the potential



	2007	2006	% change
Consolidated beer volume	51.1	46.9	+ 8.9%
Revenue EURm	3,686	3,359	+ 9.7%
EBIT (beia) EURm	444	364	+ 22%
EBIT (beia) margin	12.0%	10.8%	+ 120 bp

- Strong increase in all key metrics
- Excellent growth of the Heineken brand +19%
- Strong performances in Russia, Poland, Greece and Romania
- Input costs increased substantially in H2
- F2F cost ratio dropped significantly
- Expanding footprint: Increasing capacity, acquisitions in Czech Republic, Belarus and Serbia, JV with Efes Breweries International



## The Americas: Heineken brand driving growth



	2007	2006	% change
Consolidated beer volume	13.7	13.2	+ 3.9%
Revenue EURm	2,043	1,975	+ 3.4%
EBIT (beia) EURm	278	267	+ 4.1%
EBIT (beia) margin	13.6%	13.5%	+ 10 bp

- Good volume growth, driven by USA, Canada and CCU
- Import segment in the USA +2.5%, Heineken USA +6%
- Depletions of Heineken lager and Heineken Premium Light in the USA grew 1% and 27% respectively, despite a 3.5% price increase in Q1 07
- Mexican portfolio grew 14% gaining share in the Mexican imports segment, contract with Femsa renewed for 10 years
- Renewed contracts for the Heineken brand in Canada and Brazil
- Impact of weaker dollar limited due to hedging



## Africa and Middle East: Volumes strong, Margins healthy



	2007	2006	% change
Consolidated beer volume	15.7	13.3	+ 18%
Revenue EURm	1,416	1,182	+ 20%
EBIT (beia) EURm	329	234	+ 41%
EBIT (beia) margin	23.2%	19.8%	+ 340 bp

- The fastest growing region in the Group driven by greater stability and growing economies
- Strong growth in Nigeria, Central Africa and Egypt
- Heineken brand grew 38%
- Good pricing and margins
- Amstel beer imported from Europe in South African market
- Expanding: acquisition in Algeria, building in South Africa, Tunisia, D.R. Congo, expanding capacity in Nigeria and Central Africa



## Asia Pacific: Exploiting premium potential



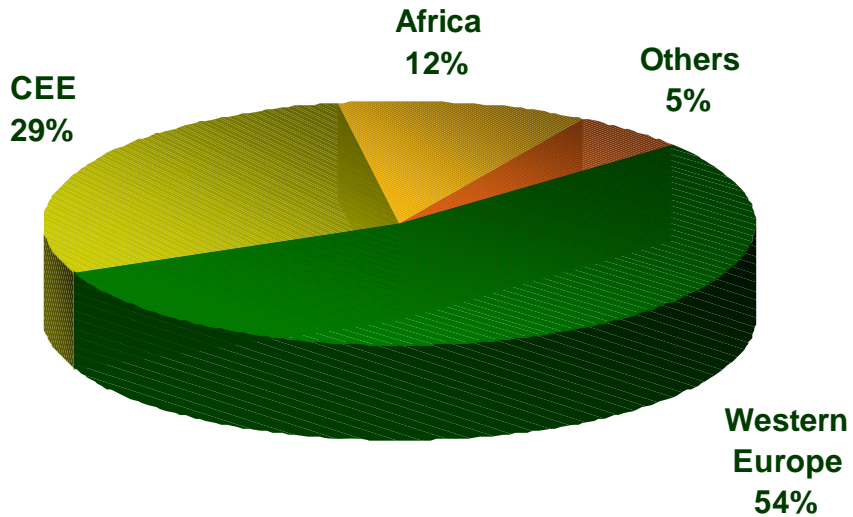
	2007	2006	% change
Consolidated beer volume	7.4	6.4	+ 16%
Revenue EURm	597	560	+ 6.7%
EBIT (beia) EURm	100	95	+ 5.5%
EBIT (beia) margin	16.8%	17.0%	- 20 bp

- Strong volume growth driven by Vietnam, Cambodia and New Zealand
- Heineken brand grew 11%
- EBIT (beia) growth and margins held back by exchange rates and gestation losses
- Expanding footprint through APB: Vietnam, India, China, Laos, Mongolia

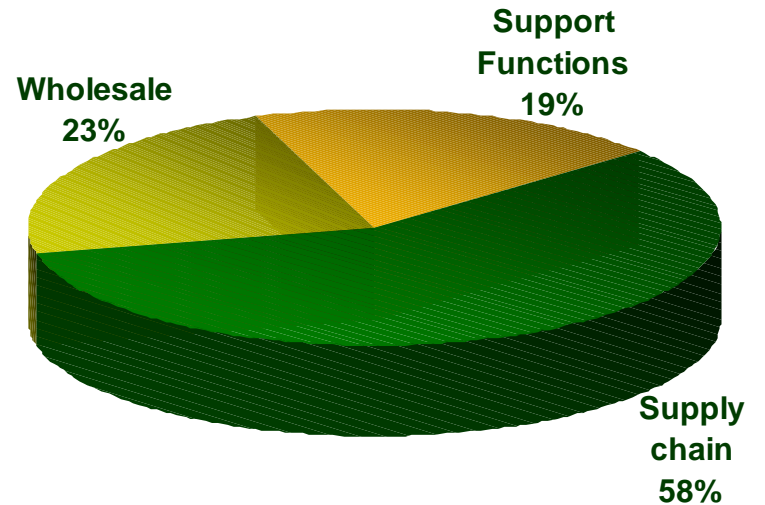


# Fit 2 Fight: Break-down by region and function

F2F savings regional split 2007

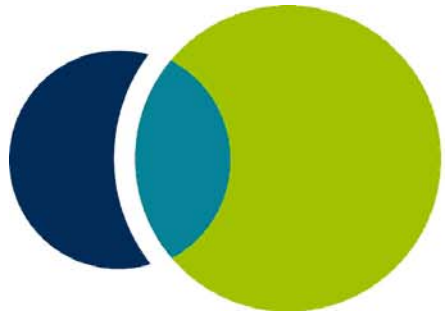


F2F savings functional split 2007





## Sustainability



# Dow Jones Sustainability Indexes

Member 2007/08

- Structural attention for Corporate Social Responsibility
- CSR programme focuses on integrity, alcohol, green house gas emissions and supply chain management
- Sustainability issues are fully integrated in risk management
- Member of DJSI World Index, member 2007/2008
- Member of DJSI STOXX Index
- Listed in FTSE4Good Index



FTSE4Good



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