



Heineken N.V.  
Paris  
June 2009

Heineken  
NV

Heineken Holding N.V.



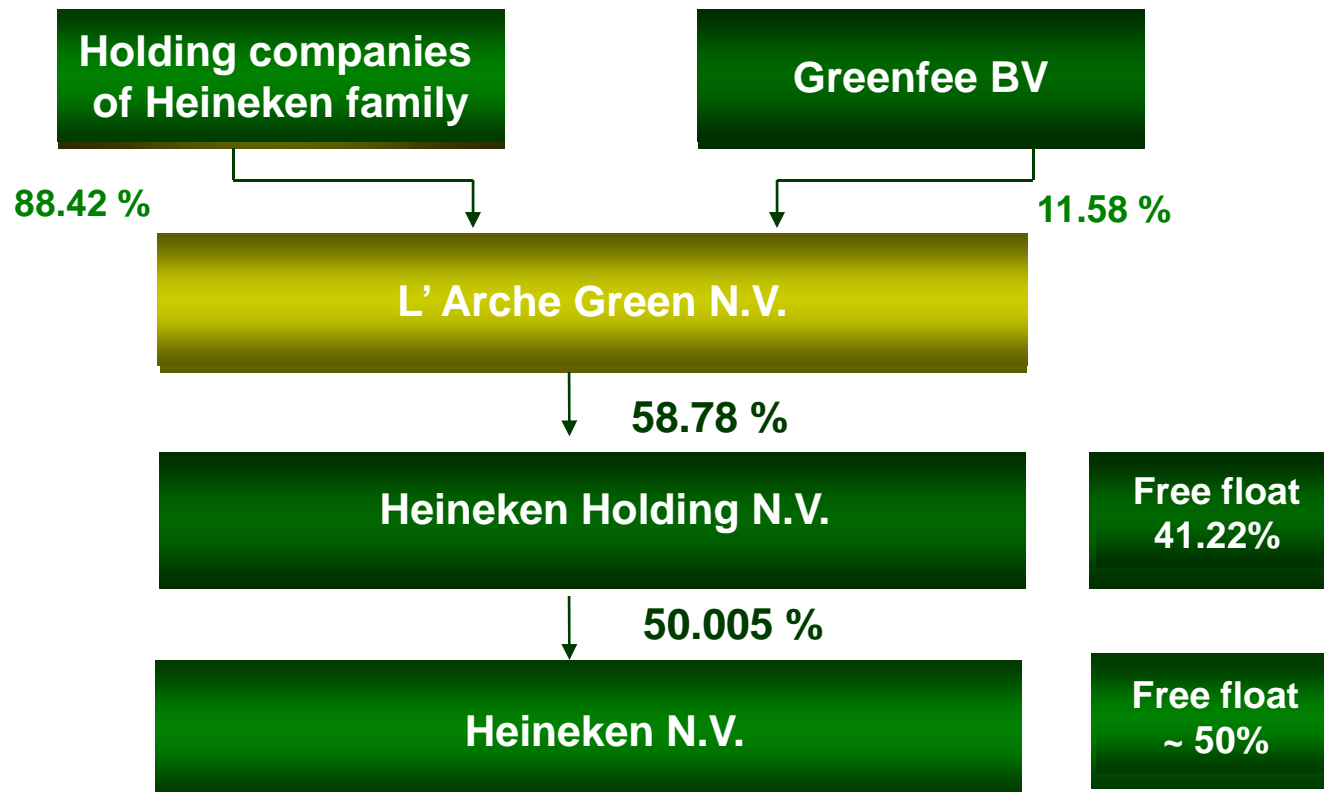
**Deutsche Bank Conference Paris**

**9 and 10 June 2009**

René Hooft Graafland  
CFO and member Executive Board

Jan van de Merbel  
Director Investor Relations Manager

# Heineken NV has stable shareholder structure



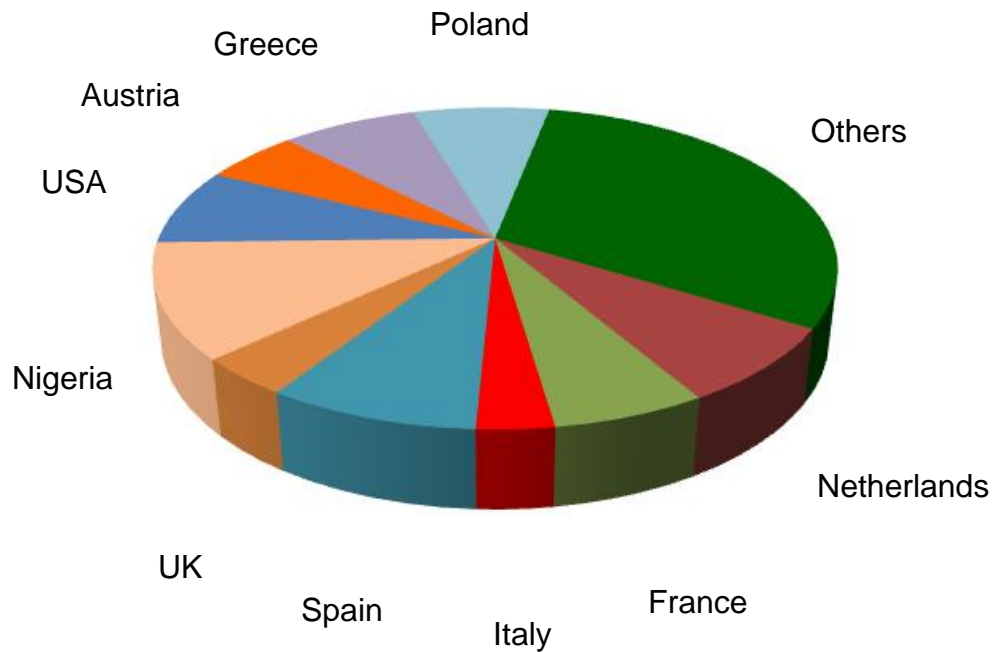
# Heineken Group at a Glance



- Heineken® the world's leading international premium beer brand
- The leading brewer in Europe
- One of top-3 brewers in the world by volume with annualised ~150m hectolitres
- Strong portfolio of superior local and international premium brands, including Heineken®
- International spread: Stable core markets in Europe and North America and strong positions in Central Eastern Europe, South East Asia, India and Africa
- Present in over 170 countries
- Largest beer and beverage distributor in Western Europe
- Excellent spread of sources of profits and cash flow: No operating company contributed >10% to EBIT

# Good geographic spread in EBIT (beia)

## EBIT (beia) geographic spread No market more than 10% contribution



# Strong EBIT (beia) growth FY 2008 but lower reported net profit

- Strong organic growth
- Strengthened geographic footprint substantially in last 18 months
- Acquisitions and impairments significantly impact profit

<b>2008</b>	<b>Euro</b>	<b>Change</b>	<b>Organic</b>
<b>Consolidated beer volume</b>	<b>125.8 m</b>	<b>+19%</b>	<b>+3.5%</b>
<b>Revenue</b>	<b>14.3 bn</b>	<b>+27%</b>	<b>+7.4%</b>
<b>EBIT (beia)</b>	<b>1.9 bn</b>	<b>+11%</b>	<b>+8.7%</b>
<b>Net Profit (beia)</b>	<b>1.0 bn</b>	<b>-9.5%</b>	<b>+11%</b>
<b>Reported Net profit</b>	<b>209 m</b>	<b>-74%</b>	
<b>New businesses:</b>			
<b>EBIT contribution</b>	<b>71 m</b>		
<b>Financing costs*</b>	<b>-320 m</b>		
<b>Exceptional charges (after tax)</b>	<b>757 m</b>		
<b>• of which Impairments (after tax)</b>	<b>508 m</b>		

\* Excluding Other financial income and hedging costs

- Consolidated beer volume of 25.6mhl (+12%), organic -6.3%
  - Q1 is the least significant quarter
  - Organic revenue -1% (volume -7%, pricing +6%)
  - Continued strong volume performance Africa
  - Organic volume declines in Europe and Americas
  - Q1 affected by multiple factors of which part incidental:
    - Recession
    - Unfavourable weather
    - Continued effect smoking bans in EU
    - Distribution destocking
    - Excise duty increases
    - Increases in selling prices
    - Eastern in in 2009 in Q2, in 2008 in Q1
    - Temporary retail delistings



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# Heineken's Strategy and Priorities

# Heineken Group: Generating sustainable growth

## Organic Profit Growth

### Top-line growth

- Building strong 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, Greenfields
- Focus on #1 and #2 positions and the premium segment

## Debt reduction, dividend



# Priorities for the coming years

## Focus on

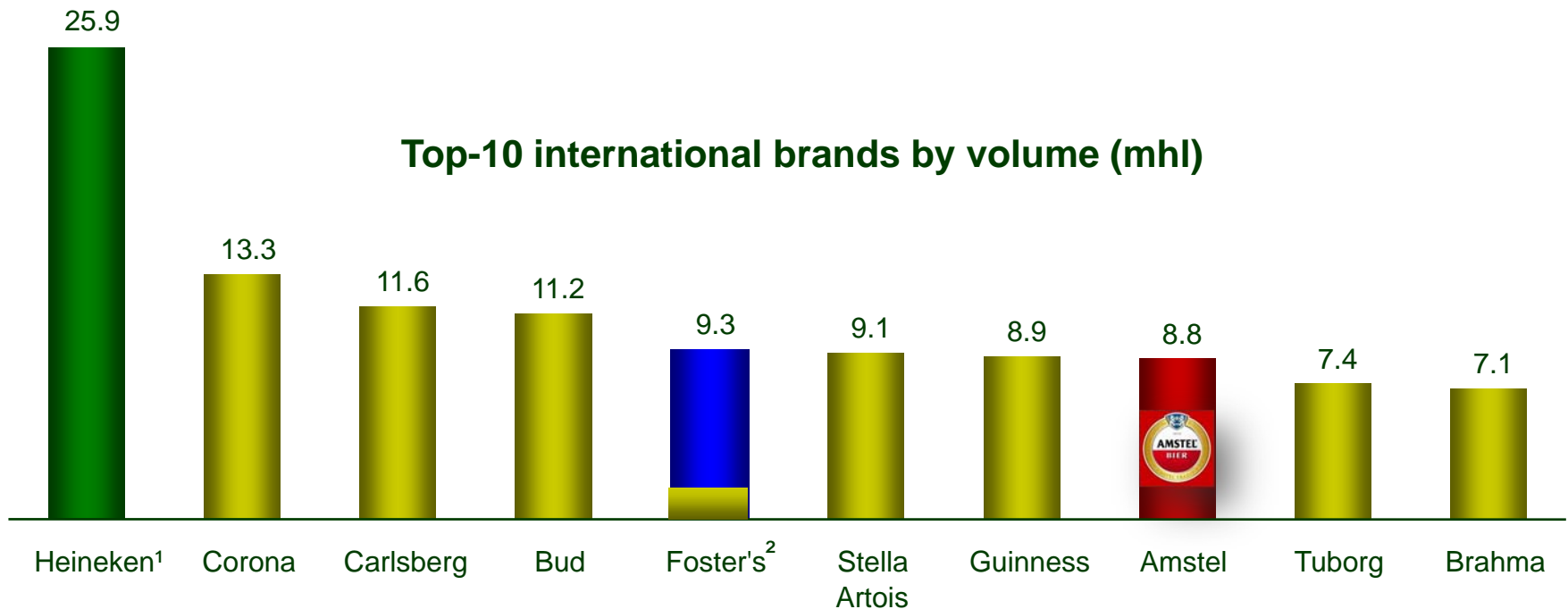
- Continue to build our key brands, maintaining price positioning
- Improve performance of the new businesses
- Cash flow generation and cash conversion (>100% in 2009-11)

Net debt/EBITDA (beia) below 2.5 time

- Continued rigorous cost cutting through Total Cost Management

# Heineken is the leading player in international segment

- Heineken brand has a unique value
- The leading international premium brand
- IPS grows faster than overall beer market in the long-term
- The Heineken brand benefiting from this trend



<sup>1</sup> Heineken 2008 volumes

<sup>2</sup> Heineken acquired UK and European license for Foster's with S&N acquisition; already owned Vietnam

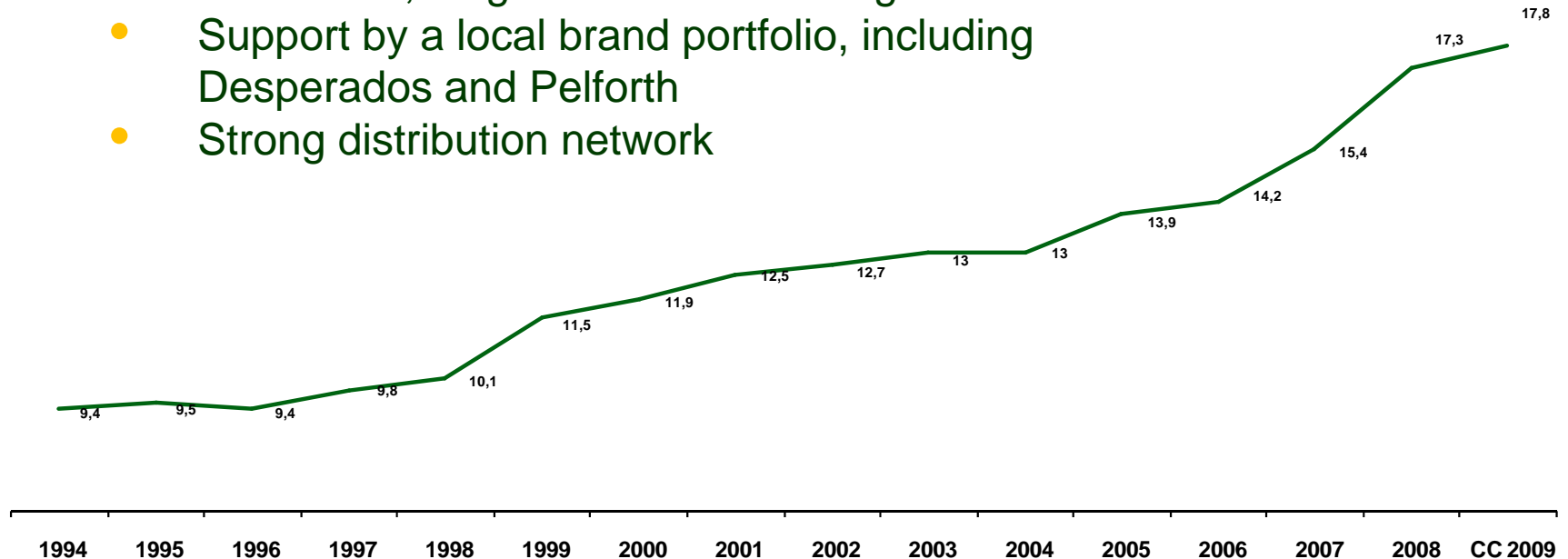
Source: Plato Logic Pro Forma 2007, based on sales volume outside home market in 2007 and includes premium and mainstream

# Heineken Brand consistently building value share



In France, the Heineken brand achieved 17.8% value market share as a result of

- Consistent, long-term brand building
- Support by a local brand portfolio, including Desperados and Pelforth
- Strong distribution network

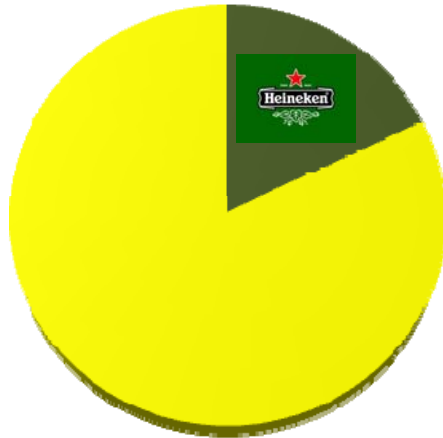


SourcesAC Nielsen : 1994 => 2003

IRI : 2004 => 2009

# Portfolio of international and local brands

Consolidated beer volume per brand  
2008 - 126mhl



- Over 200 local and speciality brands
- Building a strong portfolio in each market
- Local portfolio should be profitable on its own
- Platform for Heineken® growth
- Create strong #1 or #2 market positions



# Priorities for the coming years

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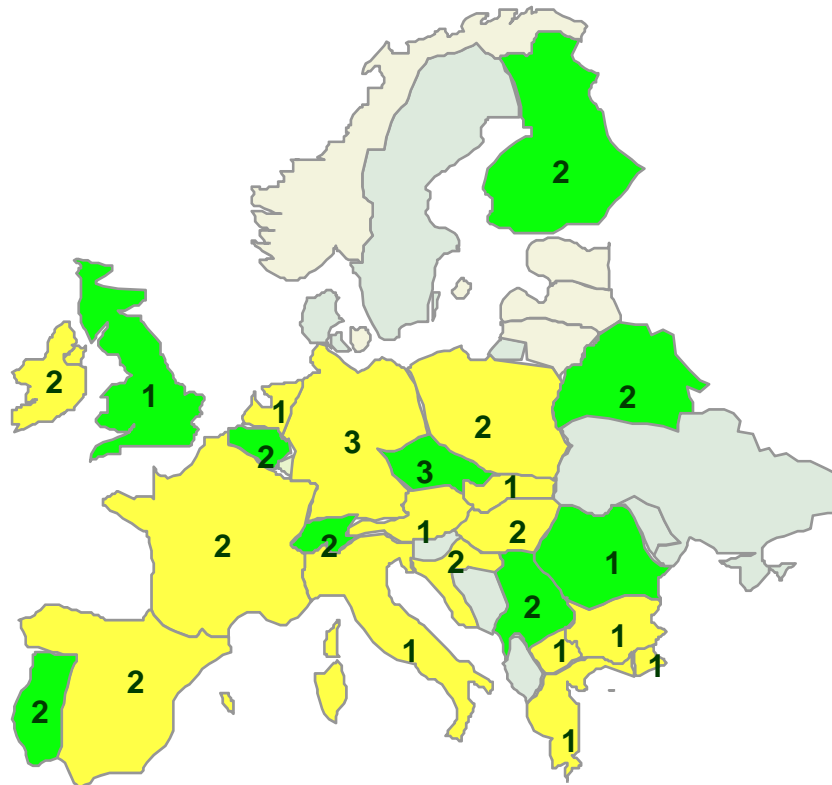
# Acquisitions and greenfields in last 18 months



# New acquisitions strengthened our leadership in Europe



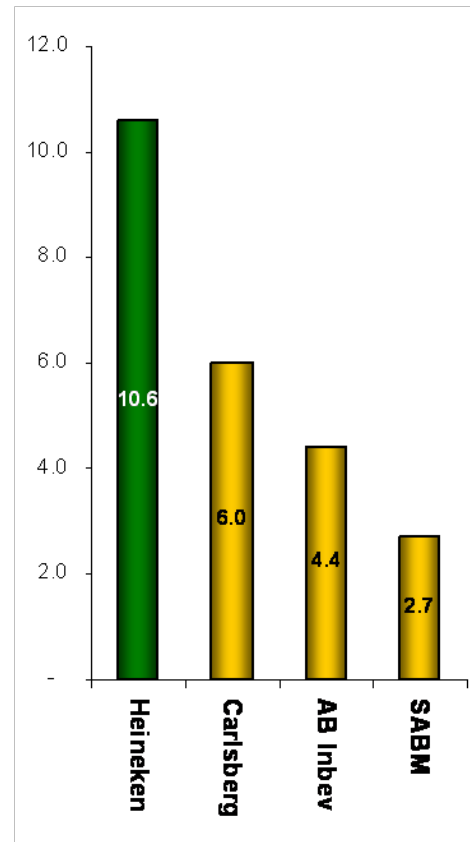
## Heineken positions in EU



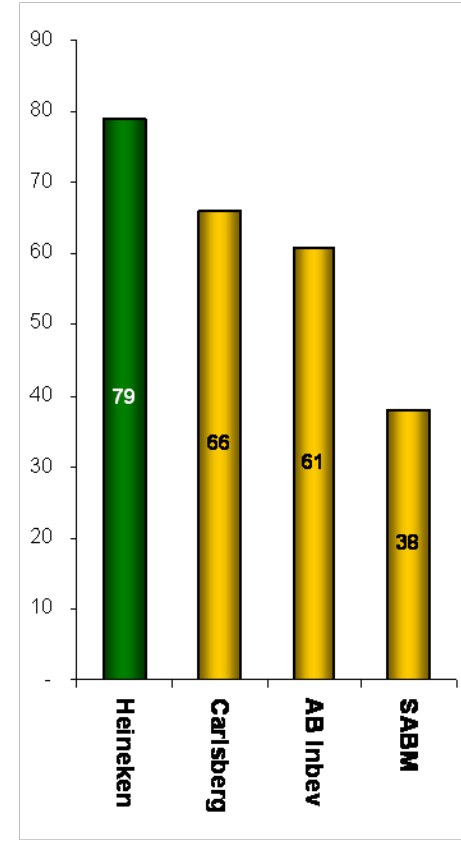
Largest beer and beverage **wholesale distributor** in Western Europe

## Strong leadership in EU

### Revenue 2008



### Volume 2008



Note: Heineken estimates

### Long-term potential remains:

- Market leader in volume and value (14mhl; 28% market share)
- Strongest brand portfolio, 4 of the top 10 brands
- Heineken®, Amstel, Tiger added
- Leader in high-margin cider market (4mhl; 48% market share)
- Best route-to-market

### Priorities clear:

- Investing in brands
- Improving prices
- Reducing overcapacity
- Delivering synergies plus significant additional cost reductions



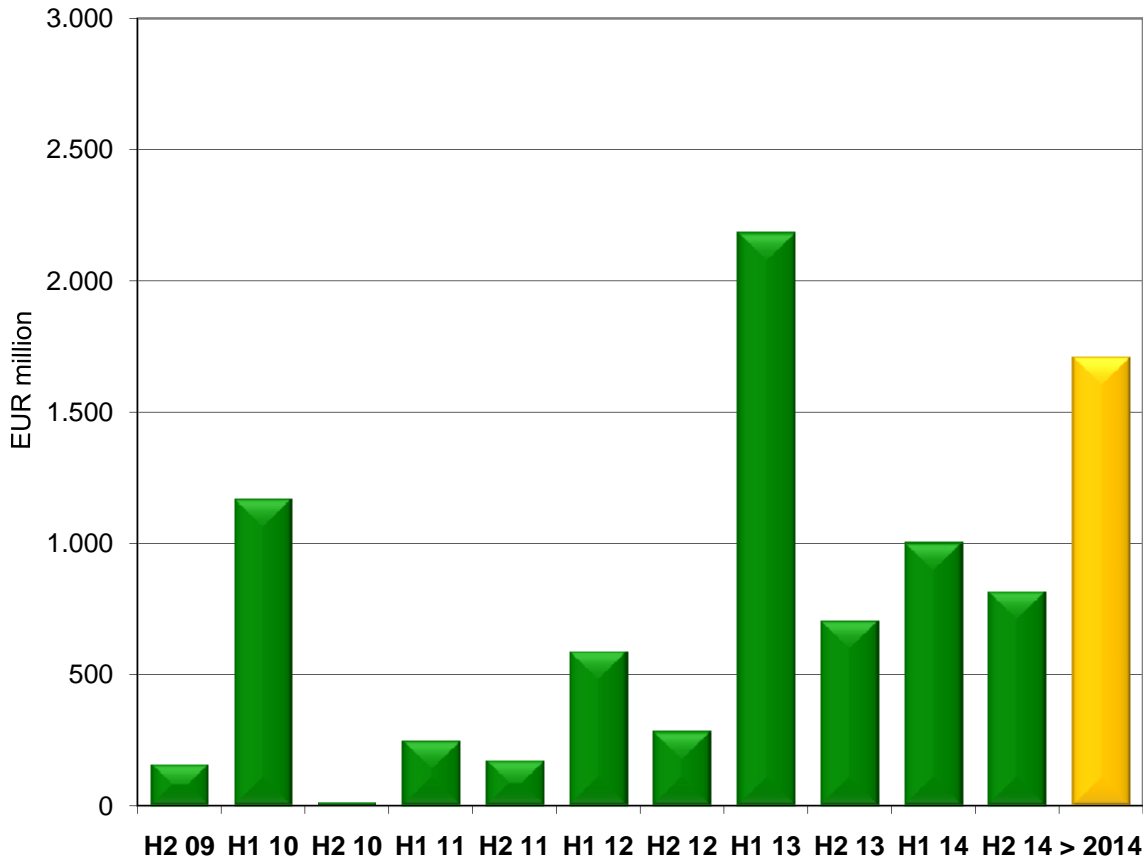
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# Financially robust: balanced maturity profile

Long-term debt redemption scheme  
per end of March 2009



- Sufficient financial resources to cover debt repayments for next 36 months
- 2008 net debt EUR 8.9bn
- 2008 Net debt/EBITDA ratio of 3.3x
  - Target below 2.5x
- 85% debt at fixed interest rates
- >80% debt euro denominated
- Average interest rate 2009 5.8%
- Available financing headroom EUR 1-1.5bn

# Cash flow generation: Hunt for Cash 2

- New cash generation programme for the period 2009-2011
- Goal
  - Cash conversion rate of more than 100%
  - Pay down debt
- Reduce investments
- Improvement of net working capital
- Sale of redundant assets
- 500 senior managers incentivised on Free Operating Cash Flow



# Working Capital

## Focus on

- Best practices within regions, project teams per country
- Inventory e.g.
  - Reducing safety stock at breweries / wholesale
  - Rationalization of SKUs
- Examples
  - Hungary: JIT inventories, reduce complexity, consignment stock, bonuses for early payment trade receivables
  - Greece: Linking systems to suppliers (packaging, raw materials) to track inventory movements

31 Dec 2008	EUR m
Inventories	1,246
Trade/other receivables	2,504
Trade/other payables	3,846
<b>Working capital</b>	<b>(96)</b>



# Priorities for the coming years

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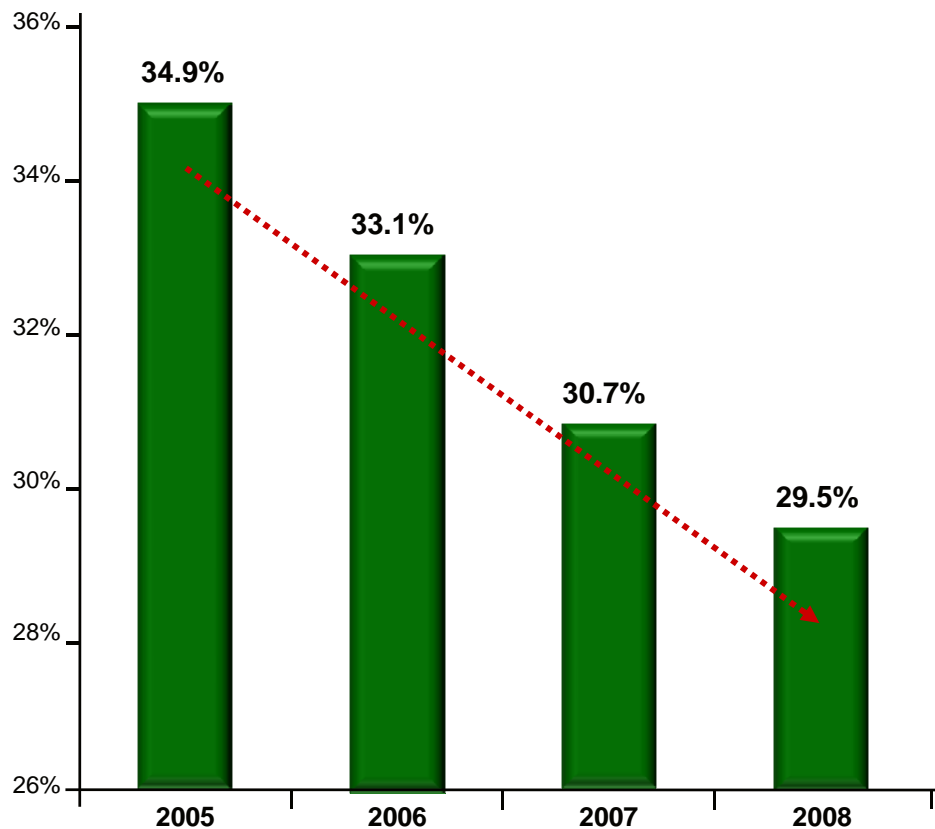
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# Fight2Fight (F2F) successful cost programme

## F2F fixed costs as % of revenue



- F2F focussed on fixed costs in period 2006-08
- Bottom-up exercise
- Cumulative gross savings of EUR 469m
- 5 breweries closed
- FTE reduction >12,000
  
- Total Cost Management (TCM) programme launched as successor for 2009-2011

# Total Cost Management (TCM) programme

- TCM is initiative-based, with more than 20 initiatives identified
- Focus on those savings having immediate and positive impact on cash flow
- TCM much broader scope - 2008 scope is EUR 13bn - in cost categories
- Focus on all costs categories
  - Non product related costs Western Europe, like eg consultancy, office products, car leasing
  - Commercial optimisation (A&P spending)
  - Odyssey project North America (cost saving and efficiency measures)
  - Supply Chain efficiencies
  - Wholesale restructuring
  - SKU rationalisation
- Brewery closures already announced (UK, Ireland, France, Spain)
- No quantification in advance, reporting on savings as realised

- Heineken is one of the top-3 brewers
  - Strong brand portfolio
  - Heineken® is the leading international beer brand
  - Best geographical spread in the sector
- 2009 and beyond
  - Focus is on:
    - Improving cash flow generation; cash conversion (>100% in 2009-11)
    - Reducing debt to below 2.5 times Net debt/EBITDA(bei)
    - Improving performance new businesses
    - Continued rigorous cost cutting through TCM
  - ...and at the same time...
    - Building our key brands, maintaining their price positioning
    - Investing in customer and consumer relations

Commercial



# Questions



# Listings

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2008 Heineken has been declared sector leader in SAM/Dow Jones Sustainability Index. Companies are assessed on a range of criteria covering social, environmental and economic dimensions.



The CEO Water Mandate

In 2009 Heineken has endorsed United Nations CEO Water Mandate. This United Nations led initiative encourages companies to play a more active role in solving issues related to water availability and quality.



FTSE4Good

Heineken is included in the FTSE4 Good Index. For inclusion in this index, companies must be working towards environmental sustainability, develop positive relationships with stakeholders, as well as uphold and support universal human rights.



Heineken participates in The United Nations Global Compact initiative. A strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten Universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

- This presentation contains forward-looking statements with regard to the financial position and results of Heineken's activities. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.
- Many of these risks and uncertainties relate to factors that are beyond Heineken's ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, changes in consumer preferences, the ability to successfully integrate acquired businesses and achieve anticipated synergies, costs of raw materials, interest rate - and foreign exchange fluctuations, change in tax rates, changes in law, pension costs, the actions of government regulators and weather conditions. These and other risk factors are detailed in Heineken's publicly filed annual reports.
- You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Heineken does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.
- Market share estimates contained in this presentation are based on outside sources such as specialized research institutes in combination with management estimates.



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