

# Leveraging HEINEKEN's unique global capabilities in Asia

**Jean-François van Boxmeer**

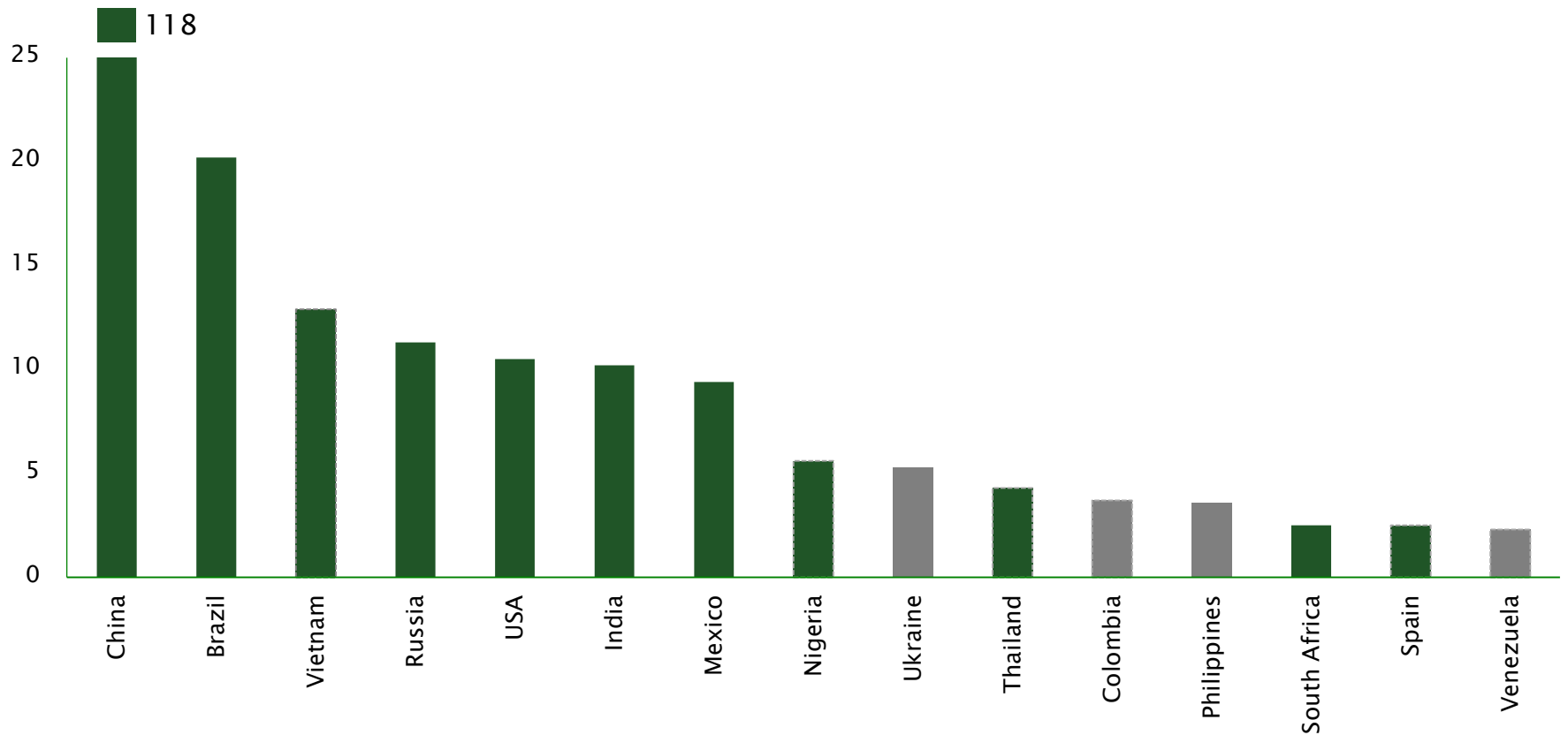
CEO and member of the Executive Board

# Agenda

- 1 Increasing exposure to emerging markets**
- 2 Asia Pacific beer market
- 3 HEINEKEN in Asia Pacific

# HEINEKEN has a growing presence in many attractive beer markets

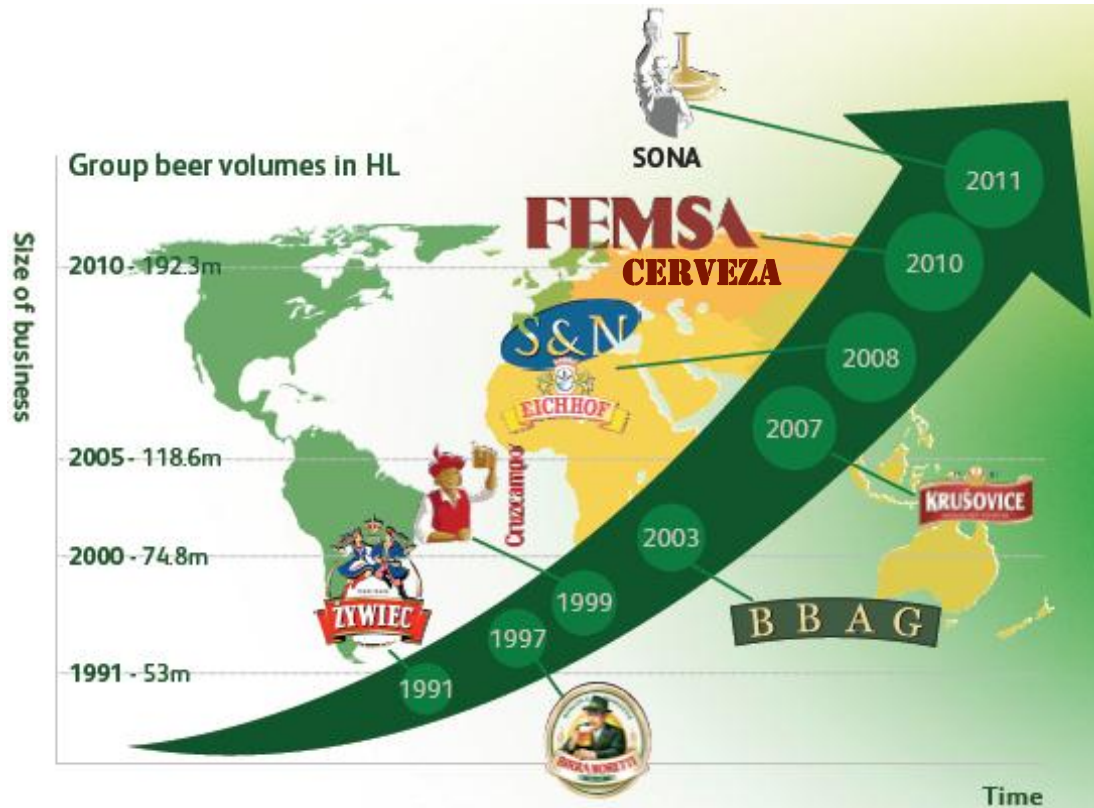
Markets representing largest incremental beer volume opportunity: 2010–2015F



Source: Plato (World Beer Report, October 11)

# We have actively pursued our strategy through targeted acquisitions

## HEINEKEN major acquisitions



40 acquisitions completed since 2000:

- ◆ 31 in emerging markets
- ◆ 9 in developed markets

Invested more than €16 billion

Access to 31 new markets:

- ◆ 13 in Europe
- ◆ 7 in Africa
- ◆ 5 in Asia
- ◆ 6 in Latin America

# Joint venture businesses delivering growth in emerging markets



2005–2010 CAGR\*

**+10%**



2005–2010 CAGR

**+8%**



2005–2010 CAGR

**+113%**



2005–2010 CAGR

**+20%**

Total joint venture volume of 45m hectolitres in 2010:

- ◆ APB 13.3mhl
- ◆ CCU 9.2mhl
- ◆ Brandhouse 3.0mhl
- ◆ UBL 9.4mhl
- ◆ Other 10 mhl

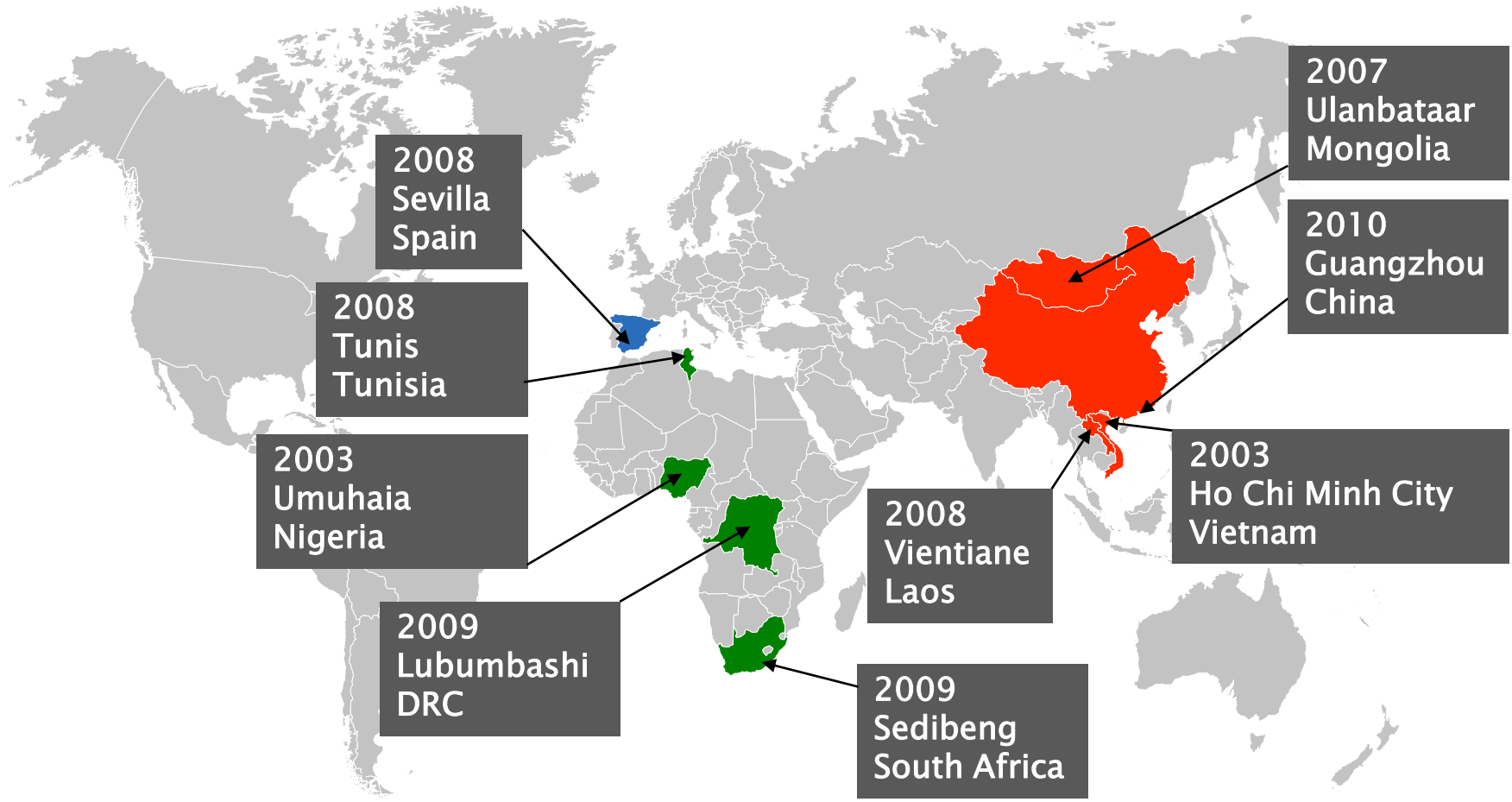
Joint ventures represent over 20% of pro-forma Group beer volume

Volume of all joint venture operations have grown at a CAGR of 11% since 2005

\* Excluding contribution of Multi Bintang and GBNC in 2010

# Complemented by greenfield investments in many high growth markets

9 new breweries across 3 regions since 2001

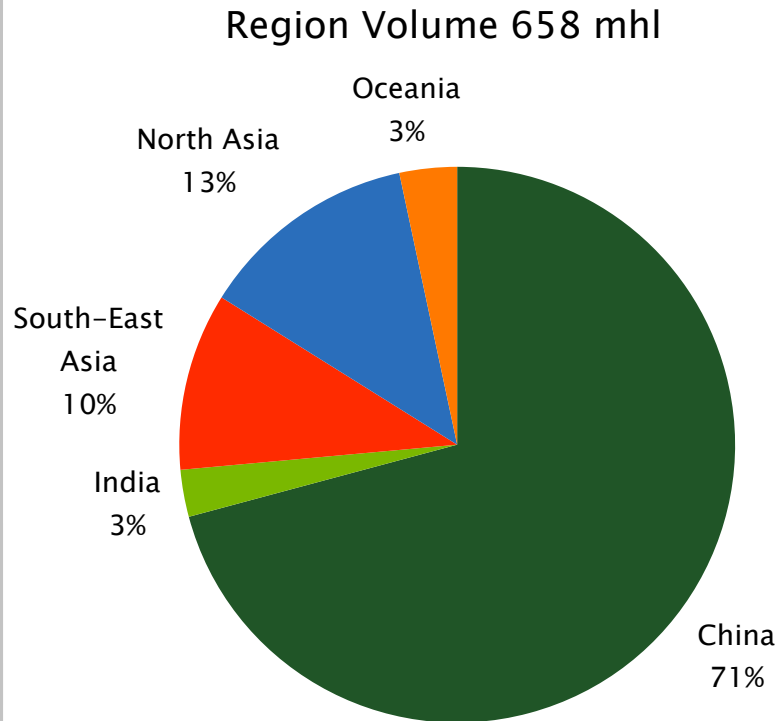


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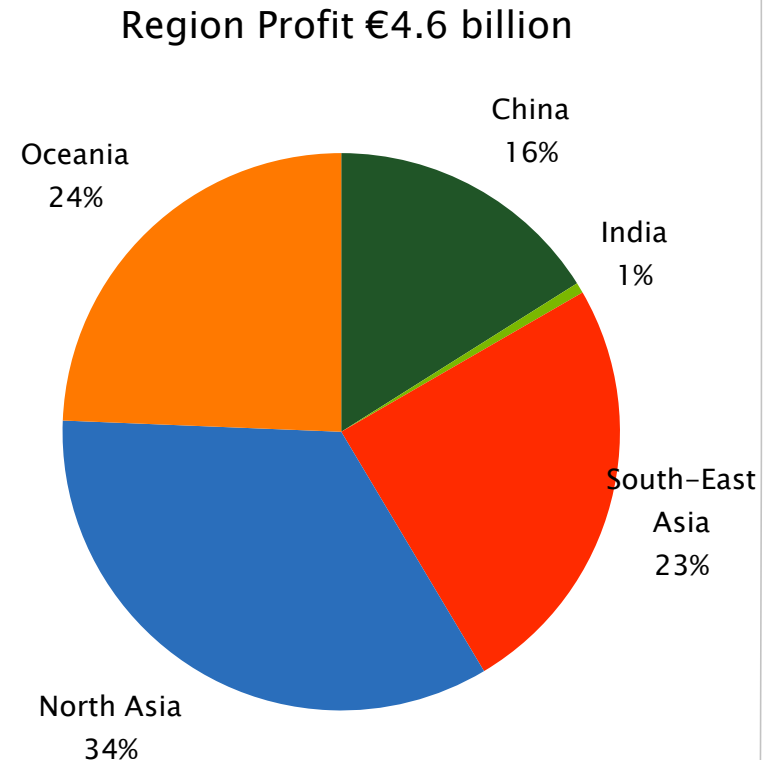
# Asia Pacific represents 35% of global beer volume and 20% of the global profit pool

## Asia Pacific volume split: 2010



Source: Plato (World Beer Report, Oct-11)

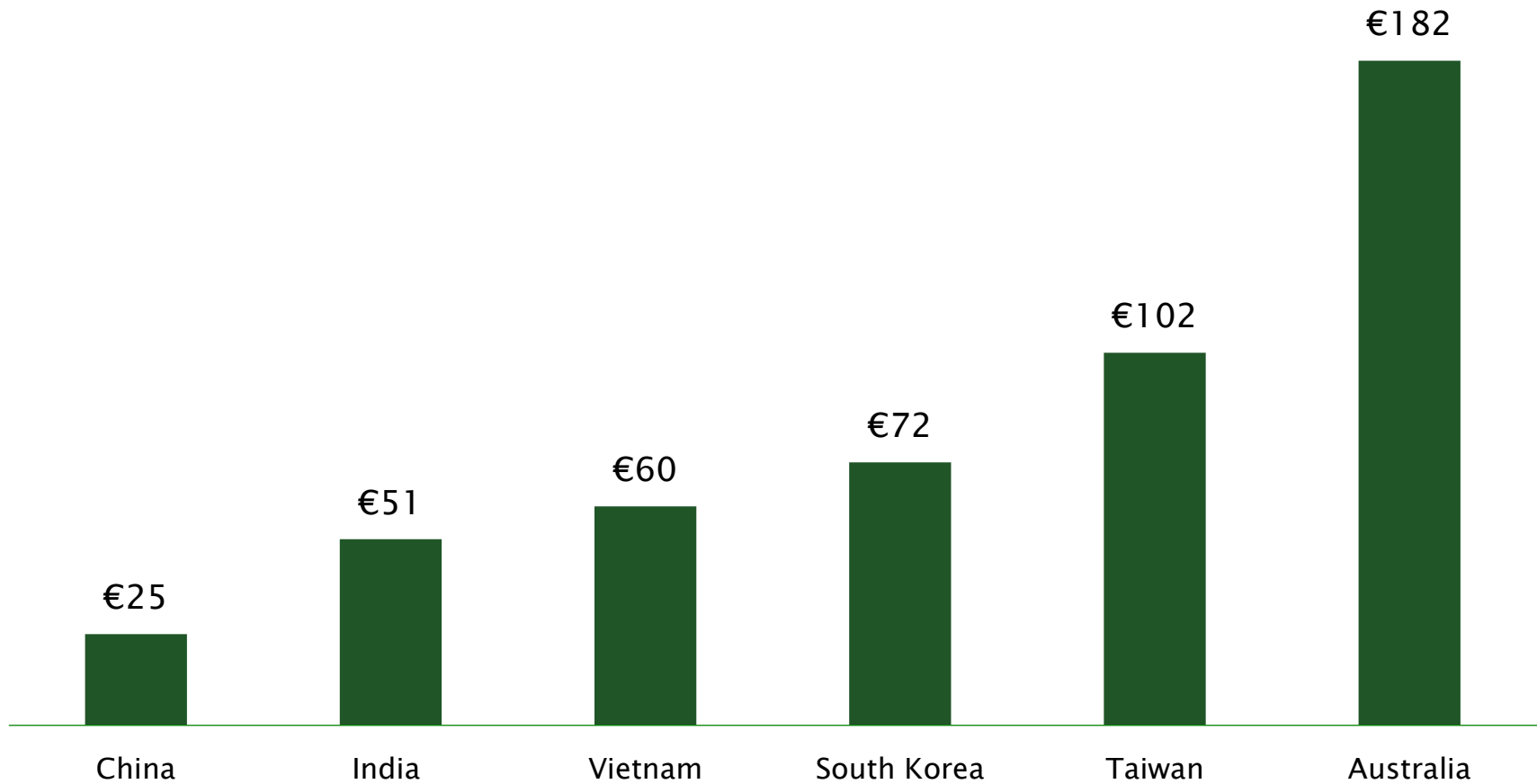
## Asia Pacific profit pool split: 2010



Source: Published reports and company estimates

# Varying price levels drive profitability across individual markets

Revenue per hl for selected markets in Asia Pacific: 2010



# HEINEKEN has highest exposure to the profitable South–East Asian region

Asia Pacific: Total Profit Pool €4.6 billion

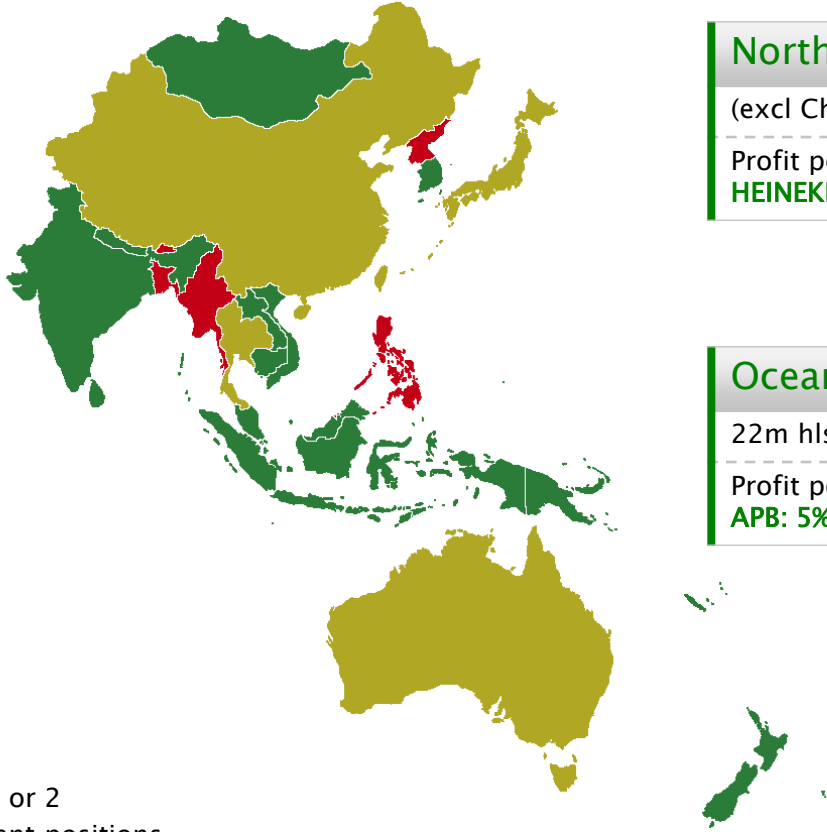
**China**  
 466m hls  
 Profit pool: €735m

**India**  
 18m hls  
 Profit pool: €28m  
**UBL: 100% of profit pool**

**South–East Asia**  
 68m hls  
 Profit pool: €1,134m  
**APB: 22% of profit pool**

**North Asia**  
 (excl China) 84m hls  
 Profit pool: €1,566m  
**HEINEKEN: 4% of profit pool**

**Oceania**  
 22m hls  
 Profit pool: €1,115m  
**APB: 5% of profit pool**

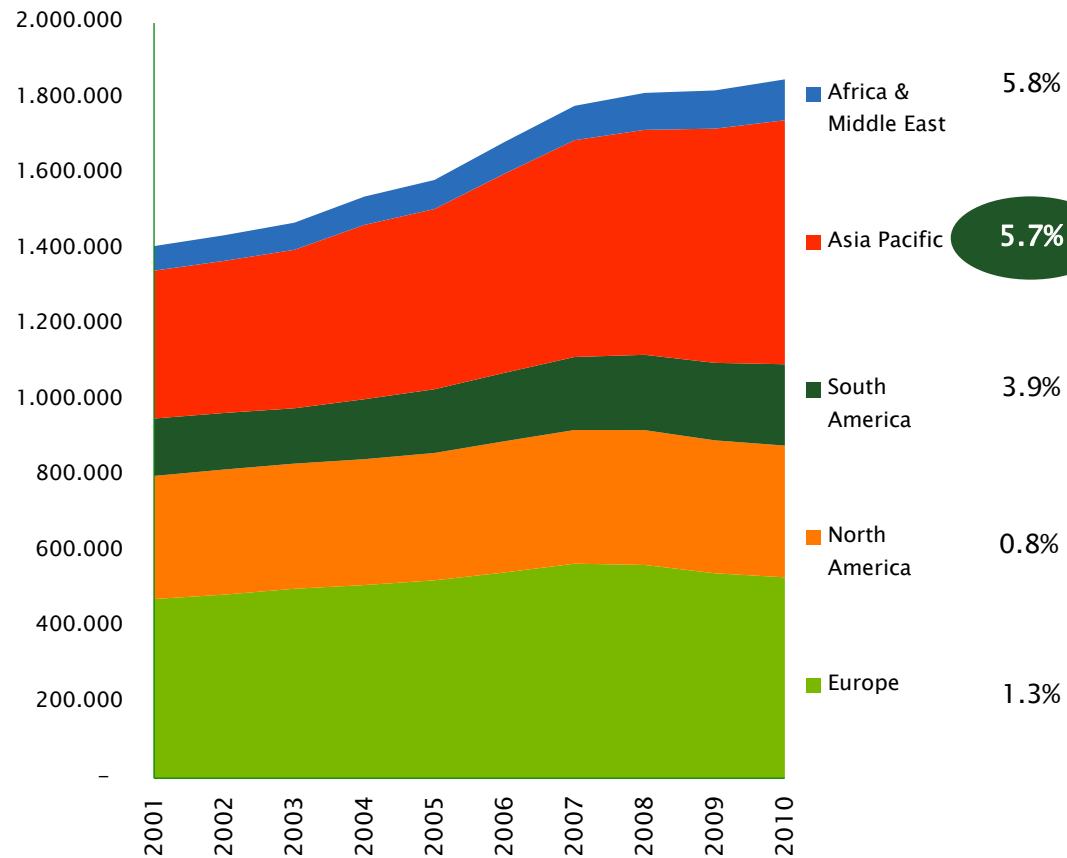


- HEINEKEN Group incl. JVs: Number 1 or 2
- HEINEKEN Group incl. JVs: IPS segment positions
- No significant presence

# Asia Pacific has been one of the fastest growing regions for global beer

World Beer Consumption: 2001–2010

('000 hl)

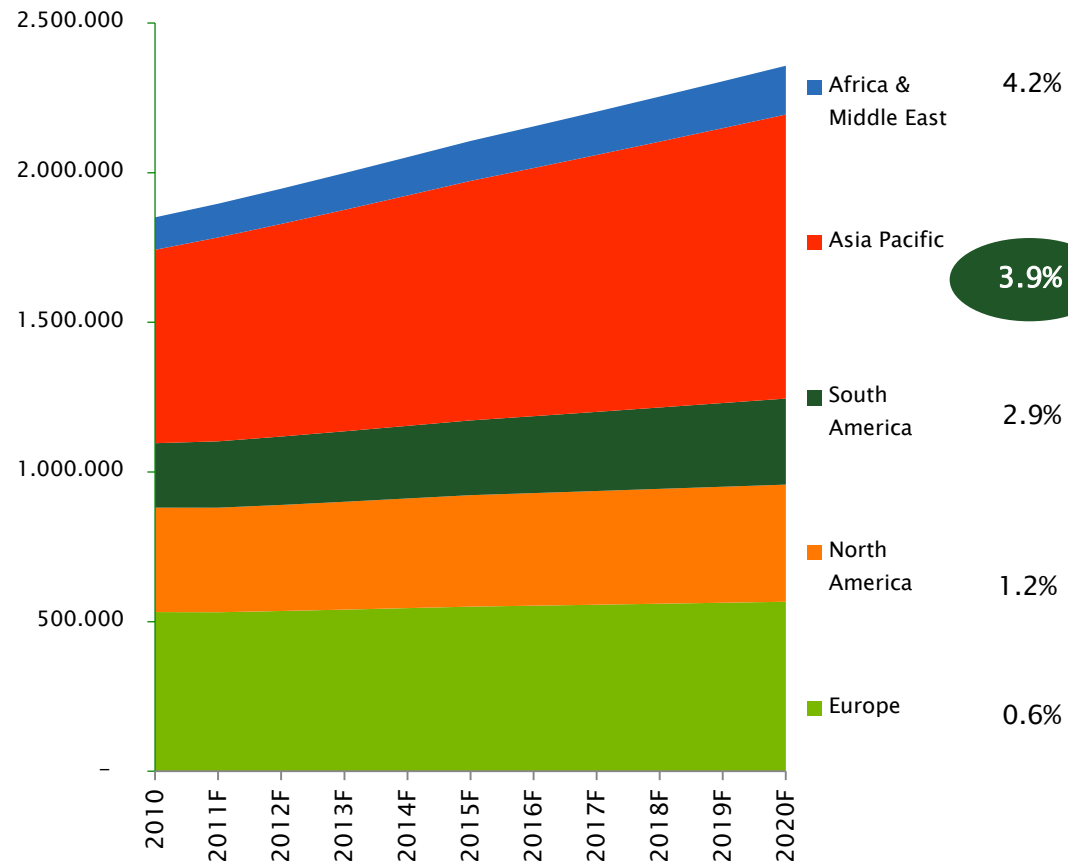


- ◆ Asia Pacific is the largest beer region
- ◆ Regional volume has grown at a CAGR of 5.7% since 2001
- ◆ Volume growth dominated by China, India and Vietnam

# With prospects for the region remaining highly attractive...

World Beer Consumption: 2010–2020F

('000 hl)



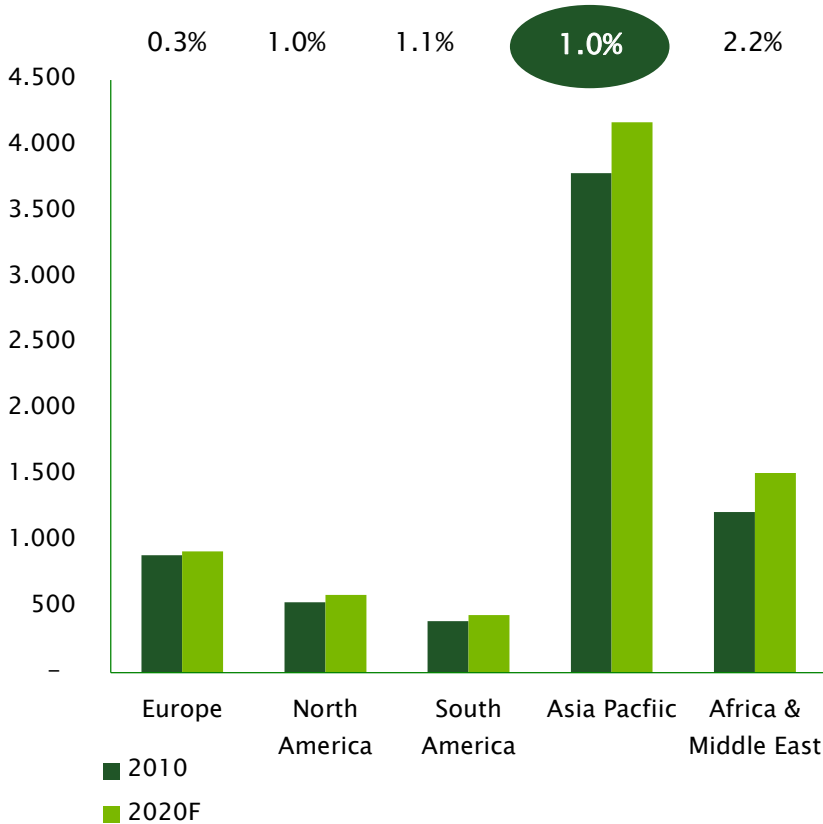
- ◆ Excluding China, Asia Pacific volume growth CAGR expected to be 2.1% over the next 10 years
- ◆ Incremental volume in Asia Pacific of 300 mhl over next 10 years (75% from China)

# Asia Pacific supported by population growth and strong economic development

## Population growth: 2010–2020F

(in millions)

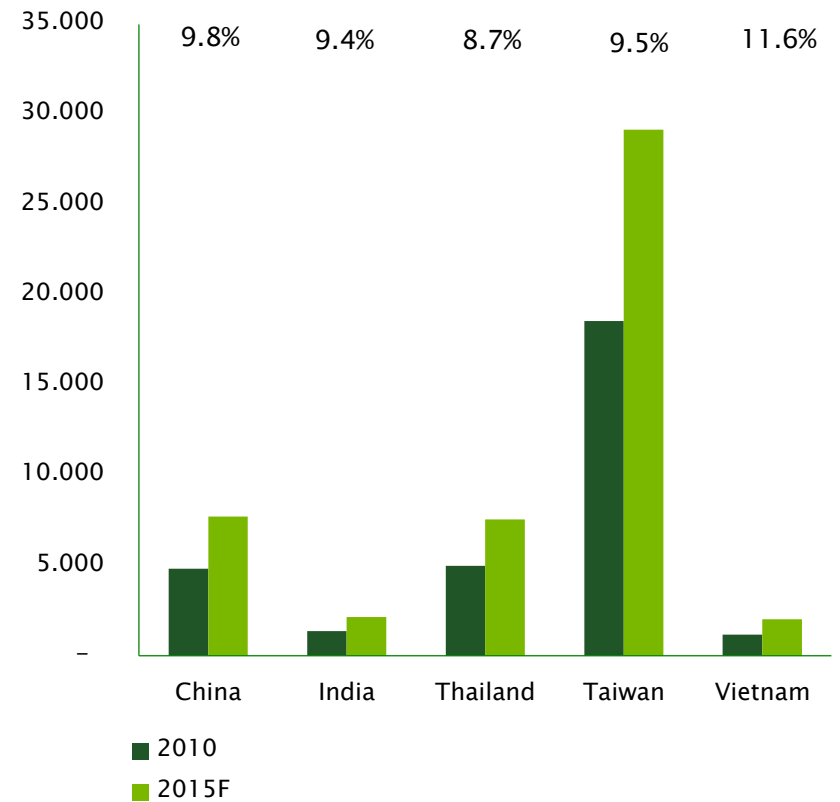
CAGR %  
10–20F



## GDP per capita: 2010–2015F

(US\$ current)

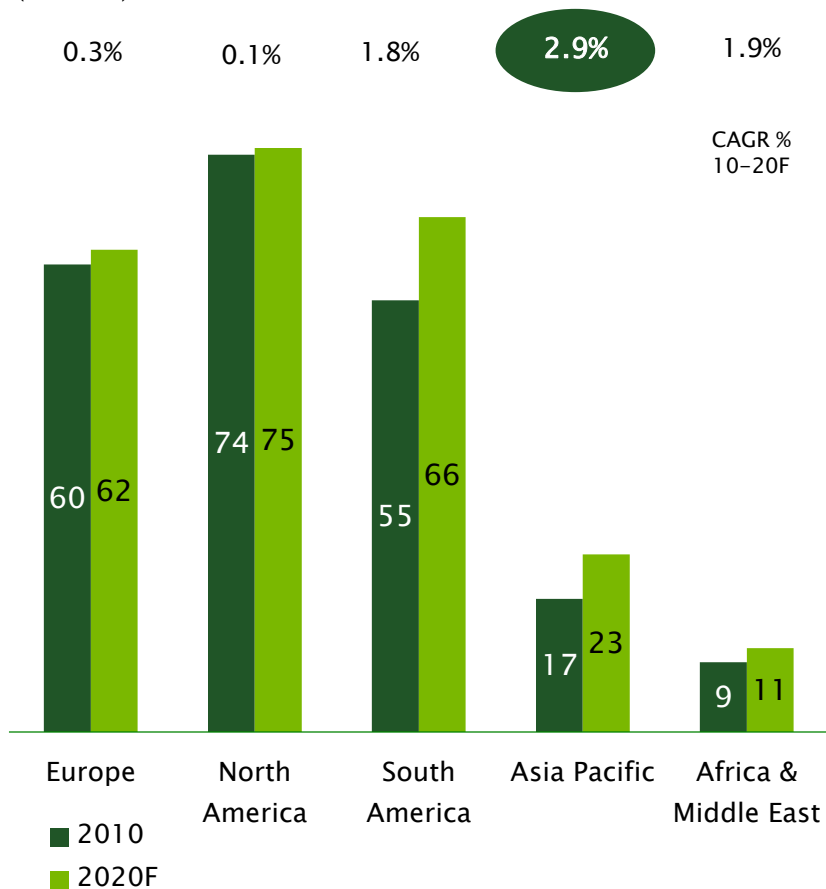
CAGR %  
10–15F



# Rate of growth in per capita consumption highest in Asia Pacific

## Beer consumption per capita: 2010–2020F

(in litres)



Asia Pacific reached 17 litres per capita consumption in 2010

Fastest growing region over the past 10 years (CAGR +4.5%)

Continued per capita consumption growth expected through to 2020:

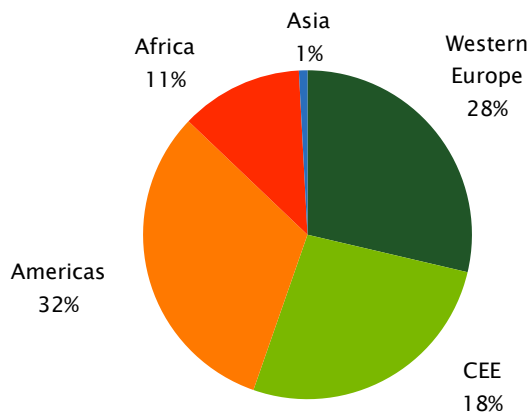
- ◆ Asia Pacific +2.9% to reach 23 litres
- ◆ Africa & Middle East +1.9%
- ◆ Europe +0.3%
- ◆ South America +1.8%
- ◆ North America +0.1%

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# Asia Pacific region contribution to HEINEKEN Group

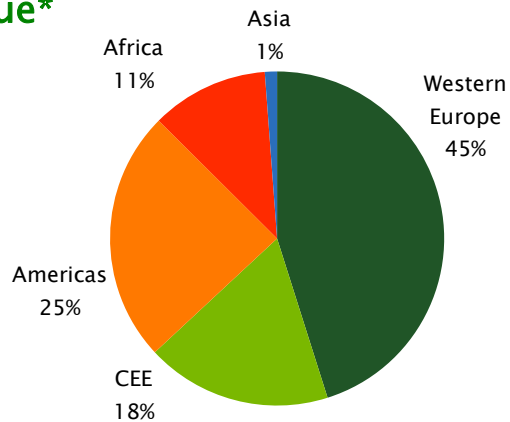
## Consolidated volume\*



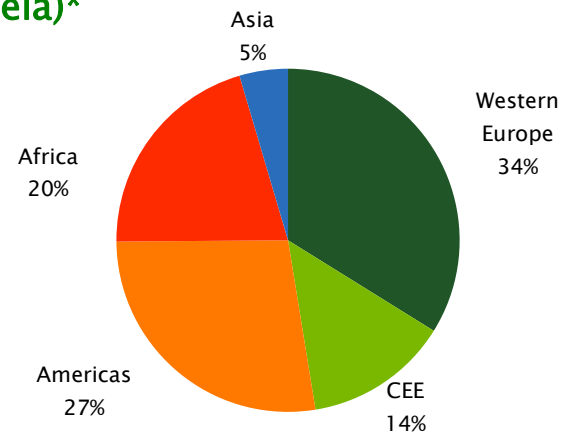
Asia Pacific region represented 5% of Group EBIT (beia) in 2010

Importance of region's contribution to Group not captured under IFRS equity accounting method

## Revenue\*



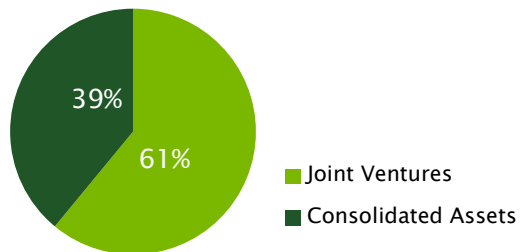
## EBIT (beia)\*



# Joint Venture contribution: More than meets the eye

Contribution of JV's to EBIT (beia) in  
HEINEKEN Asia Pacific region: 2010

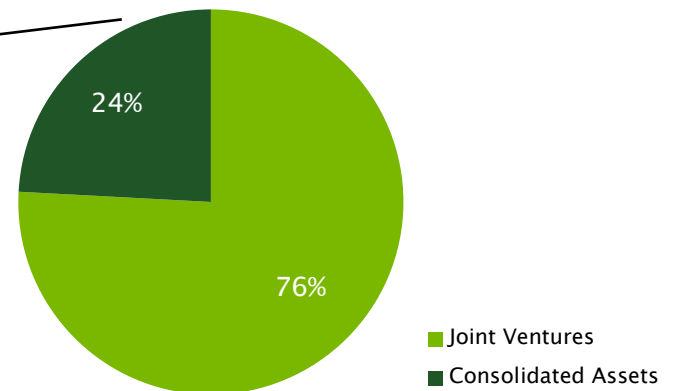
Equity accounting method



€123m

Contribution of JV's to EBIT (beia) in  
HEINEKEN Asia Pacific region: 2010

Proportional consolidation method



€200m

# HEINEKEN has a deep rooted history in Asia Pacific

- 1929 Built brewery in Indonesia
- 1931 Tiger Brewery started
- 1941 Archipelago Brewery (Anchor) purchased
- 1945 Reconstruction after World World II
- 1955 APB acquired S.P. Holdings in PNG
- 1957 Indonesian brewery appropriated by Government
- 1961 Kuala Lumpur Brewery built
- 1967 Rebuilt brewery in Indonesia
- 1988 APB acquired Shanghai Brewery
- 1991 APB acquired DB Group in NZ
- 1993 APB started greenfield in Ho Chih Minh City, Vietnam, and Thailand...locally produced Heineken®
- 1996 APB started greenfield in Cambodia
- 1997 APB started greenfield in Hainan, China
- 2003 APB started greenfield in Hanoi, Vietnam...locally produced Heineken®
- 2004 HAPBC acquired 21% stake in Kingway Brewery, China, locally produced Heineken®
- 2005 APB entered Sri Lanka by acquiring 60% of APB Lanka
- 2006 APB acquired Foster's Vietnam and integrated into VBL and acquired 49% of Dafuhao in Jiangsu, China
- 2007 APB started greenfield in Mongolia
- 2008 APB started greenfield in Laos
- 2009 Became UBL's promoters and in JV with VJM in India
- 2010 APB started greenfield brewery in Guangzhou, China...locally produced Heineken®
- 2011 HAPBC divested mainstream Chinese businesses: Kingway, Dafuhao and Shanghai  
Commenced local production of Heineken® brand in India  
APB acquired brewery in Solomon Islands

18

THE STRAITS TIMES, FRIDAY, APRIL 24, 1931.

## [ABRIDGED PROSPECTUS.]

*A copy of this Prospectus has been filed with the Registrar of Companies.*

## MALAYAN BREWERIES LIMITED.

(Incorporated in the Straits Settlements Under Ordinance No. 155 Companies)

The subscription list is now open, and will close on or before Wednesday, the 29th April, 1931 at 4 p.m.

NOMINAL CAPITAL - - - \$1,500,000

divided into

309,375 Management Shares of \$1 each

and

1,190,625 Ordinary Shares of \$1 each.

ISSUE AT PAR OF

206,250 Management Shares of \$1 each and

793,750 Ordinary Shares of \$1 each whereof

312,494 Ordinary Shares are now offered for public subscription.

# Flexibility of operating models enabling HEINEKEN to access region's growth potential



**Own Export Operations**

Export offices:  
Taiwan  
HK  
Korea  
Far East

**Partnership with Fraser & Neave**

50% HEINEKEN 50% F&N

Asia Pacific Investment Pte Ltd.

SE Asia  
China  
Oceania

**Licensing Arrangements**

Heineken Japan 51%

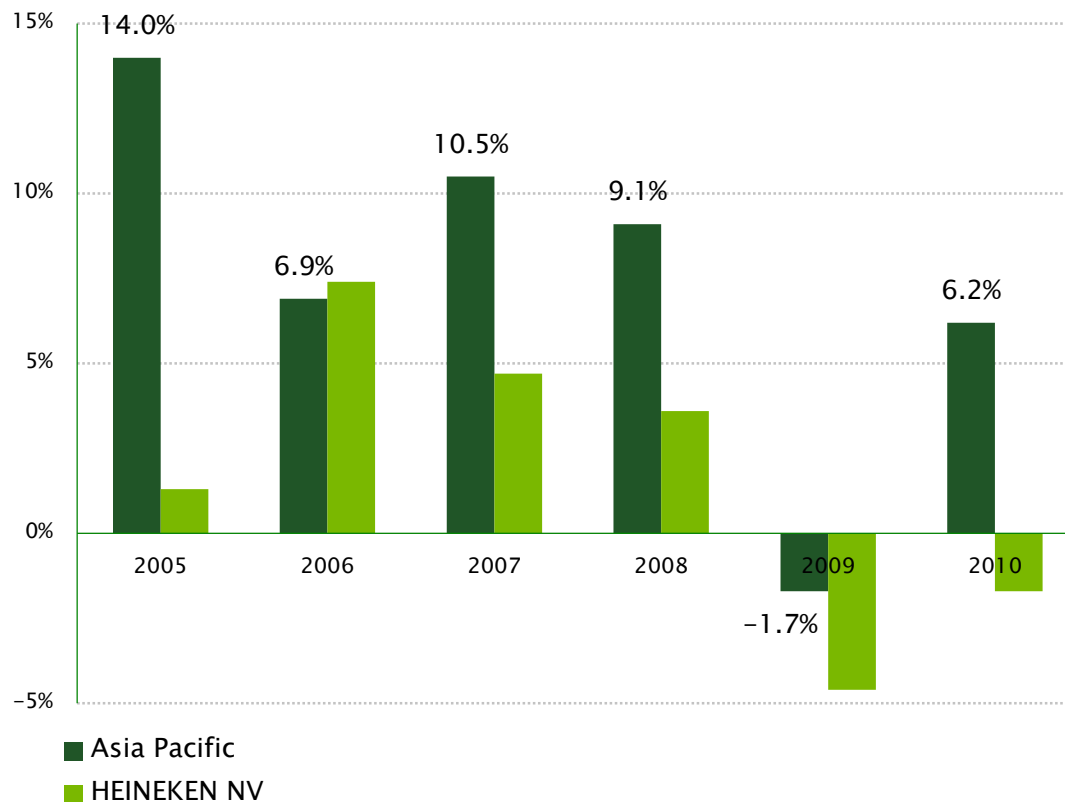
Heineken Lion Australia 50%

**Partnership with Dr Mallya**

United Brewery Ltd (India): 37.5%

# Asia Pacific delivering consistently strong organic growth performance

## Asia Pacific vs HEINEKEN NV organic Group beer volume growth: 2005-2010

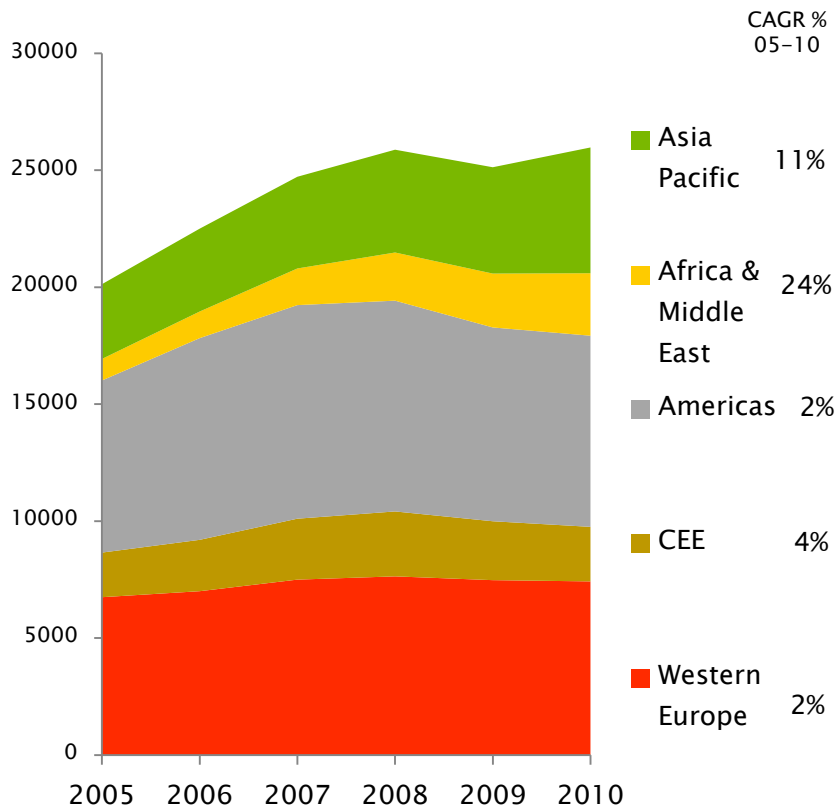


- ◆ Organic group beer volume growth in Asia Pacific region consistently outpacing Group average
- ◆ Asia Pacific region Group beer volume has grown organically at CAGR of 8.5% over the past 5 years
- ◆ Asia Pacific region share of Group beer volume has grown from 9% in 2005 to 13% in 2010

# Heineken® brand a key driver of success in Asia Pacific

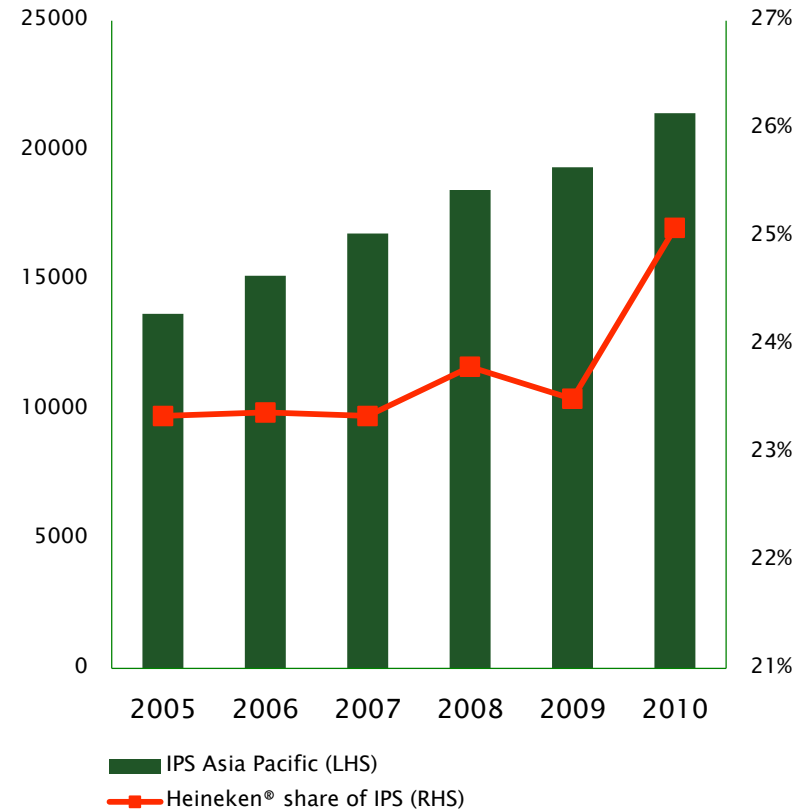
Volume evolution of Heineken® brand (2005–2010)

('000 HL)



Development of IPS in Asia Pacific (2005–2010)

('000 HL)



# Summary

- ◆ HEINEKEN's diverse presence in Asia Pacific built on strong partnerships
- ◆ Positive socio-demographic trends expected to support consistent growth in beer per capita consumption in many key markets
- ◆ Asia Pacific is an important future growth region for HEINEKEN
- ◆ Significant potential for further development of the international premium beer segment
- ◆ HEINEKEN is uniquely positioned to exploit strong potential for premium beer in the Asia Pacific region

# Financial Markets Conference 2011: Programme

## Day 1

HEINEKEN in Asia Pacific

Theo de Rond

Asia Pacific Breweries

Roland Pirmez

China

Malcolm Tan

Indochina

Chris Kidd

Singapore

Michael Chin

## Day 2

India

Guido de Boer

Direct Export

Onno Rombouts

Wrap-up

René Hooft Graafland

# Film



**HEINEKEN**

**FINANCIAL MARKETS**

**CONFERENCE 2011**

**SINGAPORE**

# Questions please



HEINEKEN

FINANCIAL MARKETS

CONFERENCE 2011

SINGAPORE