

APB in Indochina/Thailand:

A regional success story led by Vietnam

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Agenda

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- 1 Indochina/Thailand –
an attractive growth region**
- 2 APB in Indochina/Thailand
- 3 Vietnam – An APB success story

Indochina and Thailand region

Overview

Indochina/Thailand in 2010

- ◆ Population 173m
- ◆ Total beer consumption: 47mhl*
- ◆ Total profit pool of S\$900m
- ◆ Six major brewers



Country Snapshot

Laos

Land area: 236,800sq km

Population: 6.4m

GDP per Capita: US\$984

GDP CAGR 2005–2010: 8%

Top 2 brewers' market share: 100%



Thailand

Land area: 513,115 sq km

Population: 65.6 m

GDP per Capita: US\$4,992

GDP CAGR 2005–2010: 3.6%

Top 3 brewers' market share: ~95%



Vietnam

Land area: 331,698 sq km

Population: 86.9m

GDP per Capita: US\$1,174

GDP CAGR 2005–2010: 7%

Top 3 brewers' market share: ~80%



Cambodia

Land area: 181,035 sq km

Population: 14.4 m

GDP per Capita: US\$814

GDP CAGR 2005–2010: 6.2%

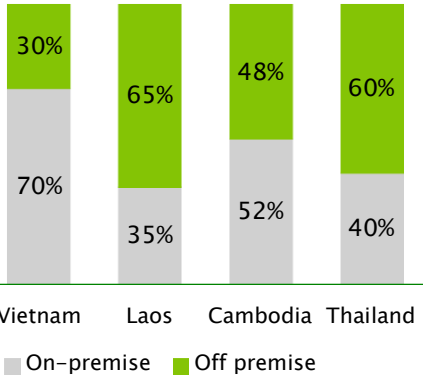
Top 3 brewers' market share: ~90%



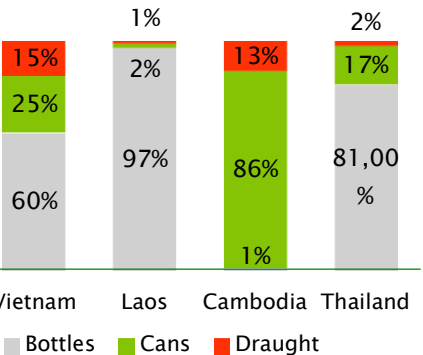
Source: IMF and internal estimate

Considerable diversity across the Indochina/Thailand region

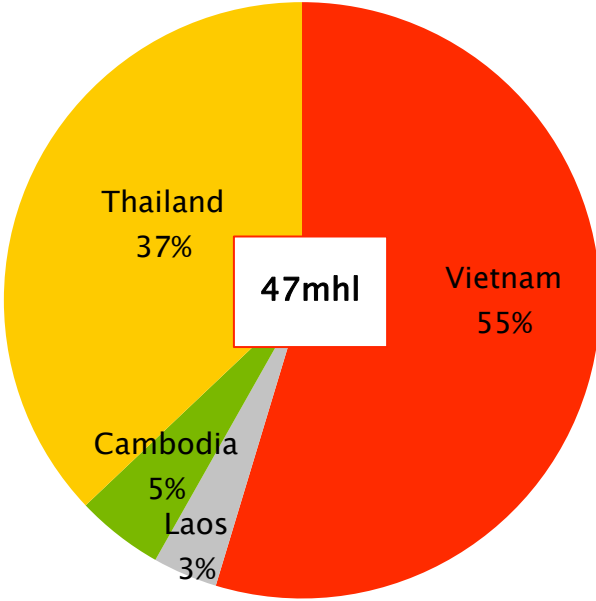
Channel



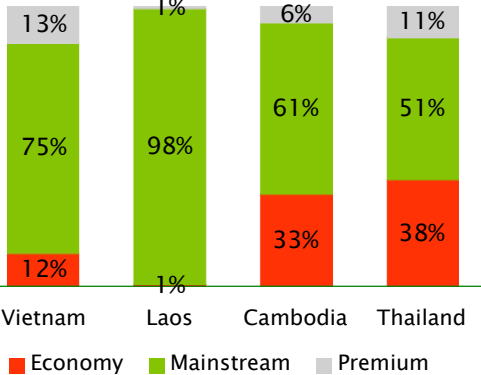
Pack Type



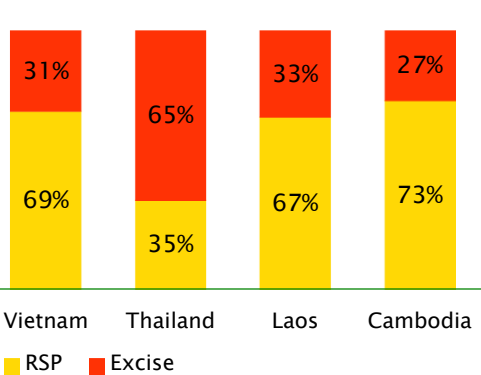
Indochina/Thailand market volume split



Market segment



Excise Regime

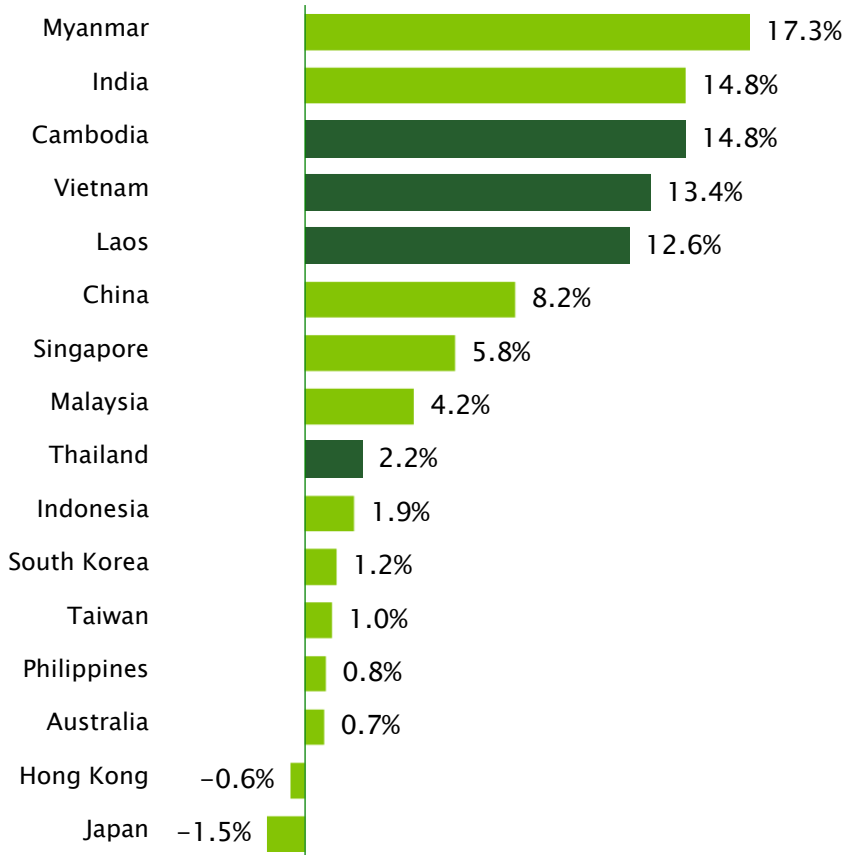


Source: Plato and Internal estimates

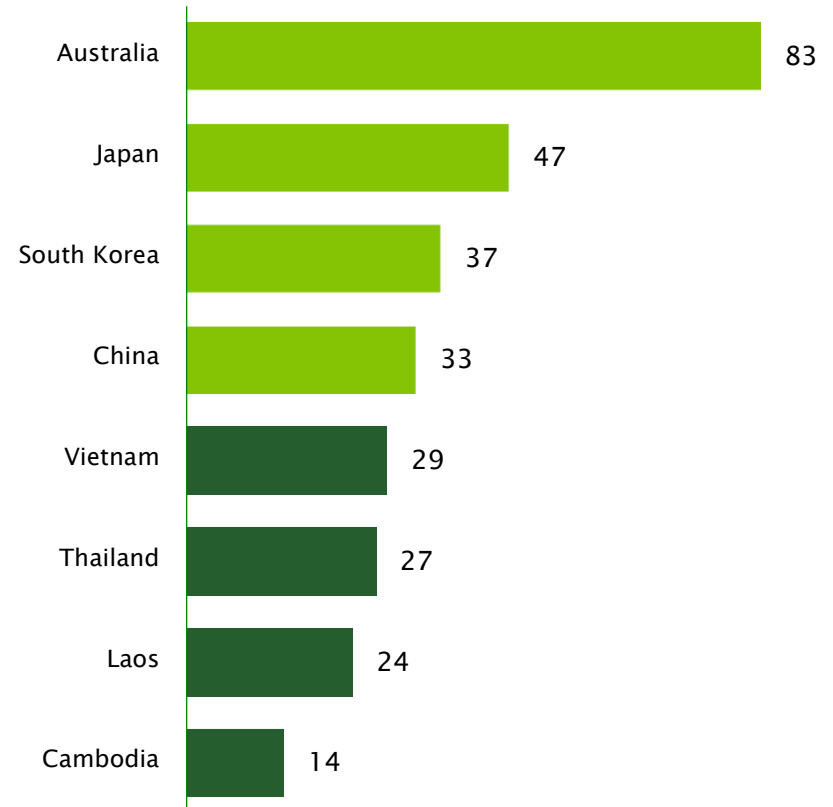
Indochina/Thailand has many of Asia Pacific's highest potential beer markets

Fast growing markets in Asia Pacific

(CAGR 2005–2010)



Beer consumption: litres per capita in 2010

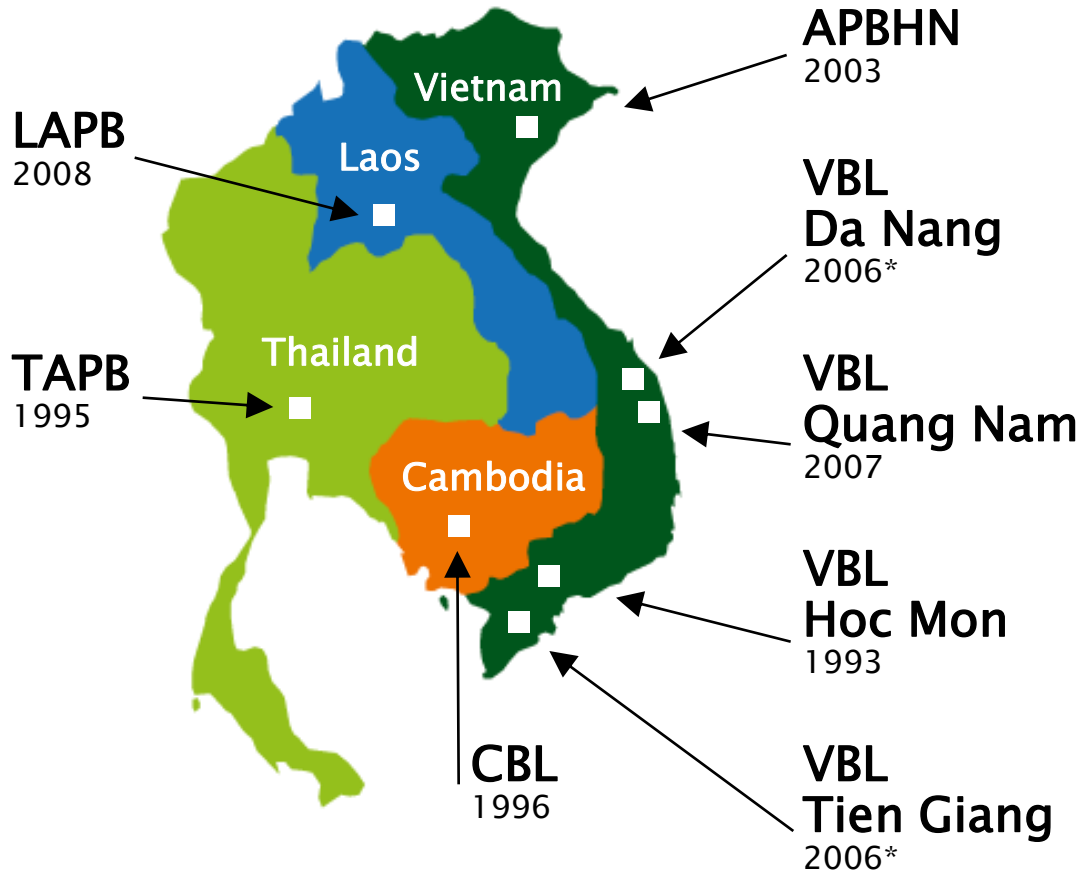


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APB's footprint in Indochina/Thailand



APB Indochina

- ◆ 5 operating companies
- ◆ 8 breweries
- ◆ 2,700 employees
- ◆ 13 brands
- ◆ Leading Brewer
 - ◆ #1 by profit
 - ◆ #3 by volume



APB's ambition in Indochina/Thailand region is to be the leading brewer

Strategy

Maintain premium segment leadership and grow mainstream profitably through strong brand portfolios

Strategy

Opportunistically increase economic interests

Strategy

Continuously enhance value chain capability and efficiency

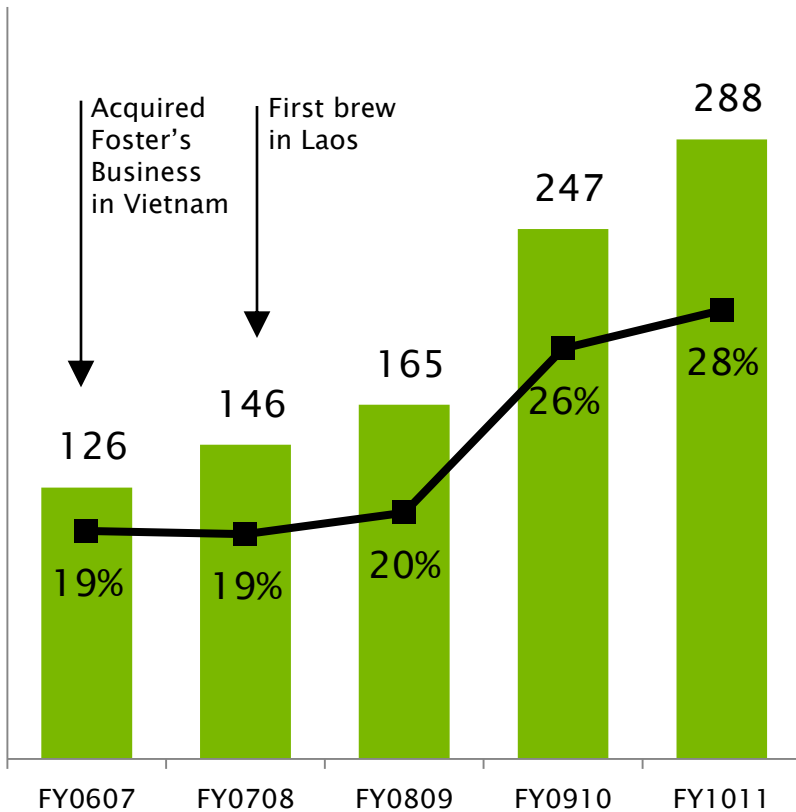
2

3

Profit has more than doubled over the past 5 years underpinned by high volume growth

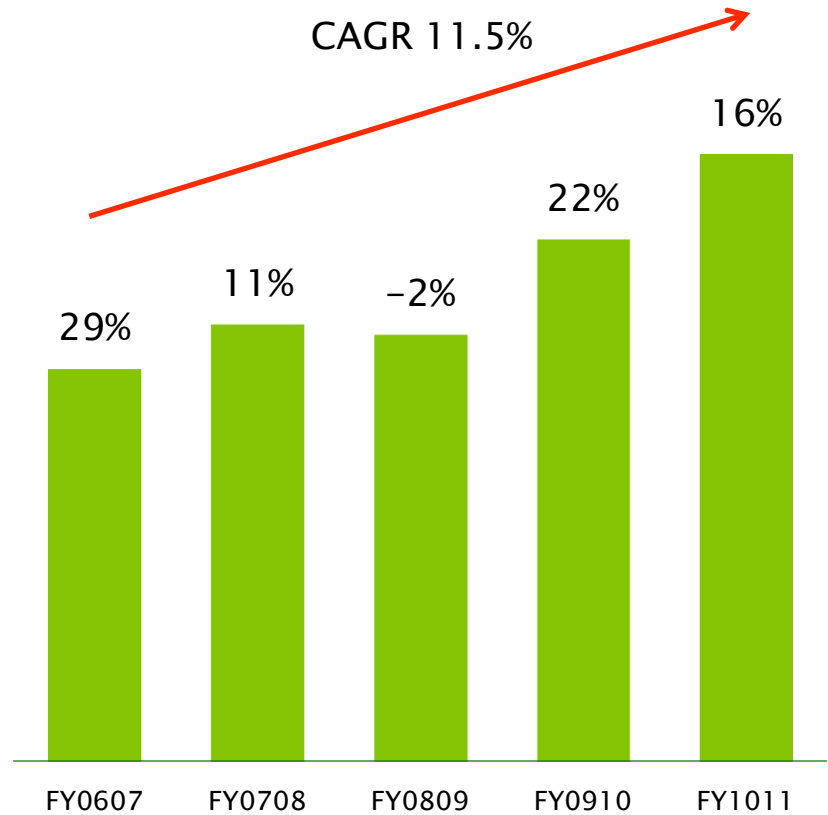
Profit Before Interest and Tax (PBIT) and PBIT Margin

S\$ and % of gross revenue

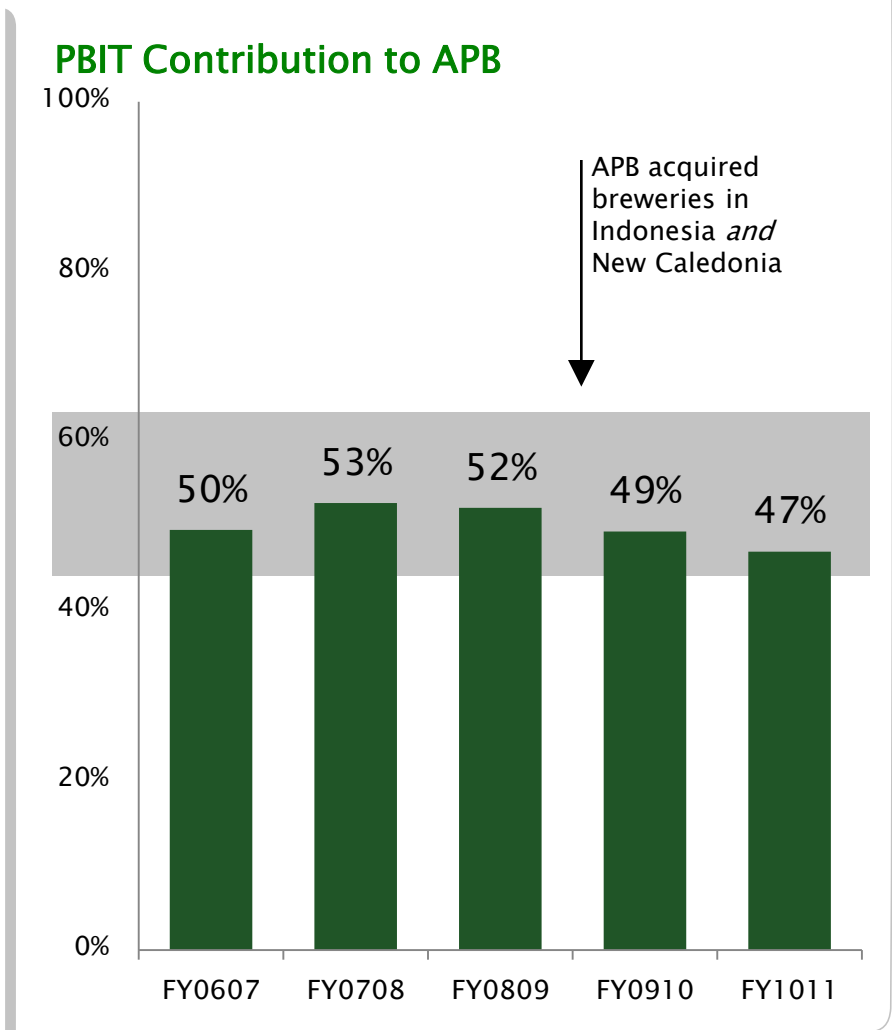
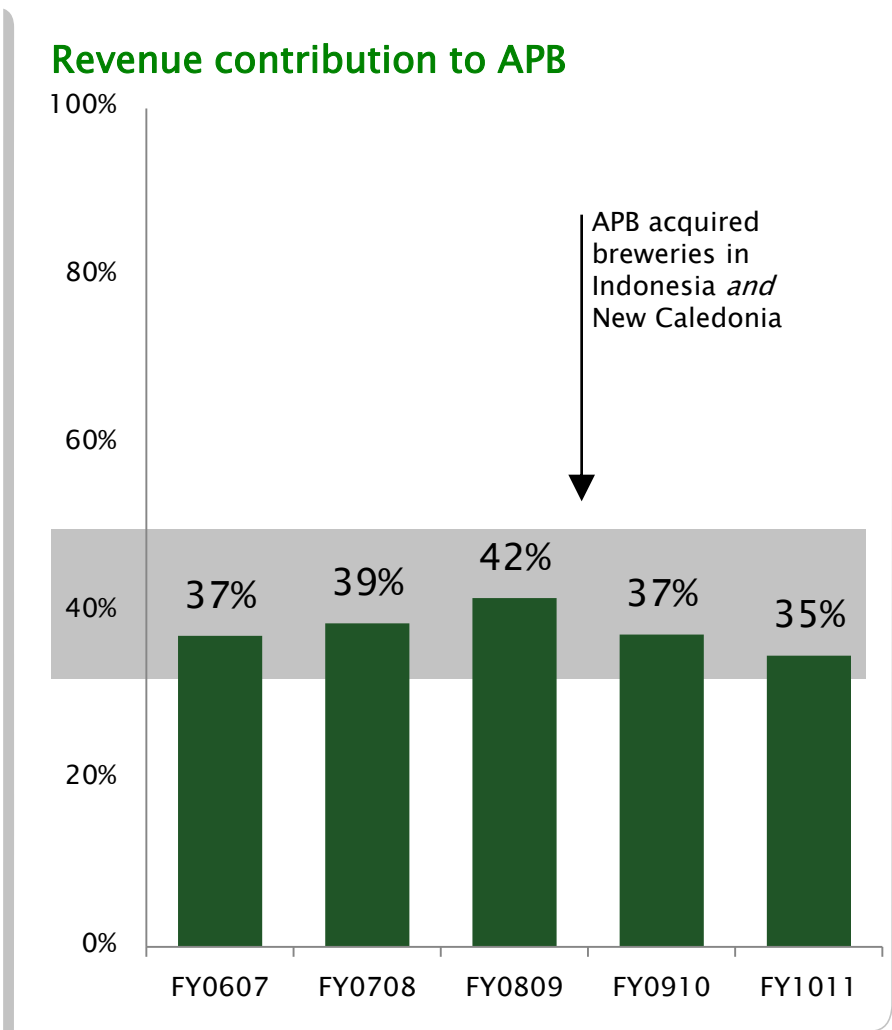


Annual Volume Growth

in %



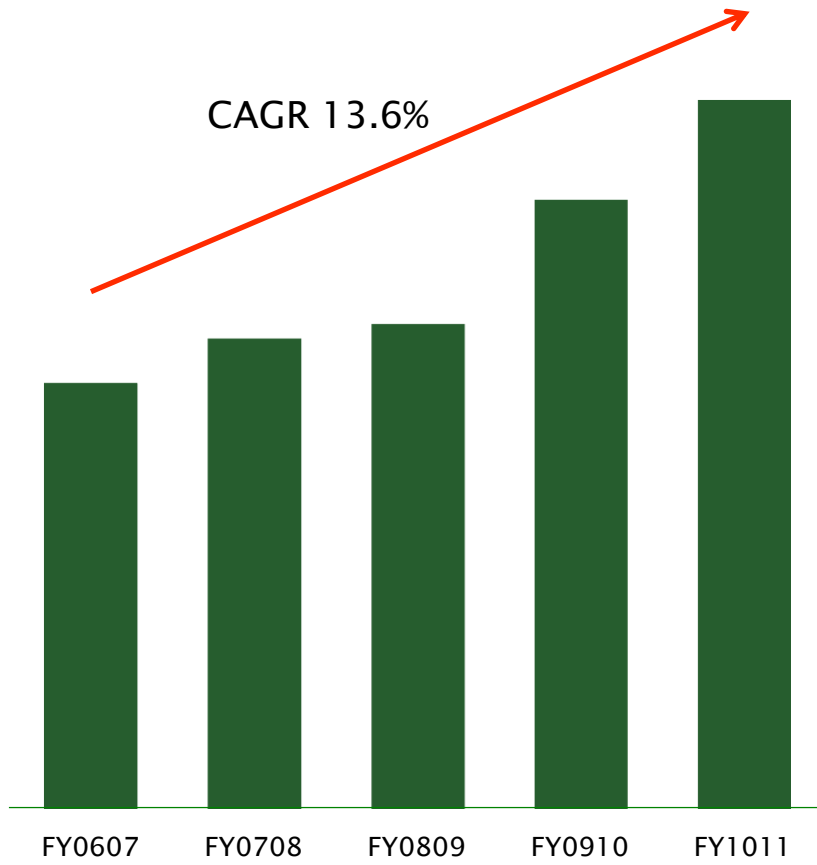
Region contributes nearly half of APB's PBIT



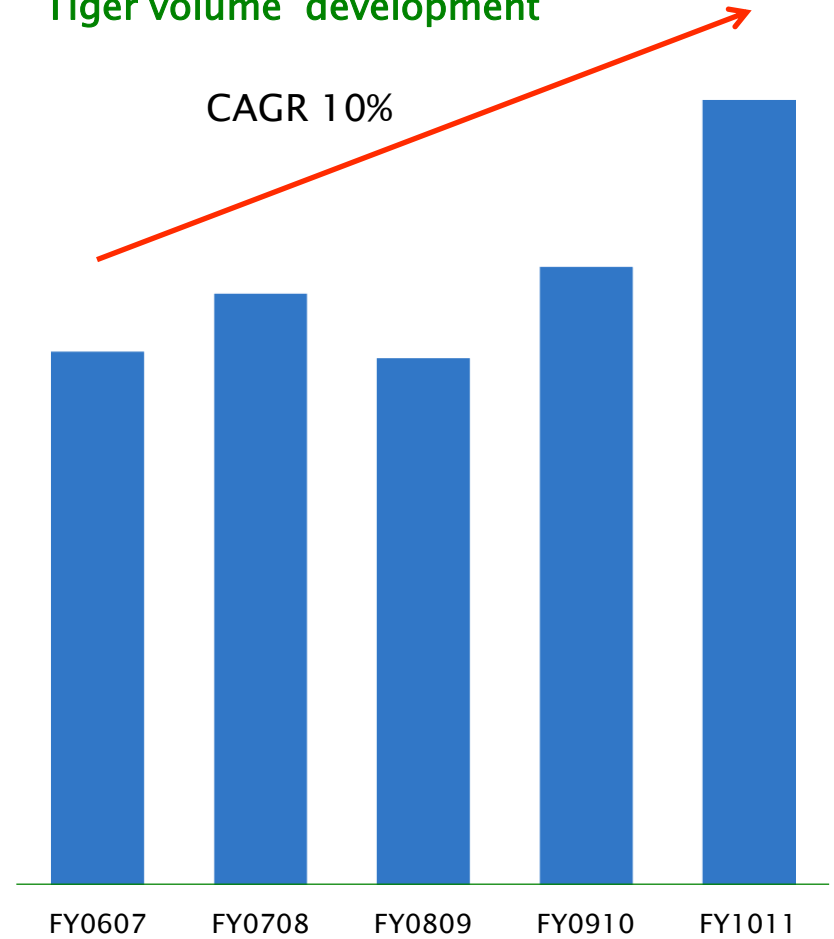
APB's largest region for Tiger and Heineken®

12% of Heineken® brand volume worldwide

Heineken® volume development



Tiger volume development



Key success factors for APB in Indochina

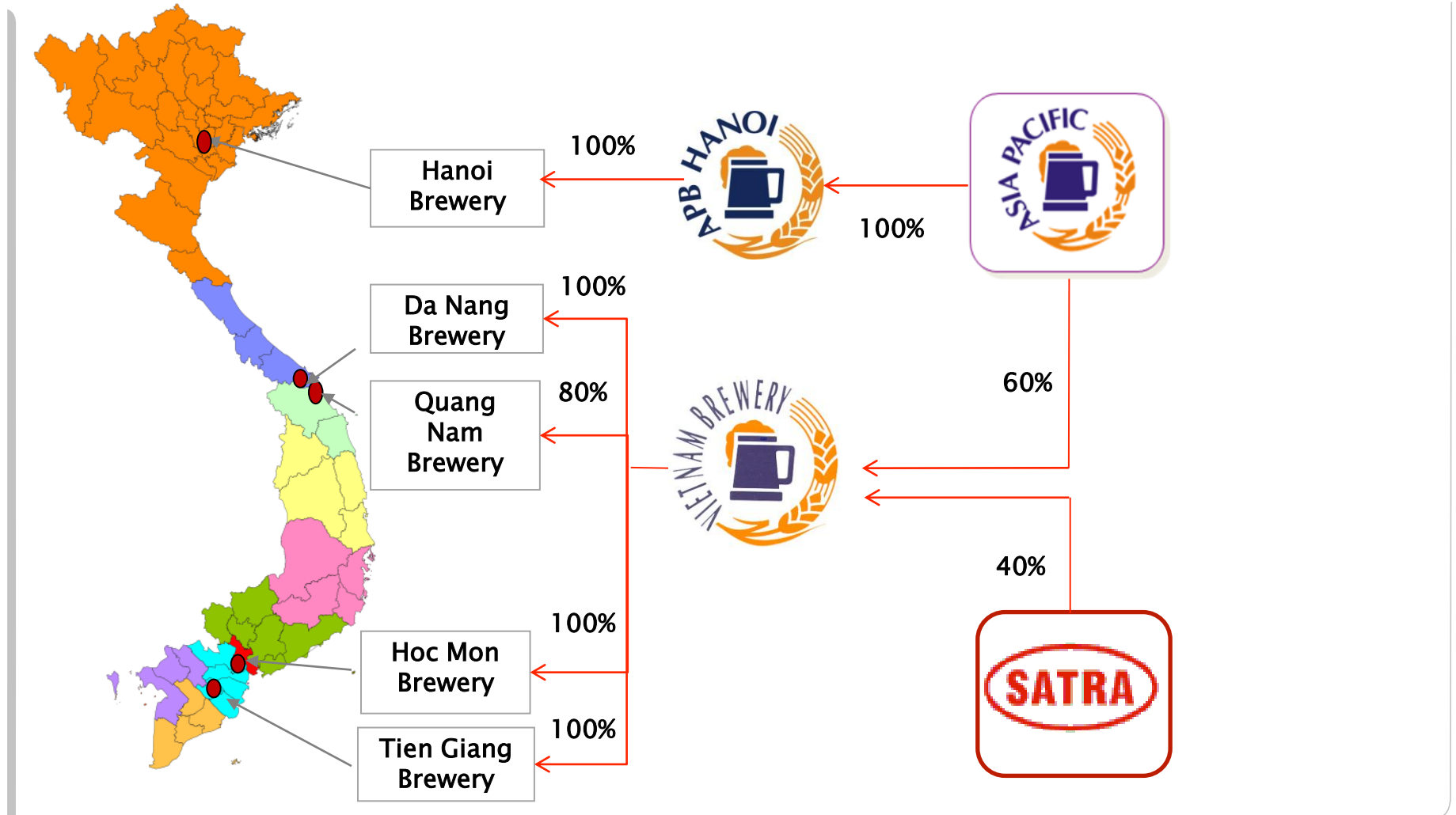
- 
- First mover advantage bringing high quality internationally renowned beers to the region
 - Wide portfolio of brands supported by strong sustained marketing
 - Strong nationwide sales and distribution
 - Competitive employment scheme to attract and retain top talent
 - Pragmatic risk management in a market commonly considered 'high risk'
 - Effective management of key partnerships
 - Proactive engagement with local authorities

Agenda

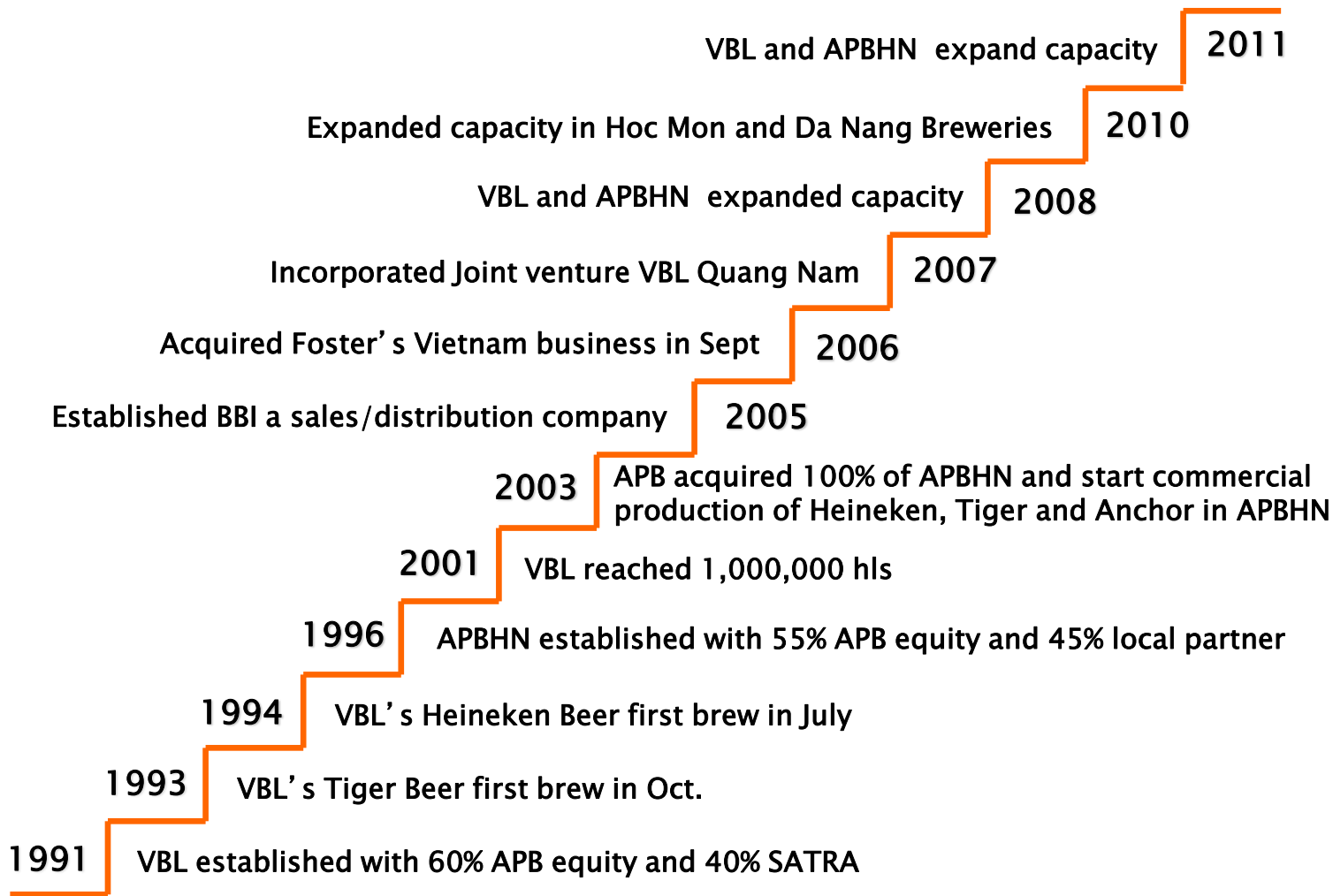
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APB Vietnam shareholder structure



A 20 year journey in Vietnam...



APB Vietnam: Consistently strong results

Vietnamese Dong

Revenue



EBIT



Total volume



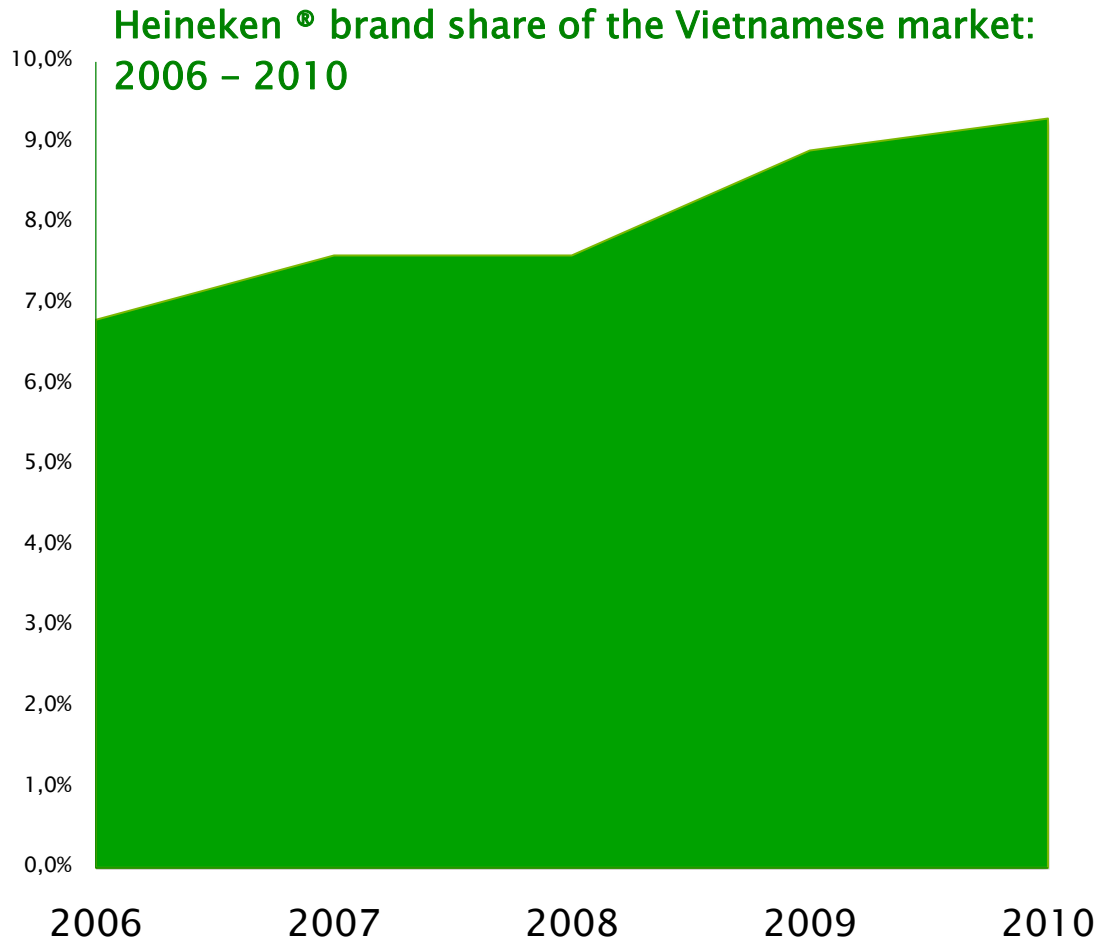
Heineken Volume



Tiger Volume



Heineken® brand gaining market share



- ◆ Heineken® has grown its share of the total beer market in Vietnam from just under 7% in 2006 to over 9% by the end of 2010
- ◆ IPS in Vietnam is relatively large for market stage of development
- ◆ Heineken growth now primarily coming from outside HCMC and Hanoi reflecting brand's broad penetration

Vietnam expected to remain an attractive beer market in the future

Size

- ◆ Population 87m
- ◆ Third largest beer market in Asia Pacific

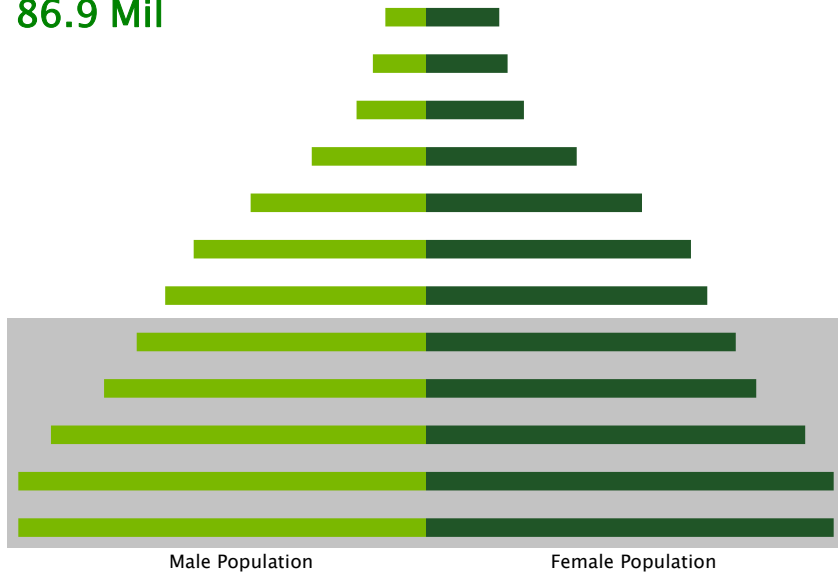
Growth

Potential

- ◆ Young demographic
- ◆ Urbanisation trend
- ◆ High GDP growth

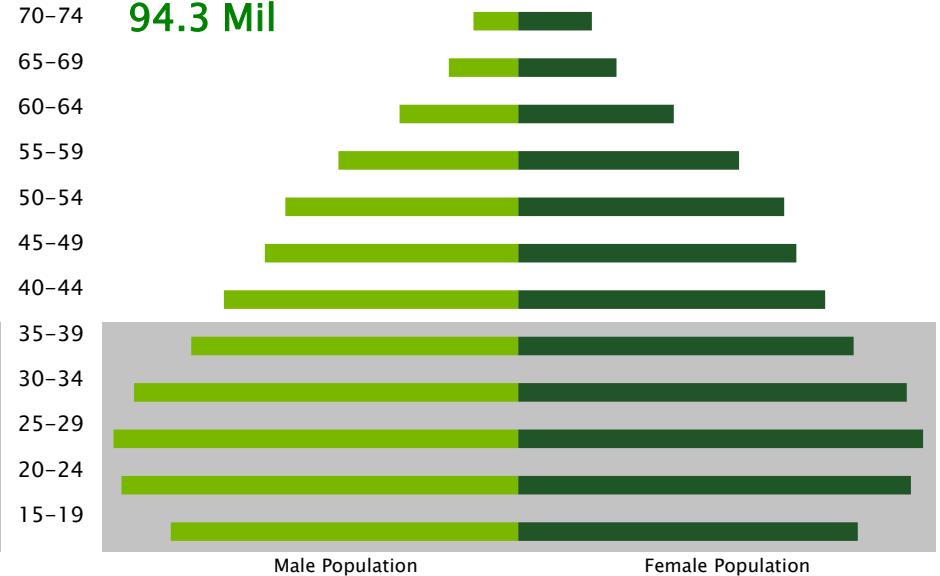
Vietnam's primary beer age group will grow by 5% (or 1.7m) drinkers by 2015

2010 Total Population
86.9 Mil



Age Group	Count	Share of Total
15-29	26.2 Mil	30%
30-49	25.2 Mil	28%
50+	14.0 Mil	16%

2015 Total Population
94.3 Mil



Age Group	Count	Share of Total
15-29	25.1 Mil	27%
30-49	28.2 Mil	30%
50+	18.3 Mil	19%

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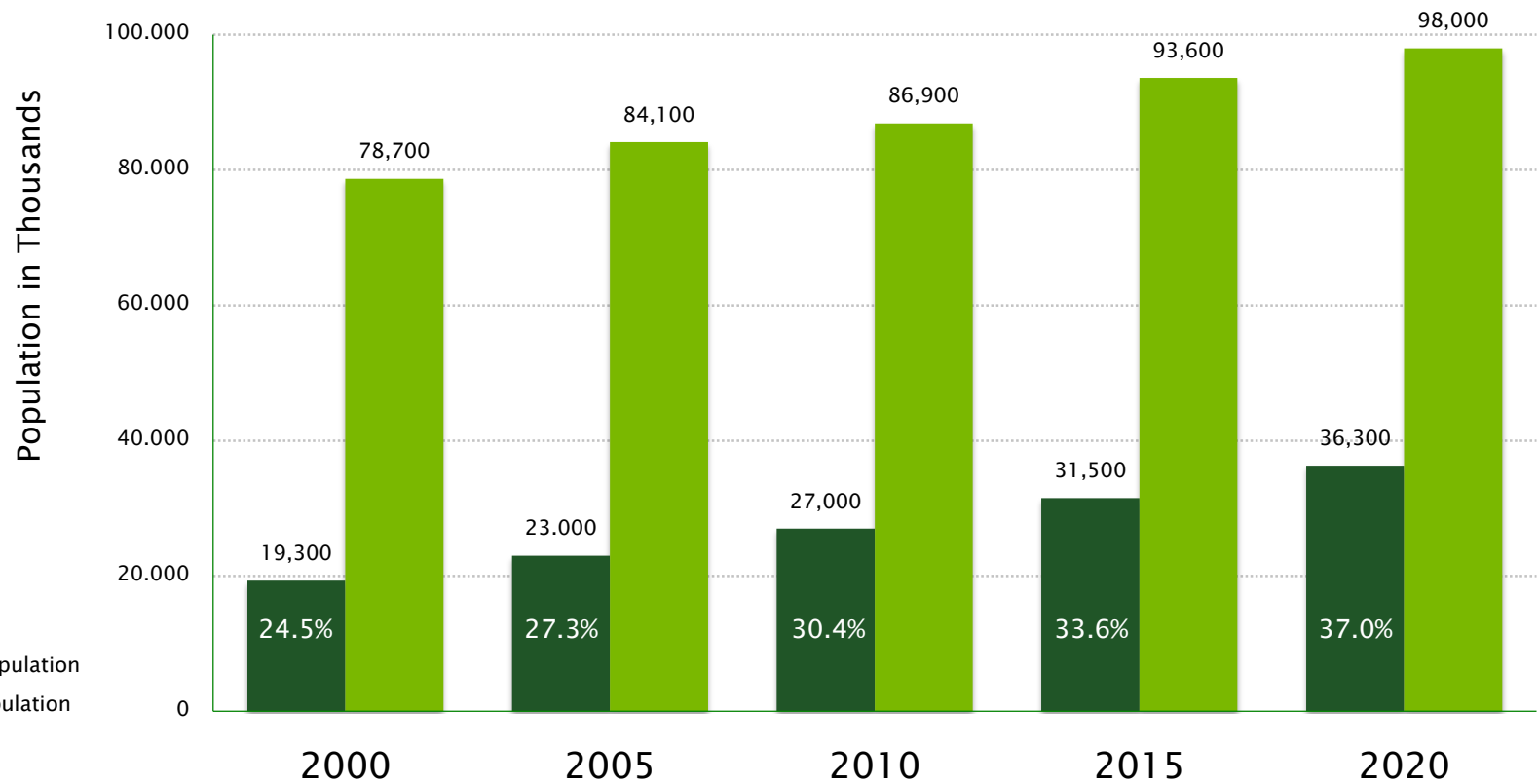
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Potential

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Rate of urbanisation is expected to continue rising

By 2020, the urban population in Vietnam will grow by 9 million people (+34%) with beer per capita consumption 3.5 times the level of rural drinkers



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Drinking

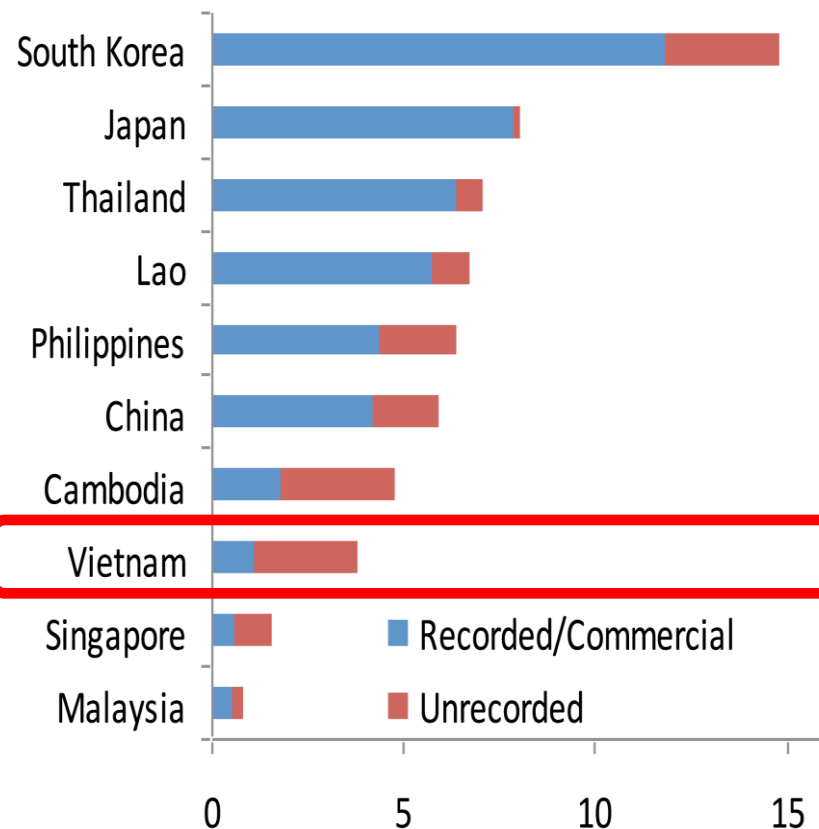
Culture

- ◆ Beer culture, not liquor
- ◆ Affordability
- ◆ Upside to per capita consumption

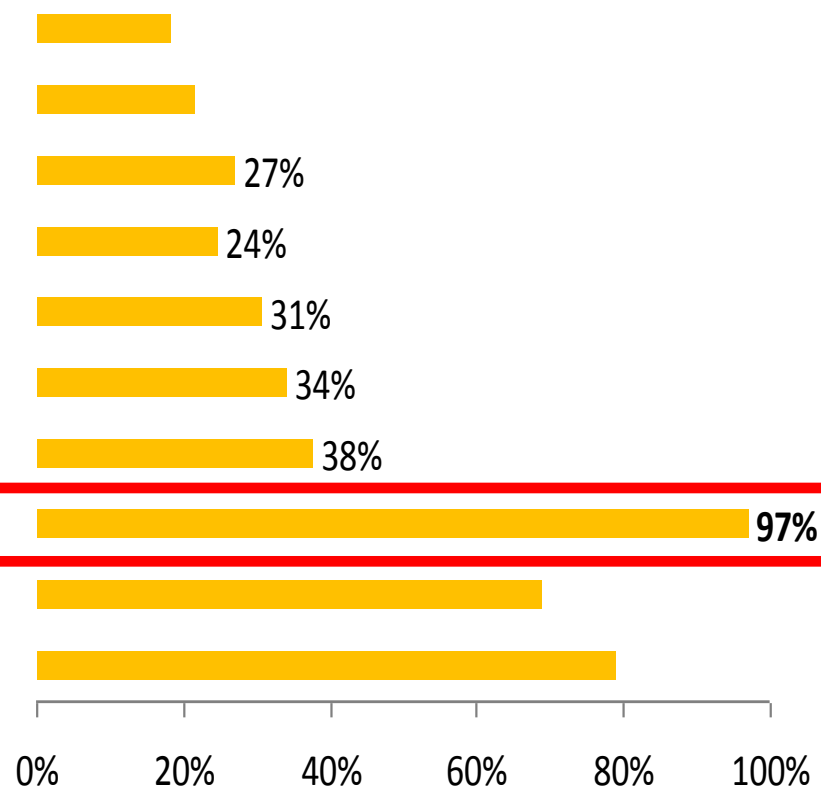
A strong beer culture in Vietnam

Vietnam's current low consumption and high beer percentage of total alcohol market makes it uniquely attractive

Pure Alcohol Consumption



Beer as a % of Total Recorded Alcohol Market



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Drinking

Culture

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Market Structure

- ◆ Government policies have avoided overcapacity
- ◆ Global brewer presence limited
- ◆ Top 3 brewers account for >80% of market

Profitability

- ◆ Attractive EBIT/hl
- ◆ Low labour costs, high productivity
- ◆ Growing premium segment

APB in Vietnam – The future

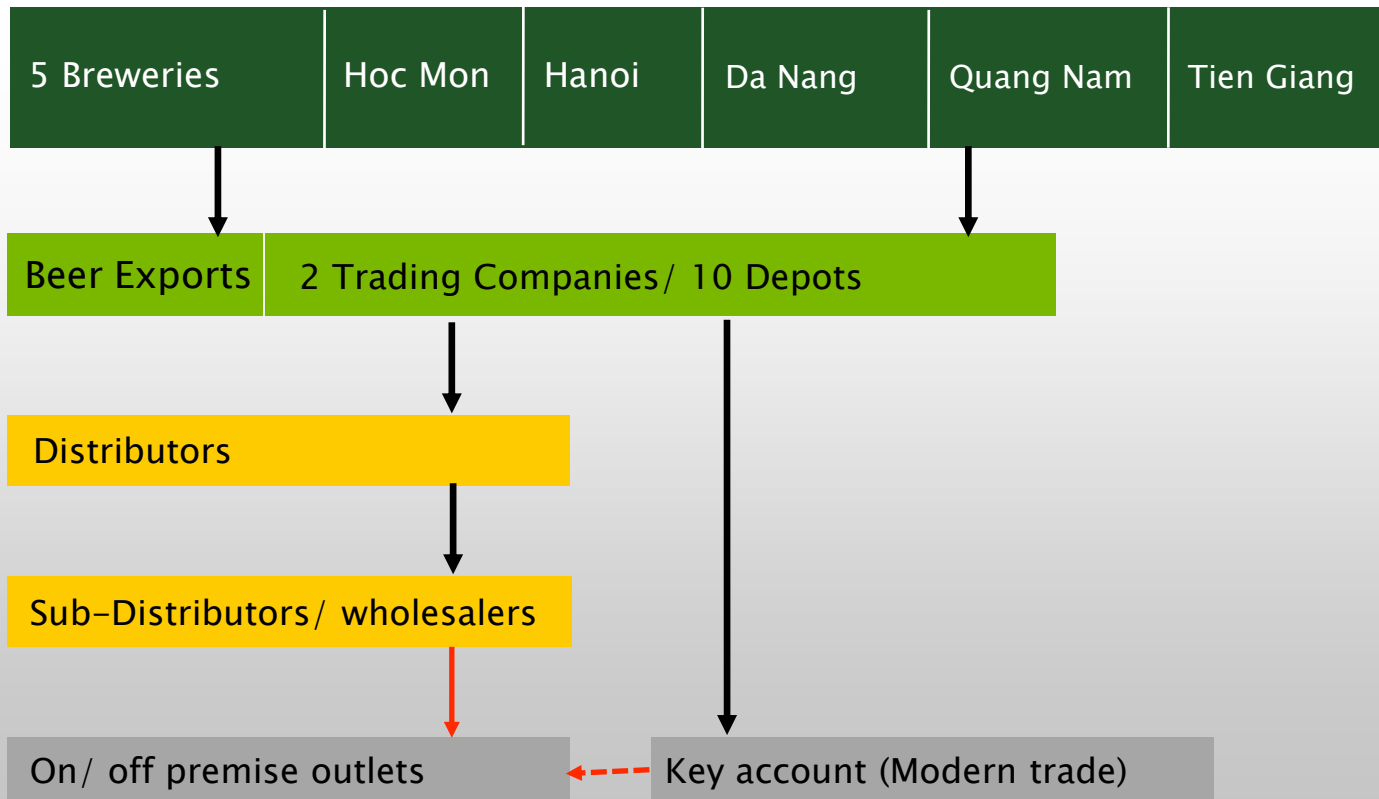
We are optimistic about capitalising on the market's potential

1. Strong distribution network

2. Improving productivity and efficiency

3. Full portfolio approach

ABP has an advantaged route to market in Vietnam



On Premise Outlets

On street



In normal houses
in big cities



In alley



In garden house
at rural/minor cities



Along walking areas



Along the beach



In big house



On Premise Outlets

Beer Garden



Horeca

Bar – Pub – Disco



Off Premise

Sundry Shop & Sub-Distributor



Modern Trade



APB in Vietnam – The future

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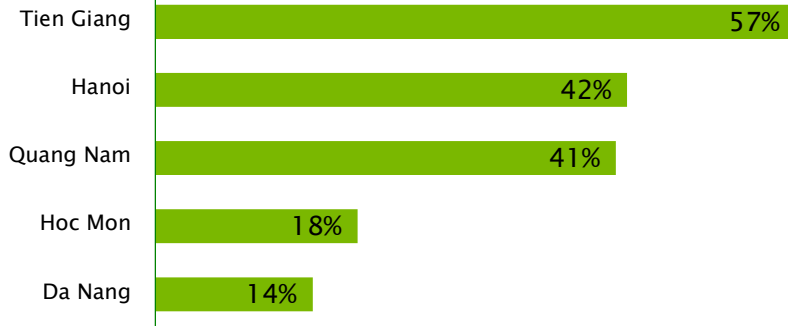
2. Improving productivity and efficiency

3. Full portfolio approach

Significant efficiency & productivity gains over the past 5 years

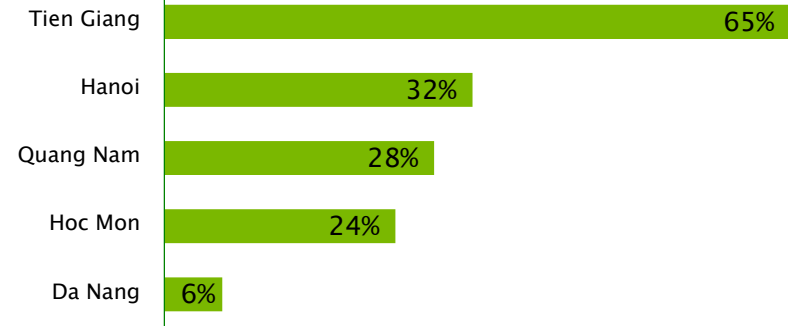
Saving in Electricity

in kWh/hl



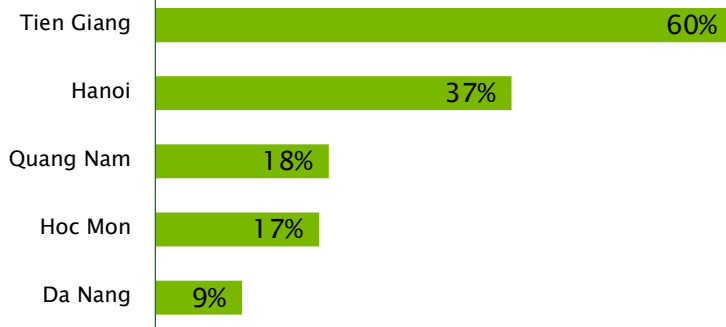
Saving in Thermal

in KJ/hl



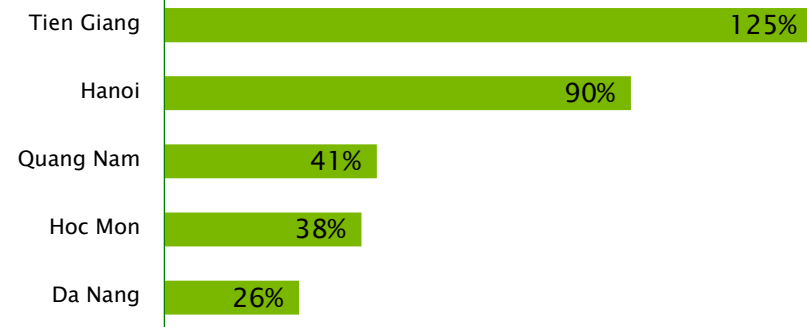
Saving in water

in HL/hl



Higher productivity

in HL/FTE



APB in Vietnam – The future

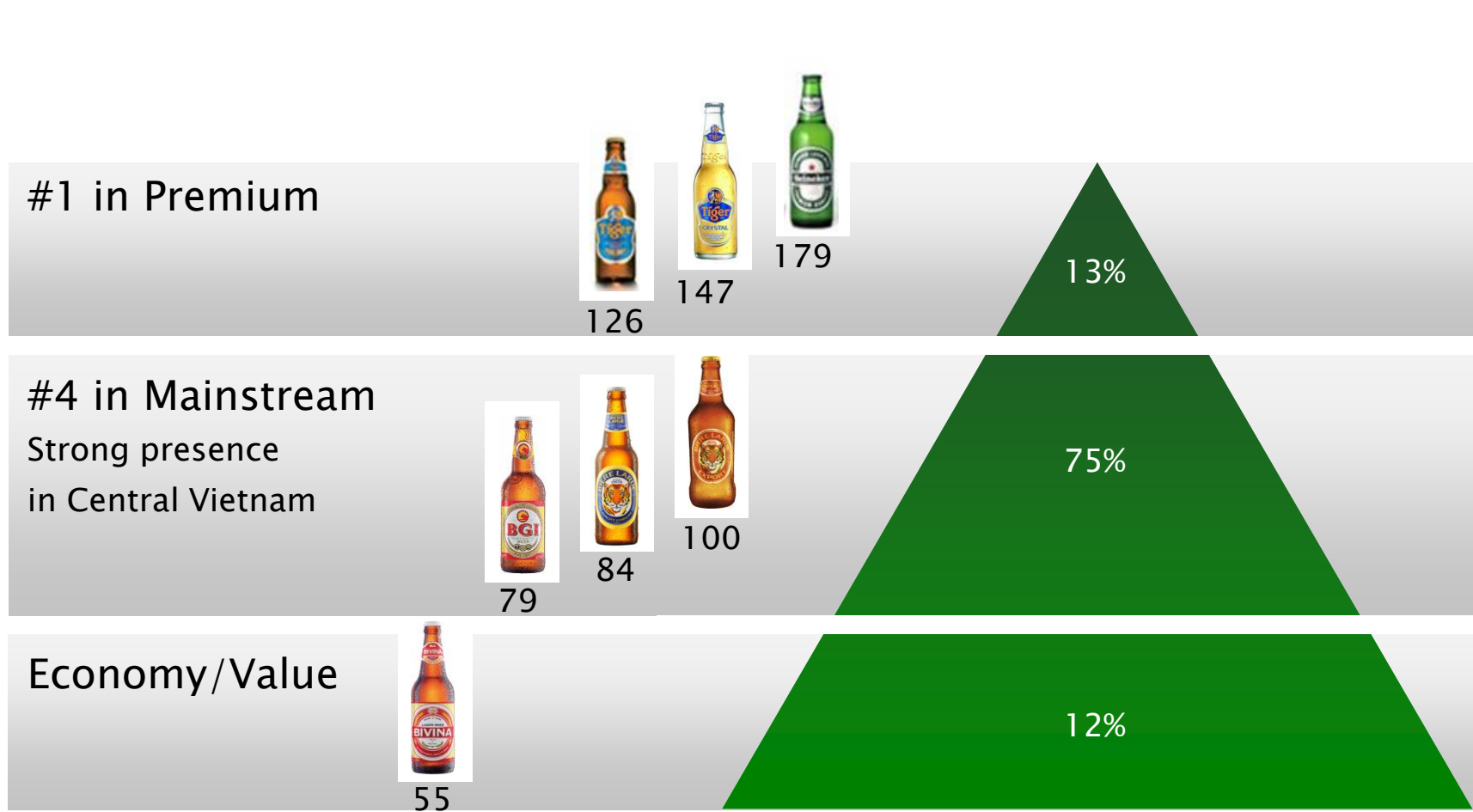
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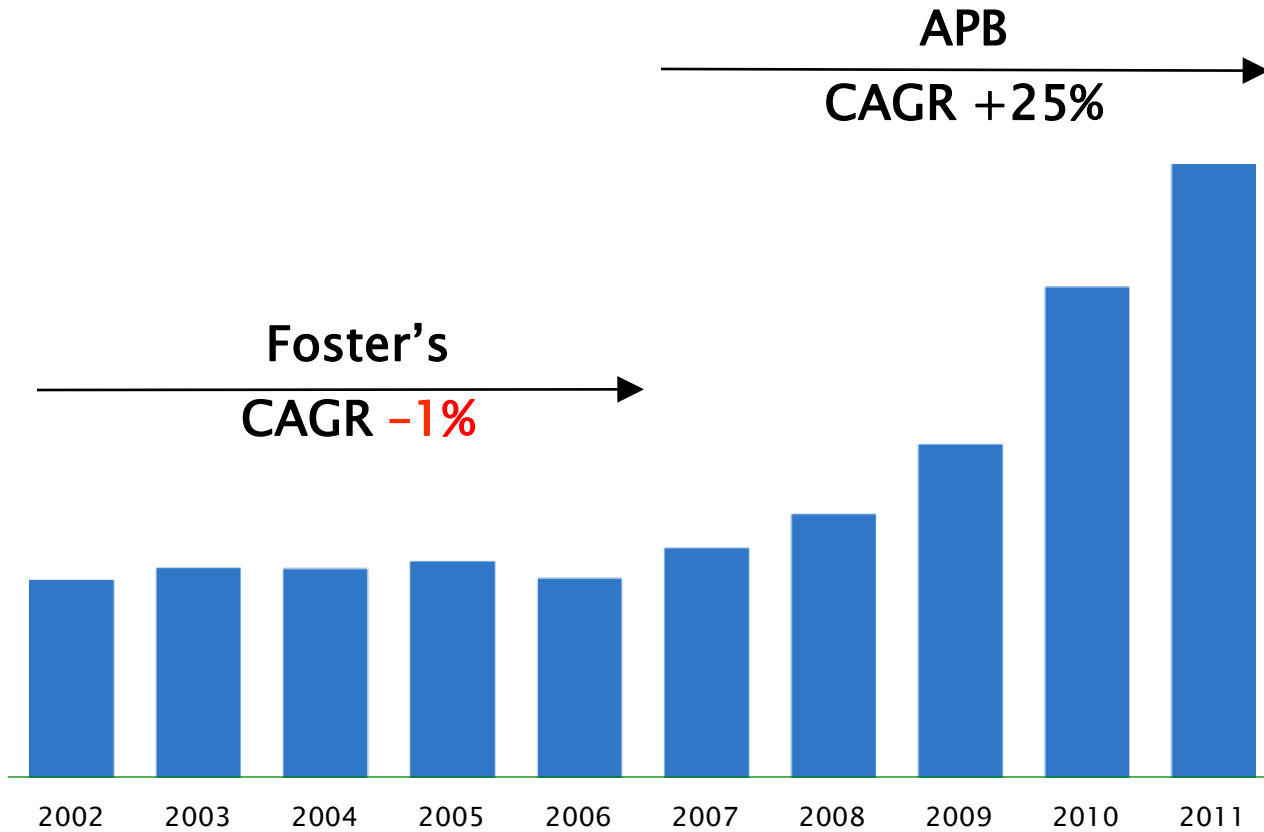
A full product portfolio offering



Larue brand in Vietnam

Heritage brand (since 1909) thriving under APB's ownership

Larue brand volume growth: 2002-2011



Summary

- ◆ Indochina/ Thailand a significant and growing beer region in Asia Pacific
- ◆ A key region for APB with Vietnam the anchor market
- ◆ The most important region for Heineken® brand in Asia Pacific region
- ◆ Positive socio-demographic trends to support future beer market growth
- ◆ APB well positioned for the future in Indochina/Thailand

Questions please



HEINEKEN

FINANCIAL MARKETS

CONFERENCE 2011

SINGAPORE