



TRADE

MARK

Heineken®



Heineken N.V.

20 February 2008



Results 2007 Heineken

Amsterdam/London

20 February 2008

Jean-François van Boxmeer,

CEO and chairman of the Executive Board Heineken N.V.

René Hooft Graafland,

CFO and member of the Executive Board Heineken N.V.





Jean-François van Boxmeer Key developments 2007



2007: An outstanding year

Consolidated beer volume	120 mhl	+7%
Heineken [®] volume in IPS	25 mhl	+10%
Revenue	EUR 12.6bn	+7%
EBIT (beia)	EUR 1.8bn	+20%
Net profit (beia)	EUR 1.1bn	+23%
EPS (beia)	EUR 2.28	+23%
Dividend per share	EUR 0.70	+17%
F2F gross cost savings	EUR 191m	

Percentages are organic change versus 2006



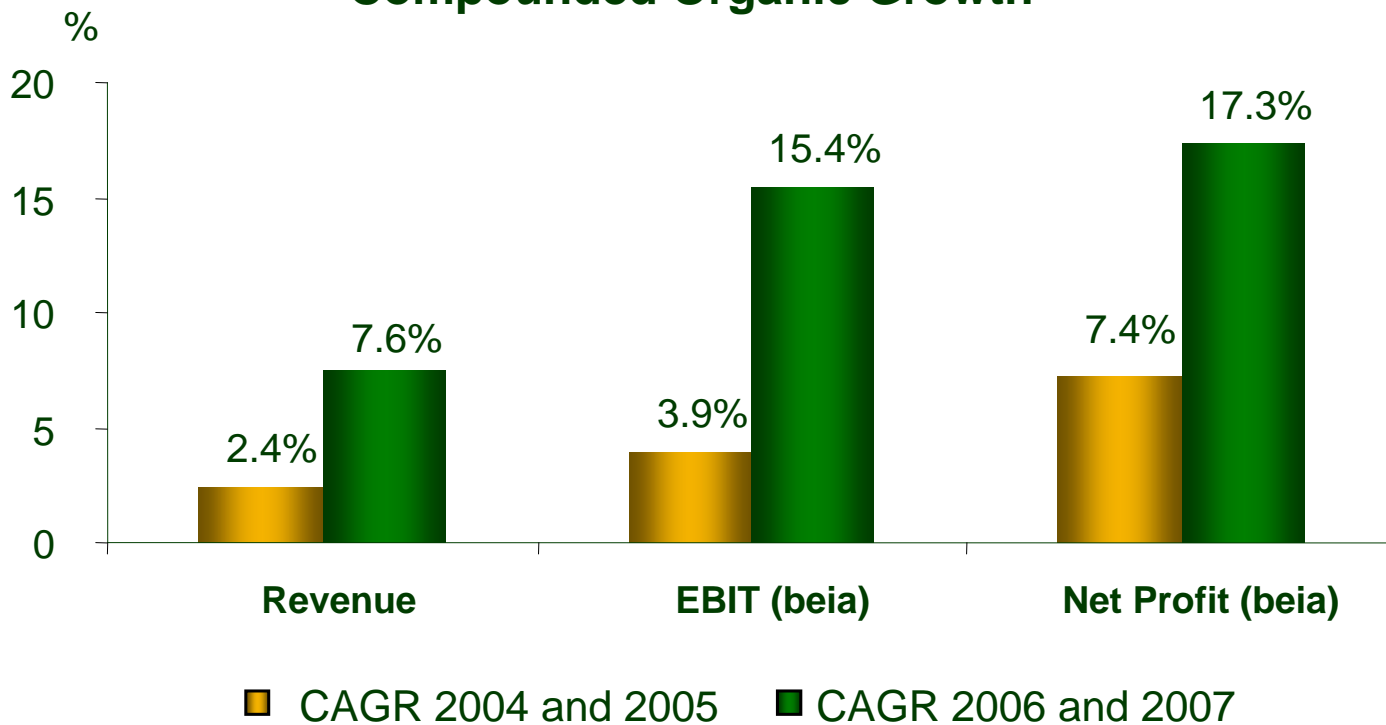
Key drivers of profit 2007

- Strong volume increase in C&E Europe, Africa and Asia Pacific
- Good pricing, passing on higher input costs in most markets
- Mix and margin improvement driven by strong momentum of Heineken brand
- Volume from innovations exceeded 1.2mhl
- Marketing investments in brands increased
- F2F on track, Fixed cost ratio improved to 30.7% from 33.1%
- EBIT (beia) margin increased from 13.3% to 14.7%



A step change in profit growth...

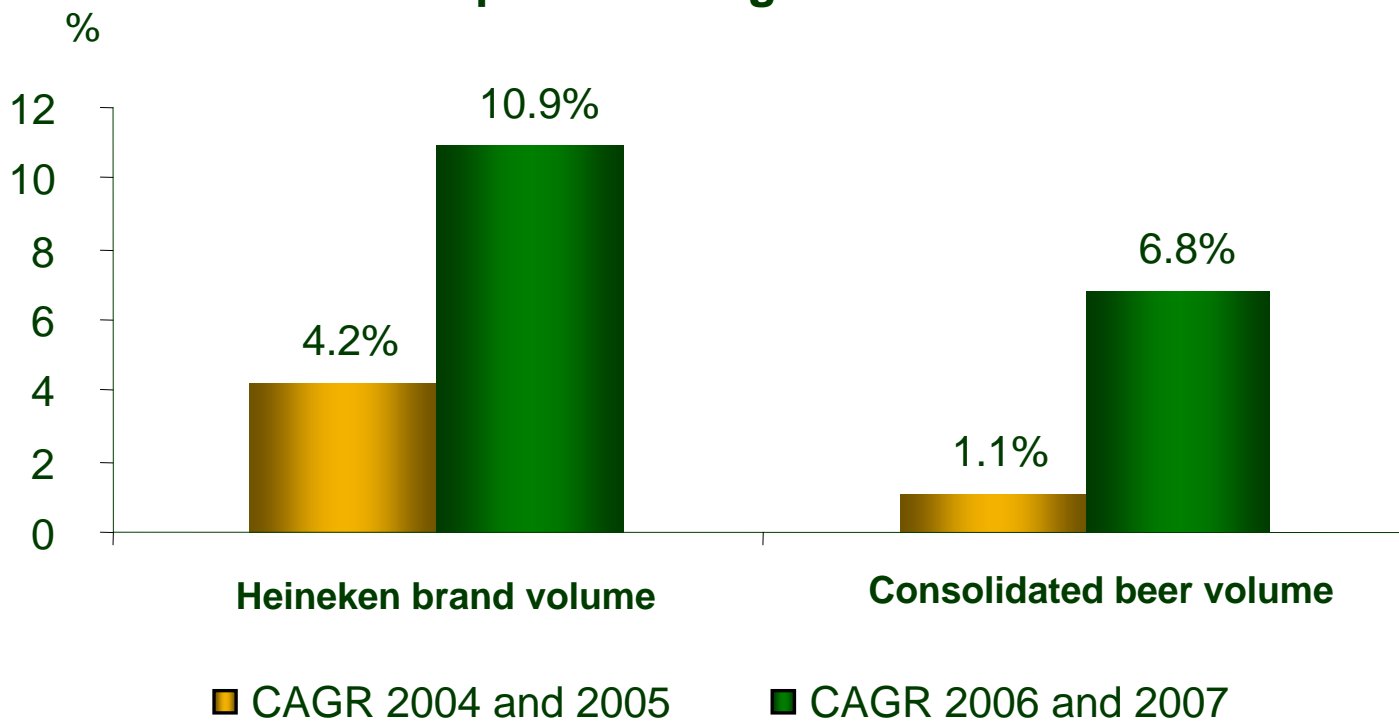
Key Metrics Compounded Organic Growth





...and in Heineken brand growth

Volume Compounded Organic Growth

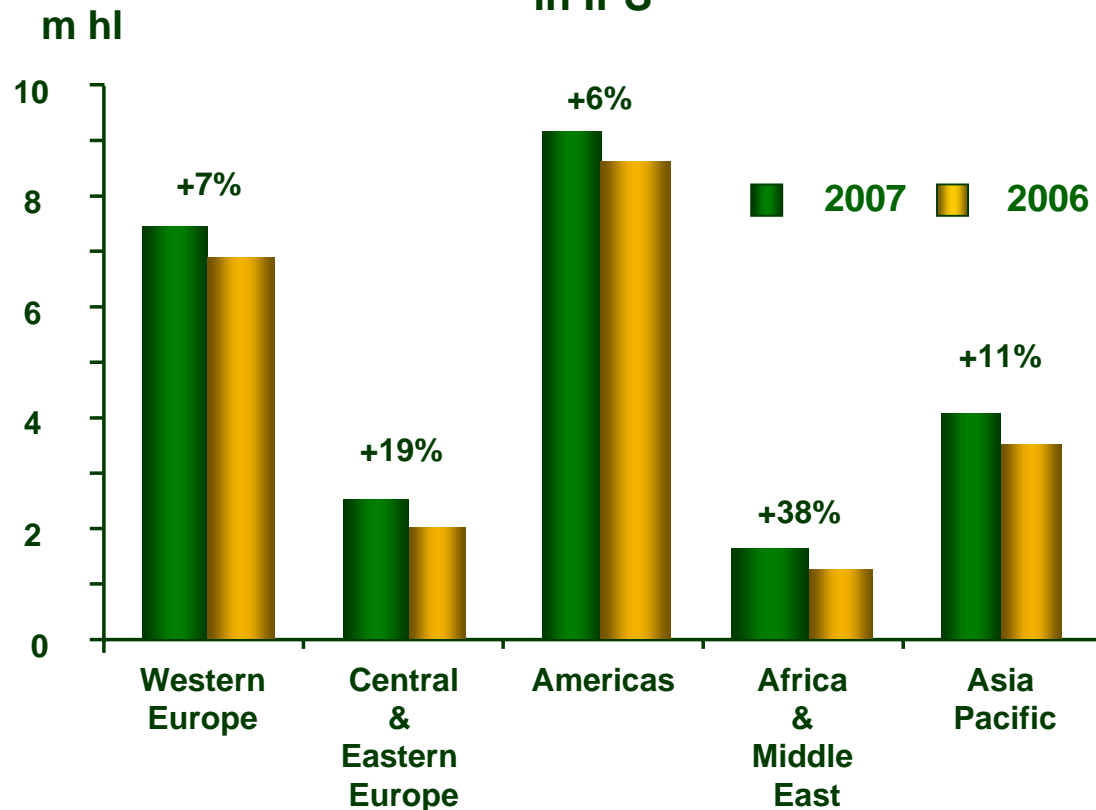




Heineken®: Strong growth across all regions



2007: Heineken® brand growing by 10% in IPS





Western Europe: Strong brands, cost savings drive growth



	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 saving 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 performance 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 BI



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
- Mexican portfolio grew 14% gaining share in the Mexican 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

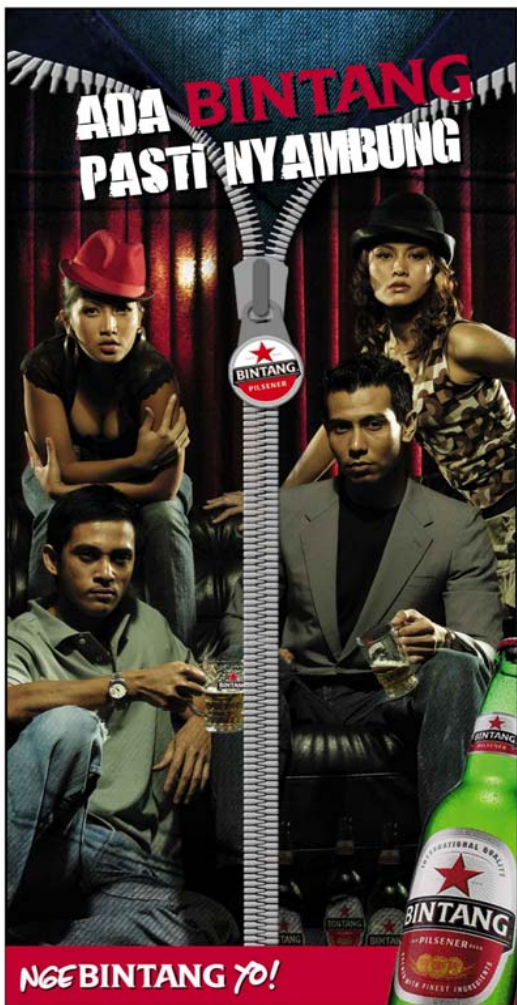


	2007	2006	% change
Consolidated beer volume	15.7	13.3	+ 18%
Revenue EURm	1,416	1,182	+ 20%
EBIT (beia) EURm	329	234	+ 41%
EBIT (beia) margin	23.2%	19.8%	+ 340 bp

- 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



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 150m gross savings



**Anticipated acquisition of
Scottish & Newcastle
A strong Strategic Rationale**



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, fully committed and in place

Key metrics of Scottish & Newcastle

- Volume 27mhl of beer for 2006
- Revenue approx. EUR 3.6bn for 2007*
- EBITDA of approx. EUR 472m for 2007*

Impact on Heineken

- Immediately EPS accretive
- ROIC expected to reach transaction WACC by year 4
- Estimated synergies before tax by year 4 EUR162m
- Pro forma Net debt/EBITDA maximum 2.7x*
- Optimises capital structure

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



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 form each other



Leadership Positions and Brands



Source: Company information, June 07



S&N – Timeline 2008

Announcement of recommended Offer

25 January

Scottish & Newcastle EGM

end March

Heineken NV and Heineken Holding AGM

17 April

Effective Date of the Scheme

end April

Completion

mid-end May

Commercial

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René Hooft Graafland Financials 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%	

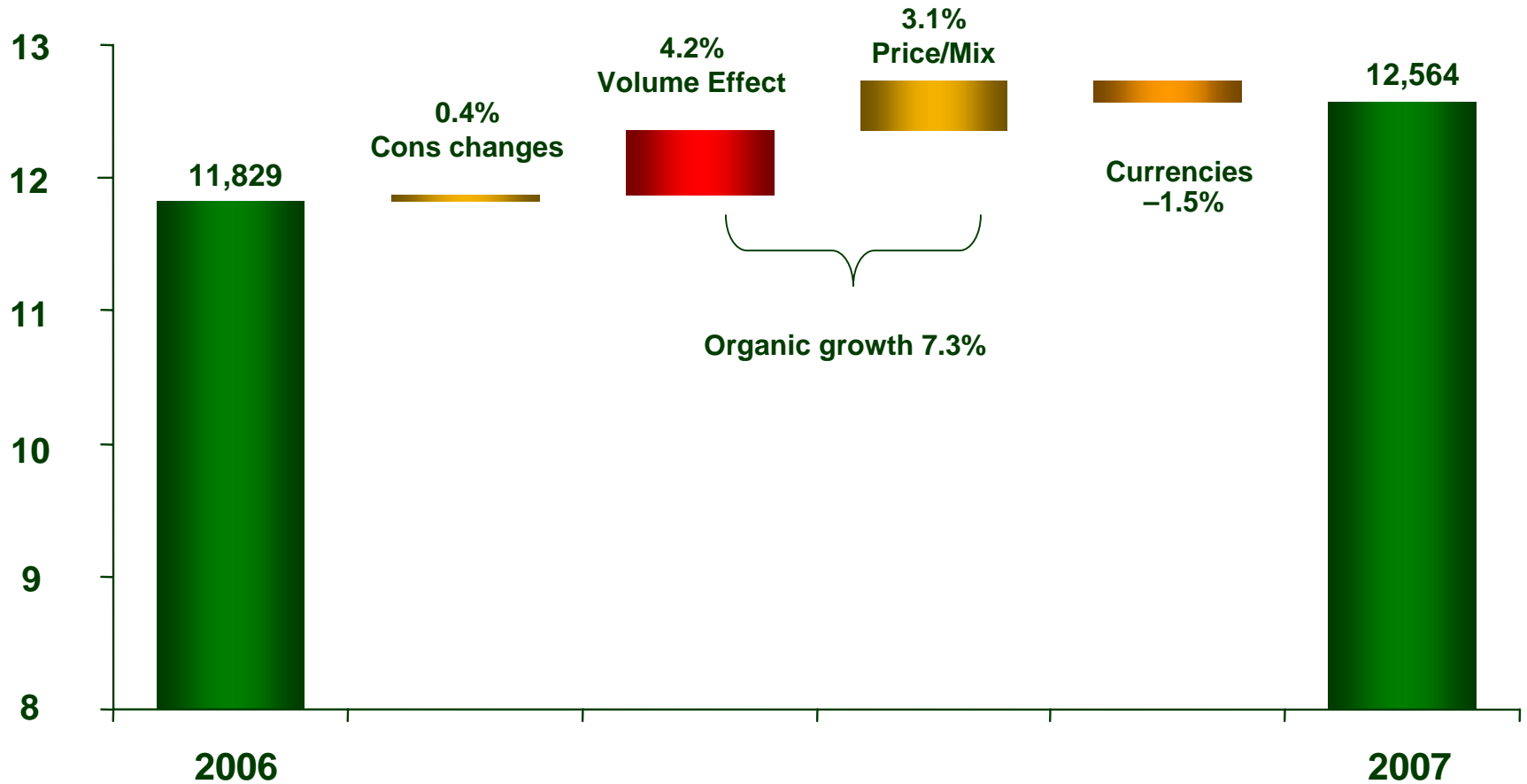
* Includes exceptional items before tax in 2007: -EUR307m (in 2006: +EUR273m) and amortisation of brands (in 2007: -EUR11m, in 2006: -EUR10m).

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



Revenue

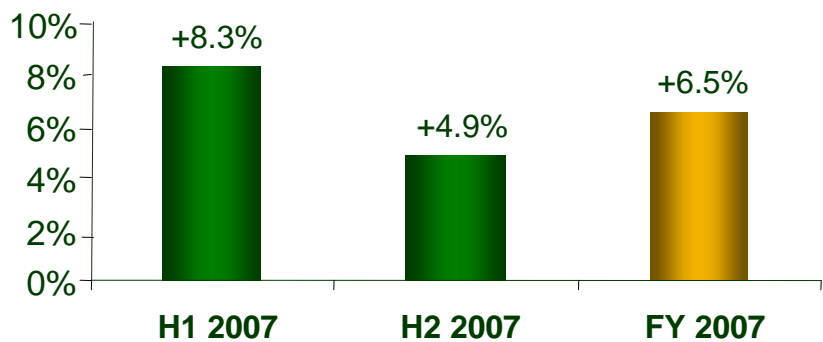
EUR billion



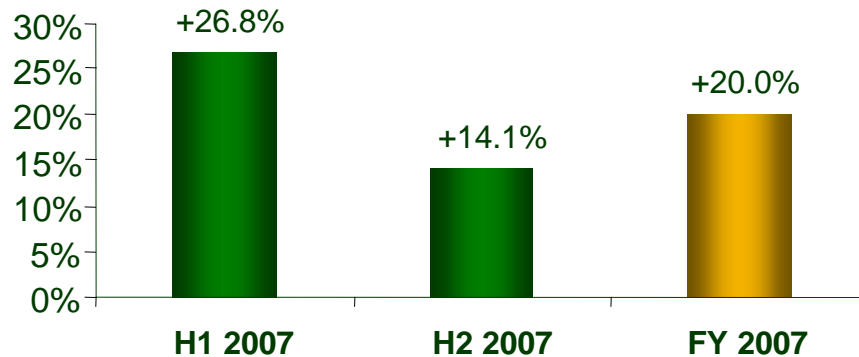


H1 and H2 performance

Consolidated beer volume



EBIT (beia)



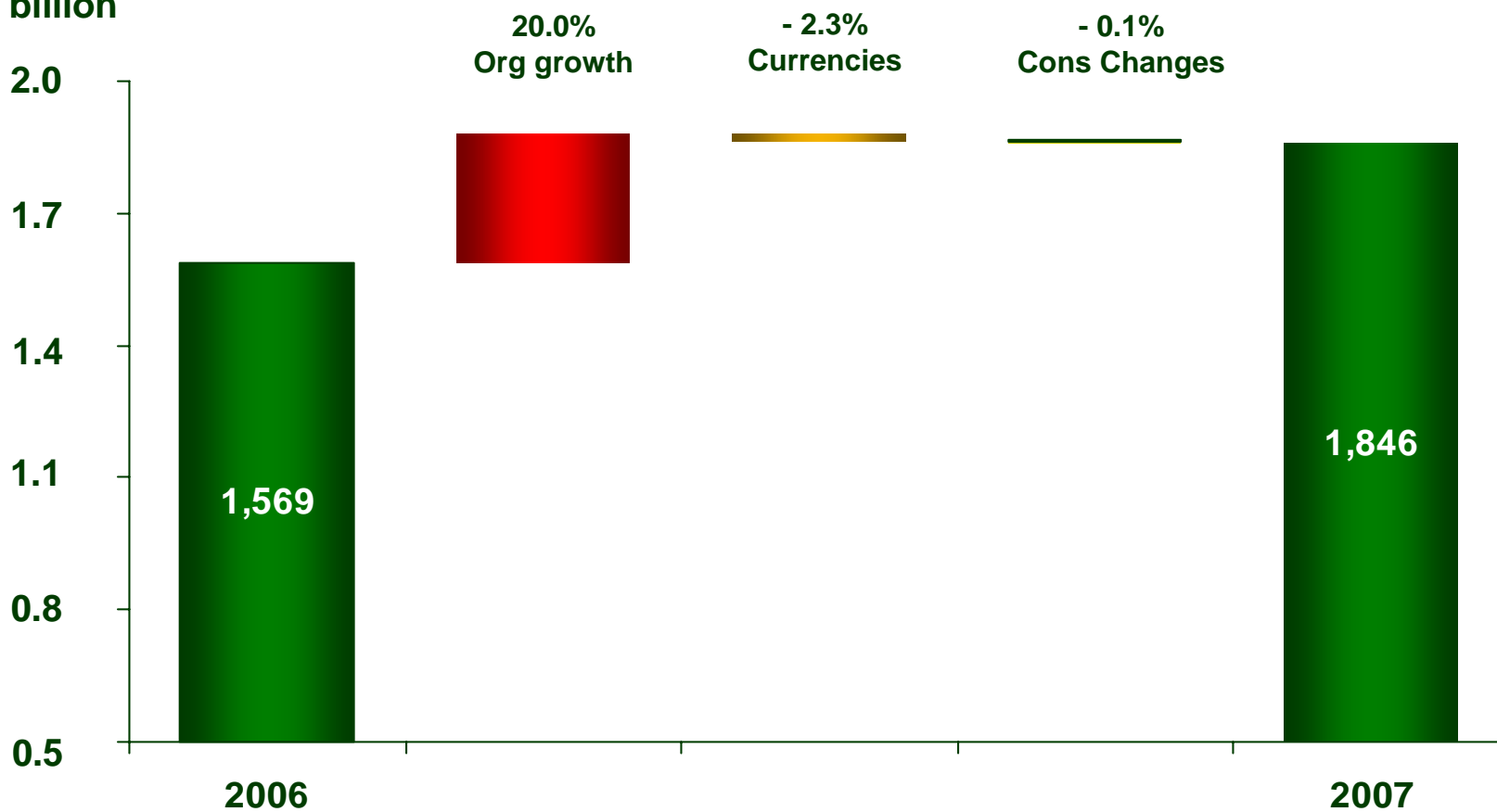
Organic volume growth was skewed to H1...

...and profitability was strong in H2



EBIT (beia)

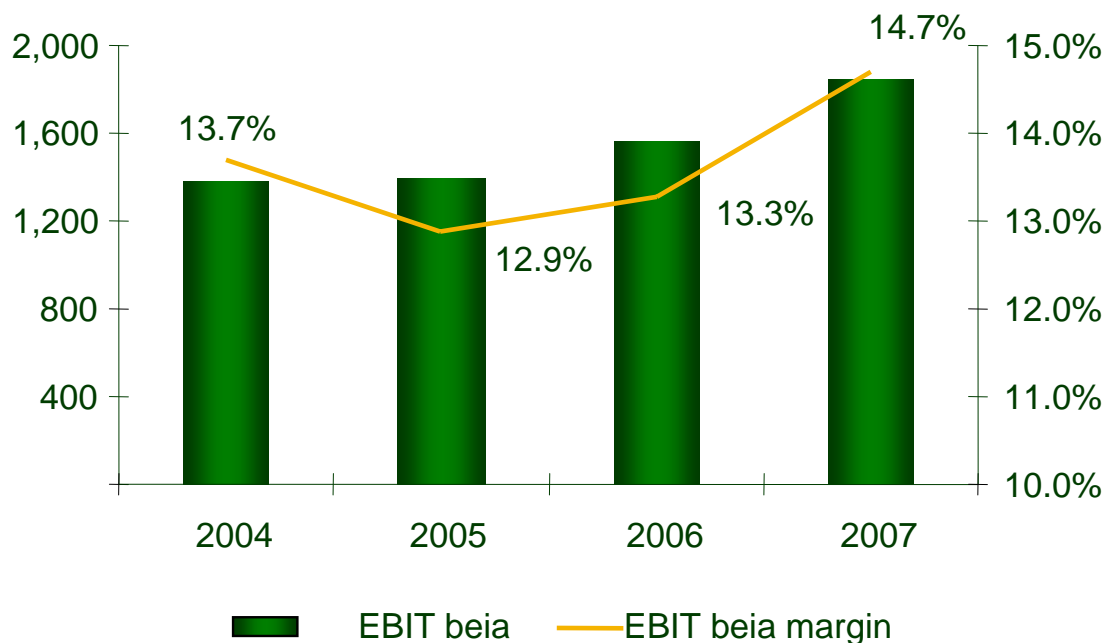
EUR billion





Improvement in EBIT (beia) margin

EUR million



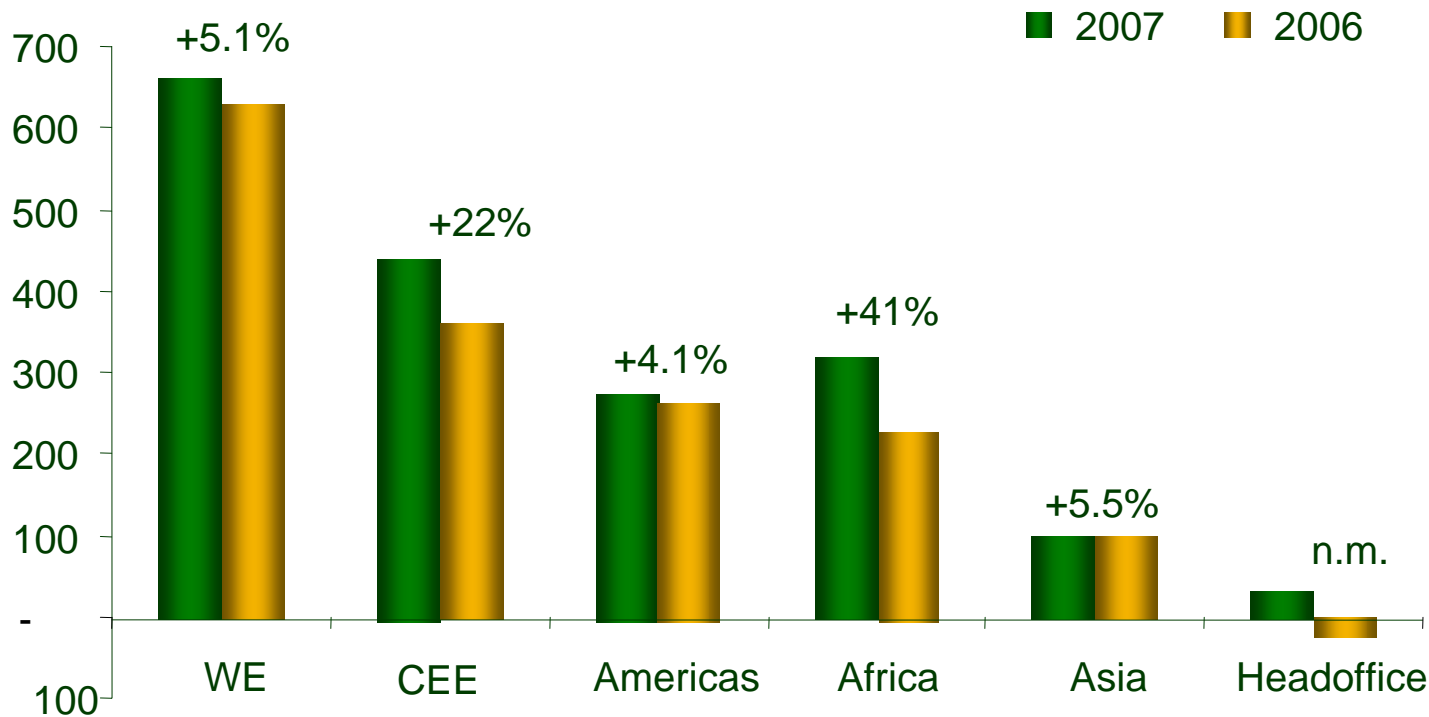
Drivers:

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



EBIT (beia) growth contribution per region

EUR million



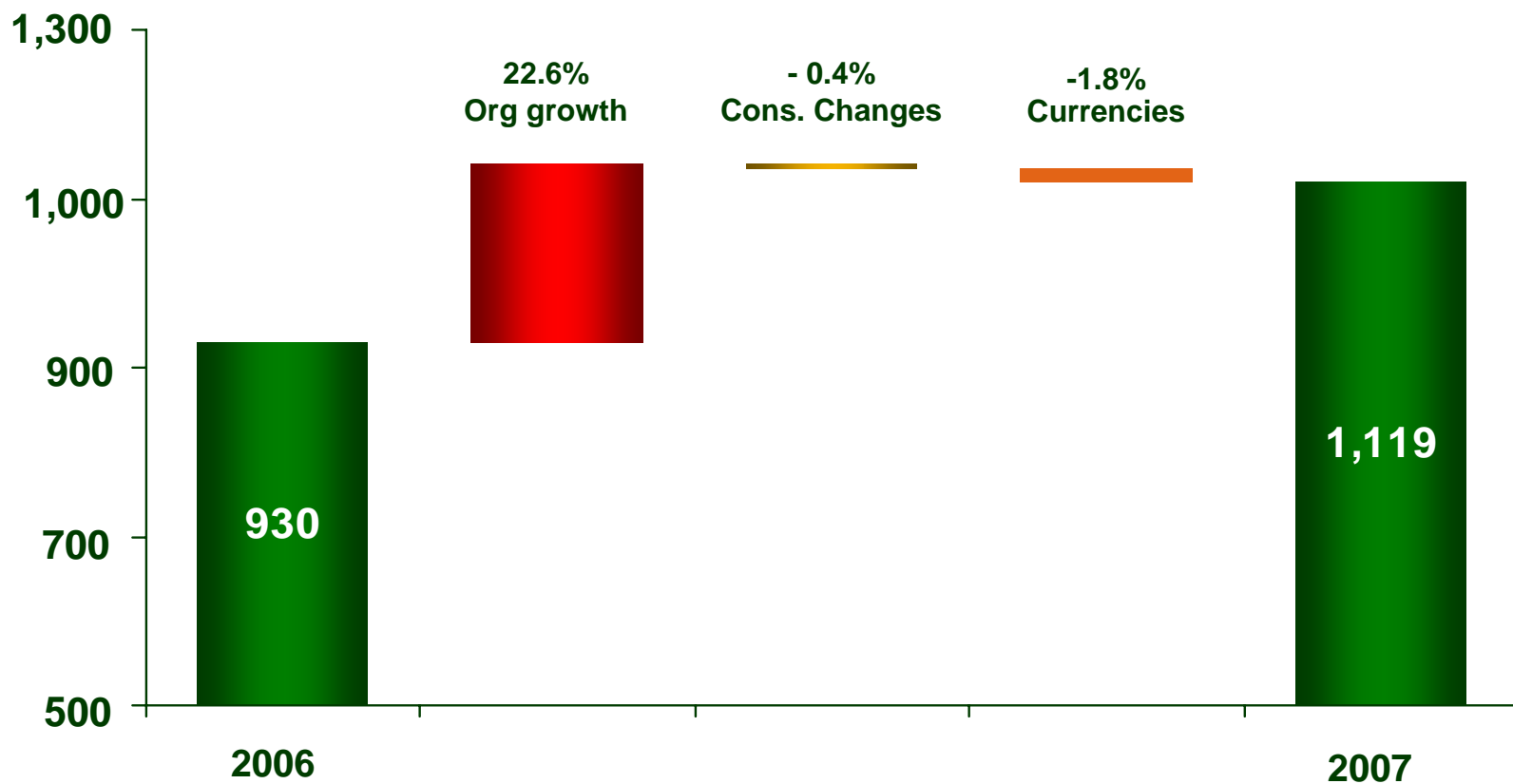
Volumes (m hl)

WE	31.9	51.1	13.7	15.7	7.4	-
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Net profit (beia)

EUR million

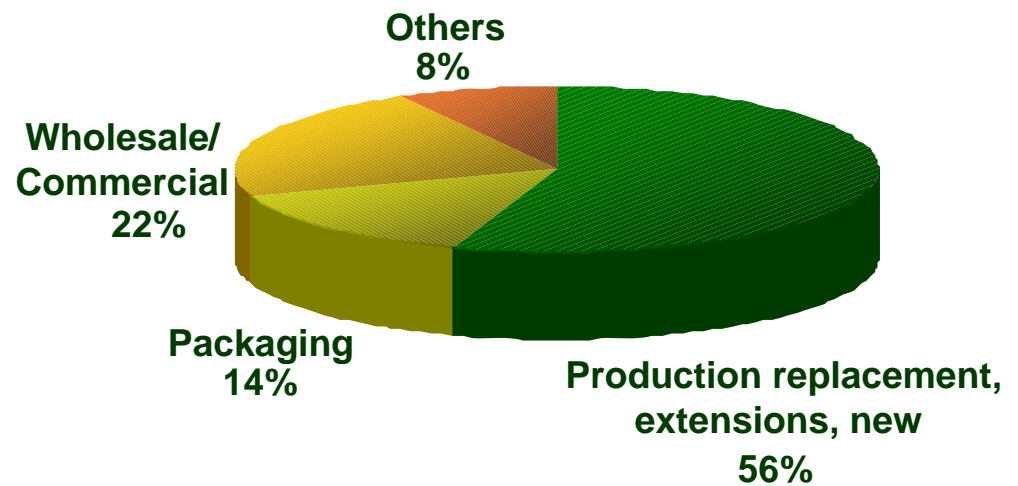




Investments in the growth of the business



Gross capex EUR1.1 billion



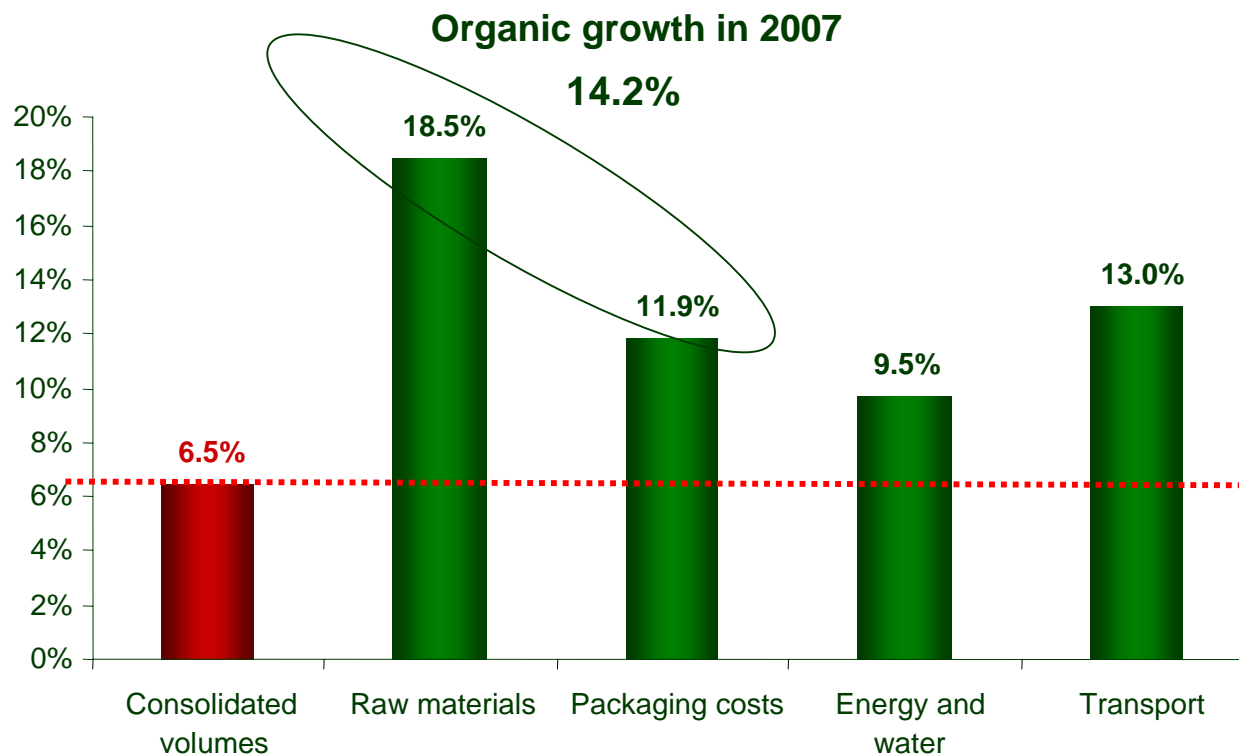


Strong balance sheet, healthy ratios

	2004	2005	2006	2007
Gearing	87.7%	66.7%	40.0%	35.7%
Cash conversion	97.5%	120.0%	105.3%	57.9%
Net debt/EBITDA (beia)	1.41	1.26	0.82	0.75
Net debt/EBITDA (beia) pro-forma (with Scottish & Newcastle)				2.7



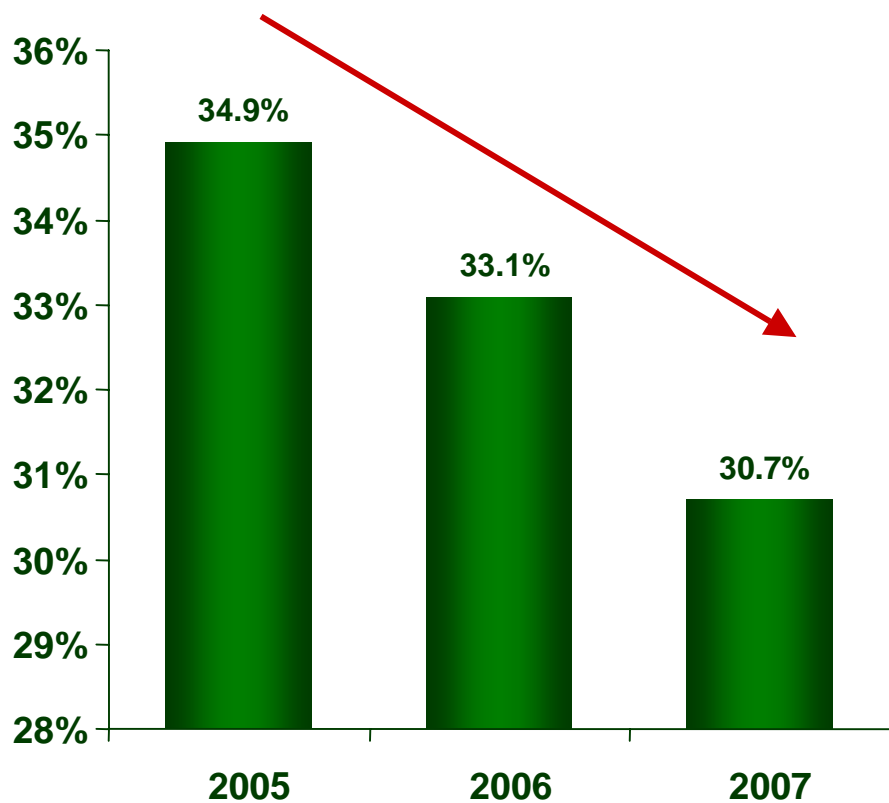
Input costs – 2007 analysis



- 2008: Input costs +15% price/hl, mainly malt prices
- Heineken has secured majority of its needs
- Expect to pass on the impact in most of its markets



Fit 2 Fight: accelerated delivery

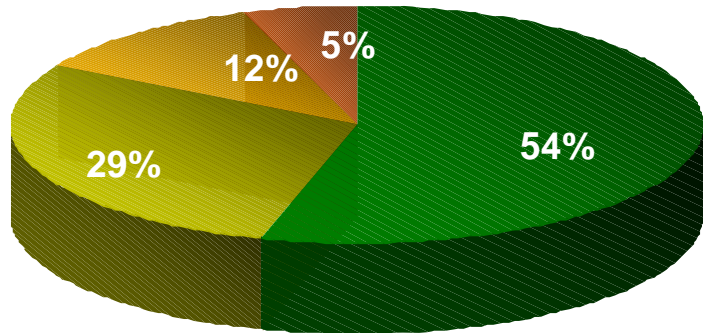


- F2F ratio improved 240 bp to 30.7%
- Gross savings 2007: EUR191m
- Exceptional restructuring costs EUR 57m before tax
- EUR450m will be achieved as planned
- Restructuring costs 2008 ca. EUR 75m



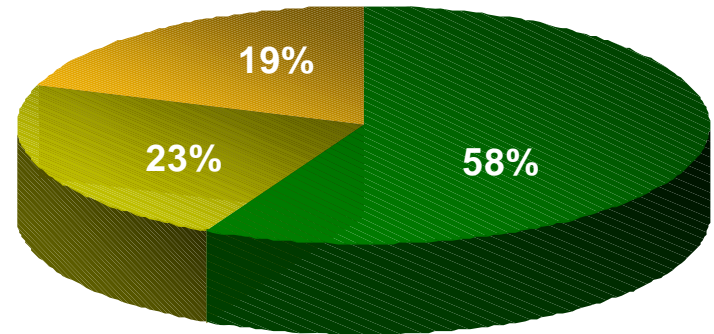
Fit 2 Fight: Break-down by region and function

F2F savings regional split 2007



- Western Europe
- Central and Eastern Europe
- Africa
- Others

F2F savings functional split 2007



- Supply chain
- Commercial
- Support Functions



2007 Summary



- 22.6% organic net profit growth
- Organic consolidated beer volume +6.5%
- Price/mix improvement > 3%, passing on input costs
- 10% volume growth of Heineken brand
- F2F delivering EUR191m gross savings
- EBIT (beia) margin 140 bp to 14.7%
- Expecting another year of positive organic net profit growth
- Anticipated acquisition of Scottish & Newcastle

Commercial

★ Heineken®



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 glow. The background is dark, and the floor is reflective.

Questions

for a fresher world*  **Heineken**[®]

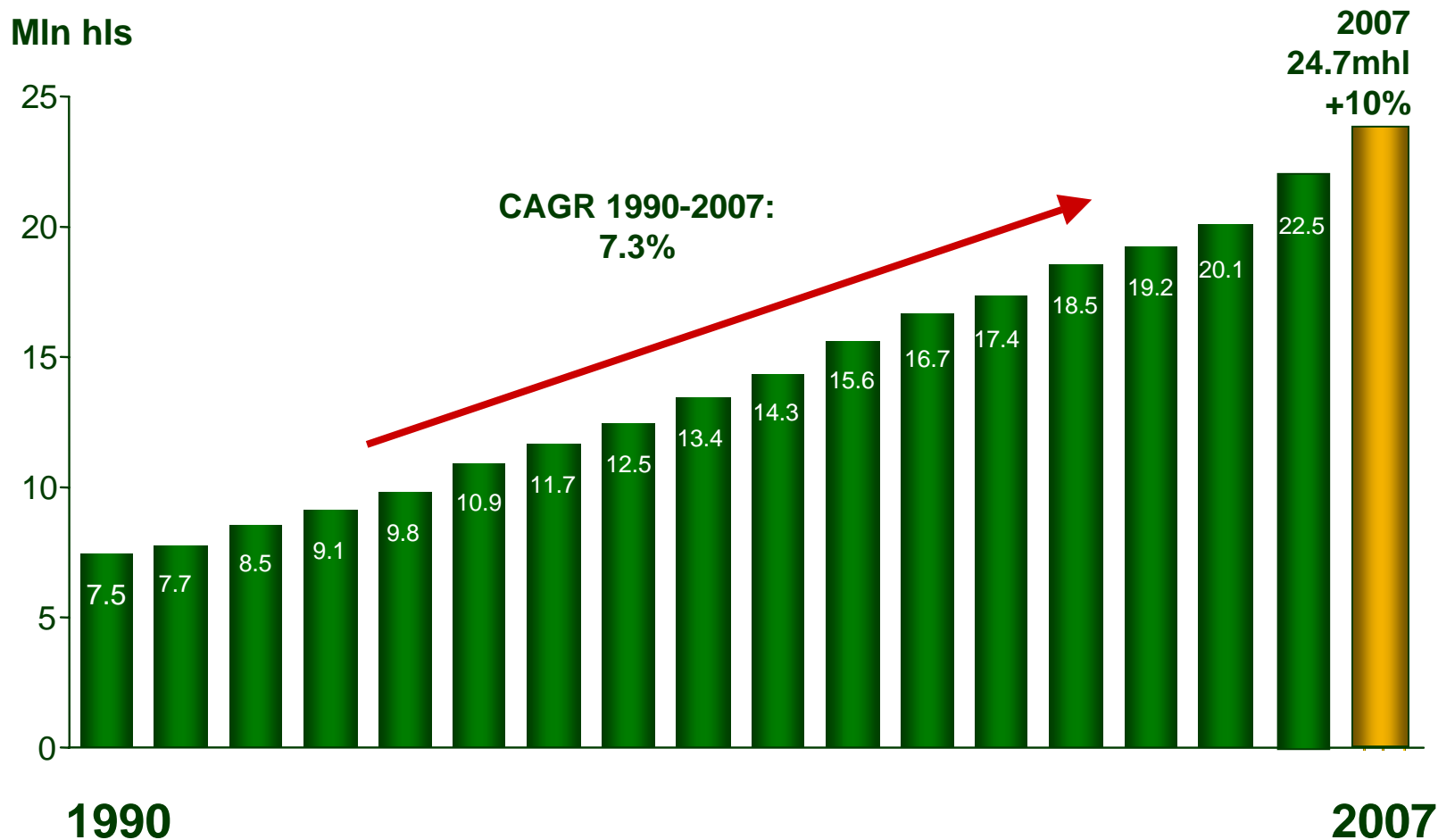


Appendix





The Heineken® brand: Growing faster, gaining share in IPS





Exceptional items

Impact at EBIT level

EURm	2006	2007
Net gain on sale of assets	375	9
Costs associated to F2F	-102	-57
European Fine		-219
Write-offs		-40
Total exceptional items	273	-307
Amortisation of brands	-10	-11
Total EIA effect	263	-318

Impact at Net profit level

EURm	2006	2007
Impact at EBIT level	273	-307
Tax deductions for goodwill	49	0
Tax effect	-31	6
Total exceptional items	291	-301
Amortisation of brands	-10	-11
Total EIA effect	281	-312



US Dollar Hedging

Position

USD million

Net
Inflow

Hedged
Part**

Hedged
Rate***

2005A	767	767	1.26
2006A	866	866	1.26
2007F	798	798	1.27
2008F	853	720	1.33
2009F	932	253	1.38

Impact

EUR million

Net
Profit

2005A	- 39
2006A	- 4
2007A	-9
2008F*	-28
2009F*	-38

* Assuming USD spot rate at 31 December corresponds with the hedging rate – spot rate used for open positions only

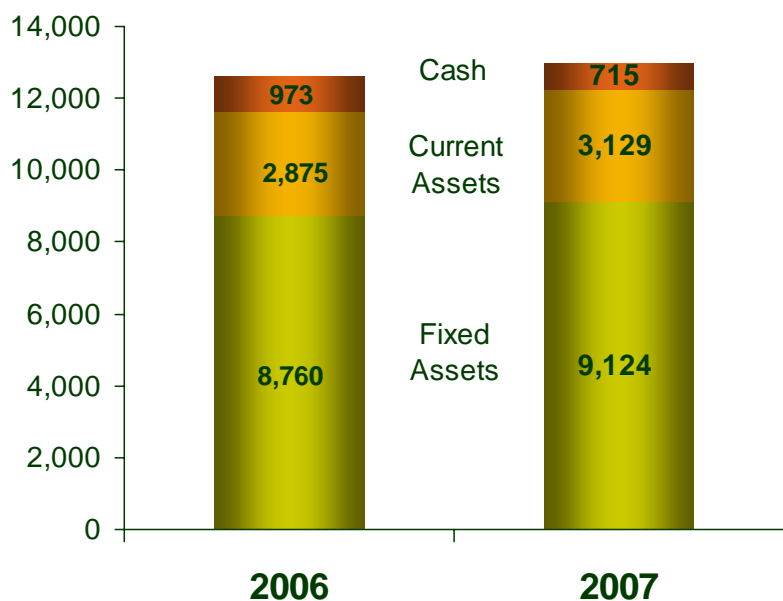
** Hedging as at mid February

*** Including the costs of hedging

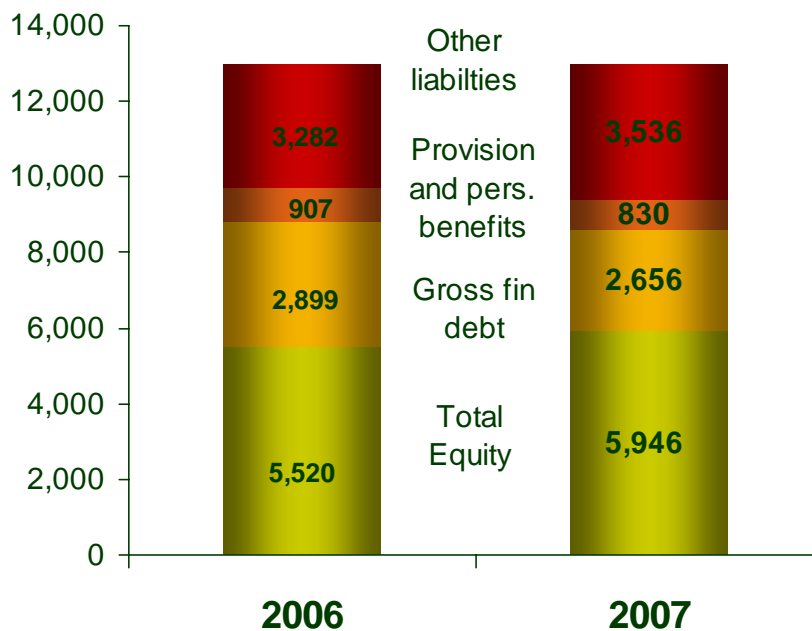


Balance Sheet FY 2007 (€million)

Assets



Equity and Liabilities

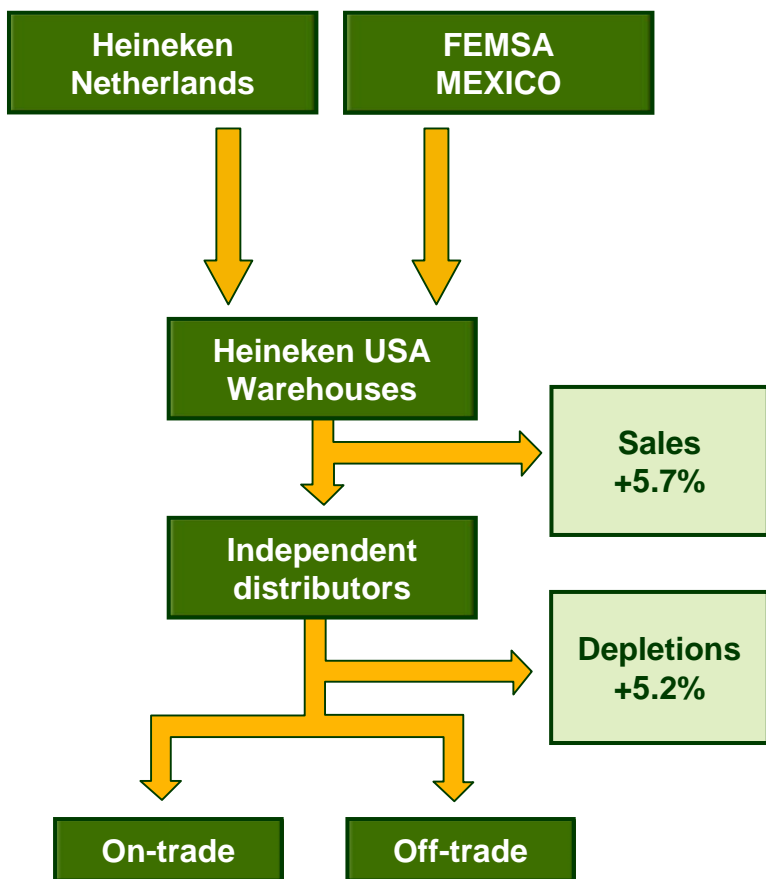


Net debt position in 2007: €1,926m (2006: €1,913m)



HUSA: Strong sales

Heineken USA



- Total US beer market +1%, imports +2.5%
- HUSA sales volume (incl. Femsa): 10.5m hl (+5.7%)
- HUSA generated 70% of growth of the imported beer in the country
- Dutch Portfolio: sales volume +2.9%, depletions +2.3%
- Heineken Lager: sales volume +2.7%, depletions +1.2%
- Heineken Premium Light sales volume +20%, depletions +27%
- Amstel Light: sales volume -11%, depletions -11%
- Femsa Mexican portfolio: sales volume +14%, depletions +14%



Information on core beer markets 2007

Country

Consolidated beer volume million hl*

Russia	15.0
Poland	11.8
Spain	11.4
United States (incl. Femsa)	10.5
Nigeria	8.4
France	6.3
Italy	5.7
Netherlands	5.5
Romania	4.8
Austria	4.5
Chile	3.8
Germany	3.6

* Includes export



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