Heineken HY Results, 26 August 2009

Heineken

Half Year Results 2009

Jean-François van Boxmeer

Chairman of the Executive Board and CEO

René Hooft Graafland

Member of the Executive Board and CFO

Jean-François van Boxmeer

Key developments

Net profit (beia) grew 12% organically

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Delivering on our value strategy

Robust organic Net profit (beia) and EBIT (beia) growth at 12% and 13% respectively

- Challenging markets affect volume
- Brand building continues, price positioning maintained
- Excellent performance in Africa, organic profit growth across all regions including Western Europe
- Total Cost Management delivered EUR50m savings
- Free Operating Cash Flow improved more than EUR0.5bn vs. HY 08
- Integration of S&N and other acquisitions completed, focus on:
  - Unlocking synergies
  - Improving performances
  - Clear signs of improvement

- Expected organic Net profit(beia) growth at least high single digits for FY2009

Strong organic profit growth

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Pricing and cost reduction exceed effect of organic volume drop

(EURm)	HY 2009	HY 2008	Change	Organic change
Consolidated beer volume (mhl)	60.8	58.6	+3.8%	-6.6%
Revenue	7,147	6,411	+11%	-0.4%
EBIT (beia)	993	925	+7.4%	+13%
Net profit (beia)	483	540	-10%	+12%
Net profit	489	407	+20%	-

Western Europe

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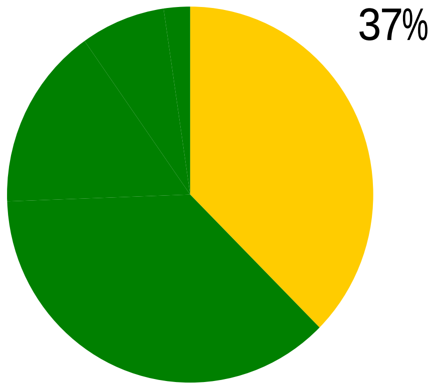
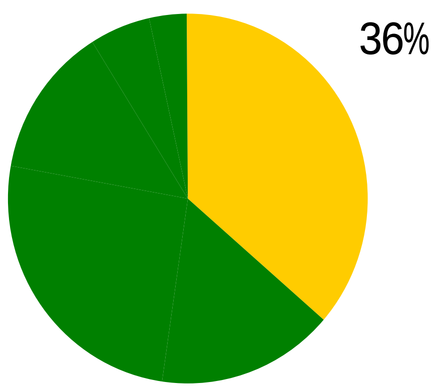
Strong organic profit growth

Consolidated Volumes



EBIT (beia)



Double digit organic EBIT (beia) growth; pricing and cost reductions exceed effect of lower volume

- Spain: limited drop in beer consumption, higher EBIT (beia)
- UK: investing in brands, better pricing, gaining share, synergies realised
- France: value and volume market share, Heineken®, revenue and EBIT all grew
- Netherlands: substantial excise duty increase and smoking ban. EBIT (beia) lower
- Italy: volume recovered from Q1 delisting, EBIT (beia) slightly lower

UK: Turning the corner

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Exercising market leadership

Clear signs of improvement

- Increased volume share and value share in beer and cider
- Investing in brands, new campaigns for Foster's and Strongbow
- Heineken® benefiting from distribution power of S&N UK
- Improved pricing and reduced promotional activities
- Reducing overcapacity: winding down Berkshire brewery
- 80% of EUR184m of synergies realised

Central & Eastern Europe

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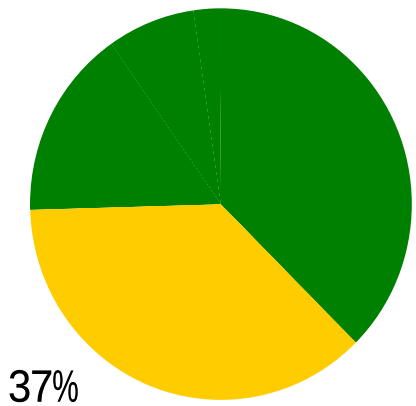
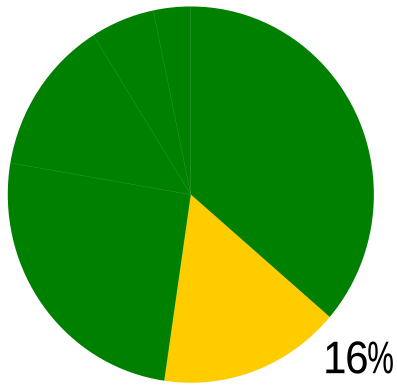
Pricing and TCM mitigate lower volume and forex

Consolidated Volumes



EBIT (beia)



Positive organic EBIT growth driven by pricing and substantial cost cutting, despite lower volume due to recession and adverse weather. EBIT (beia) lower due to EUR67m negative currency impact

- Austria: EBIT (beia) growth, market recovering in Q2
- Russia: substantial EBIT (beia) improvement driven by pricing and cost cutting in a challenging market
- Poland: underlying business performed well, market share up, weaker zloty impacts EBIT (beia)
- Greece: lower volumes and low price increases reduced EBIT (beia)

Africa & Middle East

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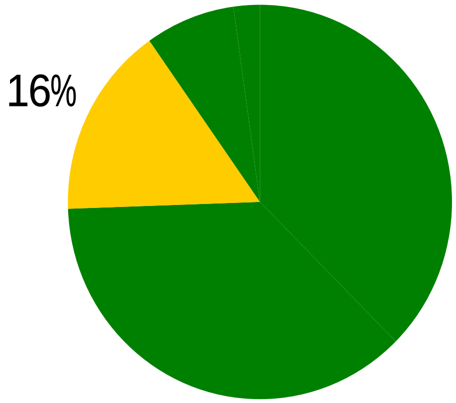
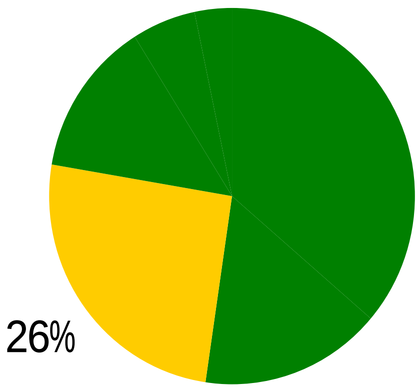
Star performer once again

Consolidated Volumes



EBIT (beia)



Organic growth in volume, revenue and profit; cost reduction

Global recession has limited impact on Africa

- Nigeria volume +9%, EBIT (beia) +25%, all key brands growing
- South Africa: Amstel® and Heineken® continue to gain share. Sedibeng brewery nearing completion

The Americas

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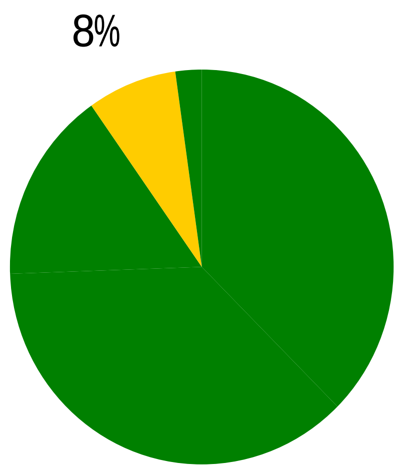
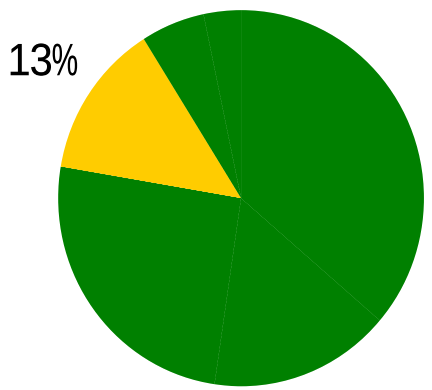
Strong EBIT growth, but work to do

Consolidated Volumes



EBIT (beia)



EBIT (beia) grew as better pricing and mix exceed effect of lower volumes

Positive currency contribution

- USA: consumer trading down, volume lower, rate of volume decline slowing, Mexican portfolio gains share
  Organically, EBIT only slightly lower

- CCU: volume and profit contribution increased

Asia Pacific

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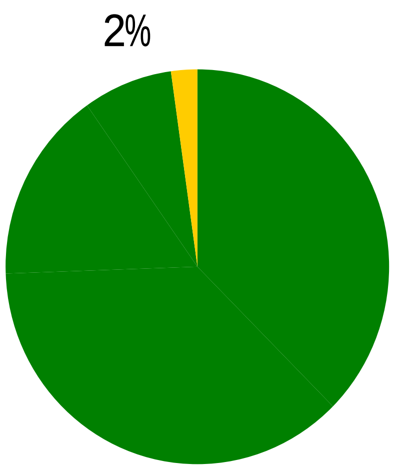
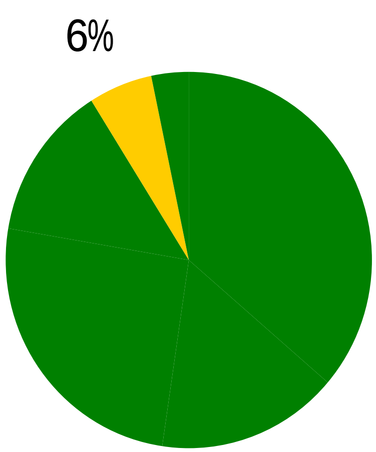
Robust EBIT growth across the region

Consolidated Volumes



EBIT (beia)



Volume +2%. Higher margins and lower cost drove EBIT (beia) growth. Profit contribution from associates substantially higher

- APB: volume broadly stable, Tiger volume grew, higher profit contribution driven by Vietnam and Singapore

- India: United Breweries increased volume and market share, profit increased substantially.
  Heineken is optimistic of reaching agreement with all relevant parties on how best to benefit from the opportunity presented by the Indian beer market

- Direct operations: strong EBIT growth at Multi Bintang Indonesia, New Caledonia and export operations

Full year Outlook 2009

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- Recession will continue to affect volumes
- Focus on brands and restoring margins through maintaining pricing and mix
- TCM will deliver further savings
- Improving the performance of acquired businesses
- Strong Cash Flow generation and debt reduction will continue
- Increased impact of weaker zloty, naira and dollar on results

Expected organic Net profit (beia) growth at least high single digit for FY2009

Commercial

René Hooft Graafland

Financials

HY 2009 financial overview

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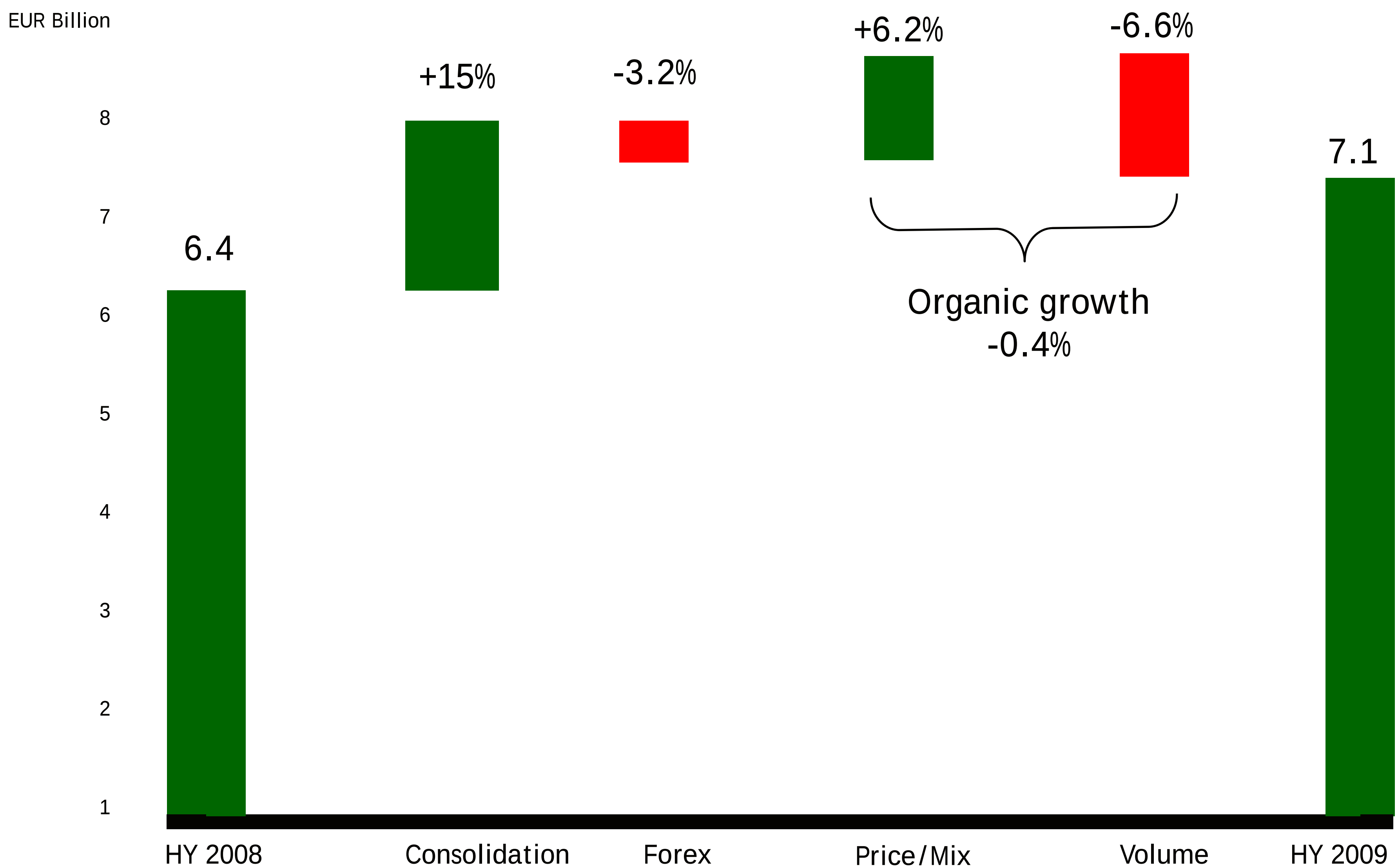
Robust performance in a tough year

EURm	HY 2009	HY 2008	Change	Organic Change
Consolidated beer volume (mhl)	60.8	58.6	+3.8%	-6.6%
Heineken premium (mhl)	12.3	12.9	-4.7%	
Revenue	7,147	6,411	+11%	-0.4%
EBIT (beia)	993	925	+7.4%	+13%
Net profit (beia)	483	540	-10%	+12%
Net profit	489	407	+20%	
Net debt	8,806	9,294		

Revenue organically stable

Pricing supports performance



Strong organic profit growth

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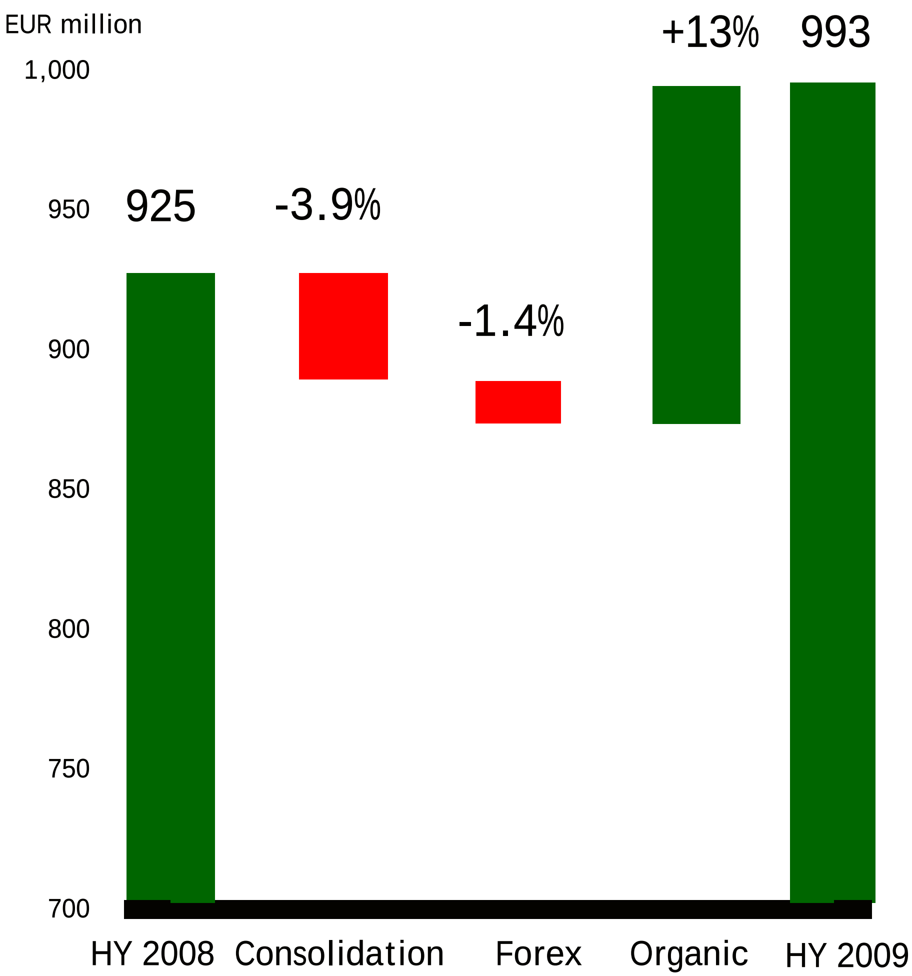
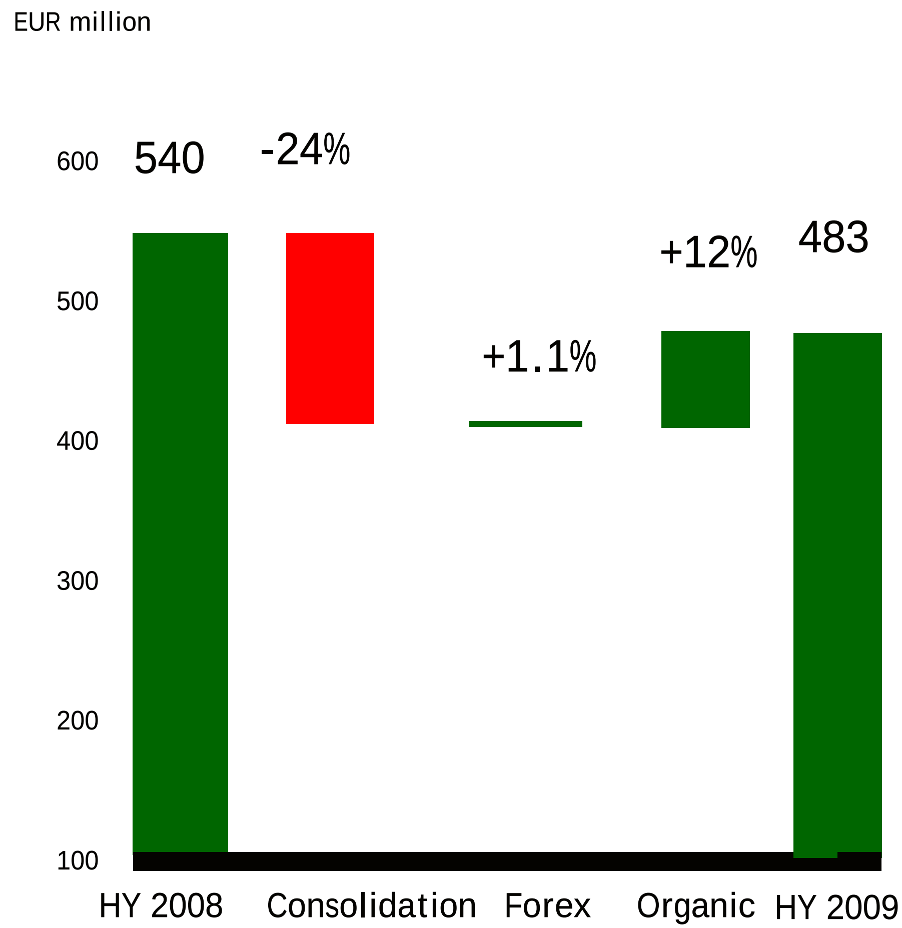
Value strategy and cost reductions deliver strong results

EBIT (beia)



Net Profit (beia)



Total Cost Management

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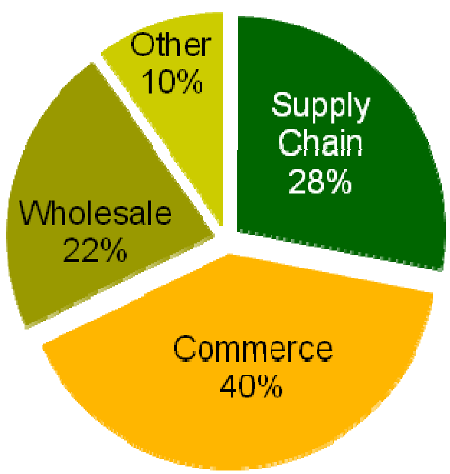
Continued aggressive cost cutting

The TCM programme

- 3-year programme 2009-11
- 4 areas:
  - Supply Chain
  - Commerce
  - Wholesale
  - Others

TCM: split in HY 2009



TCM in HY 2009

Realised savings	EUR50 m
Annualised	EUR120 m
Restructuring charges	EUR29 m

- Realised:
  - Commercial headcount reduction in USA and Russia
  - Arano brewery closed (Spain)
  - Fixed cost reduction in wholesale; third parties product centralised purchases
  - SKU rationalisation
  - Streamlining consultancy and general costs

Organic EBIT (beia) growth across all regions

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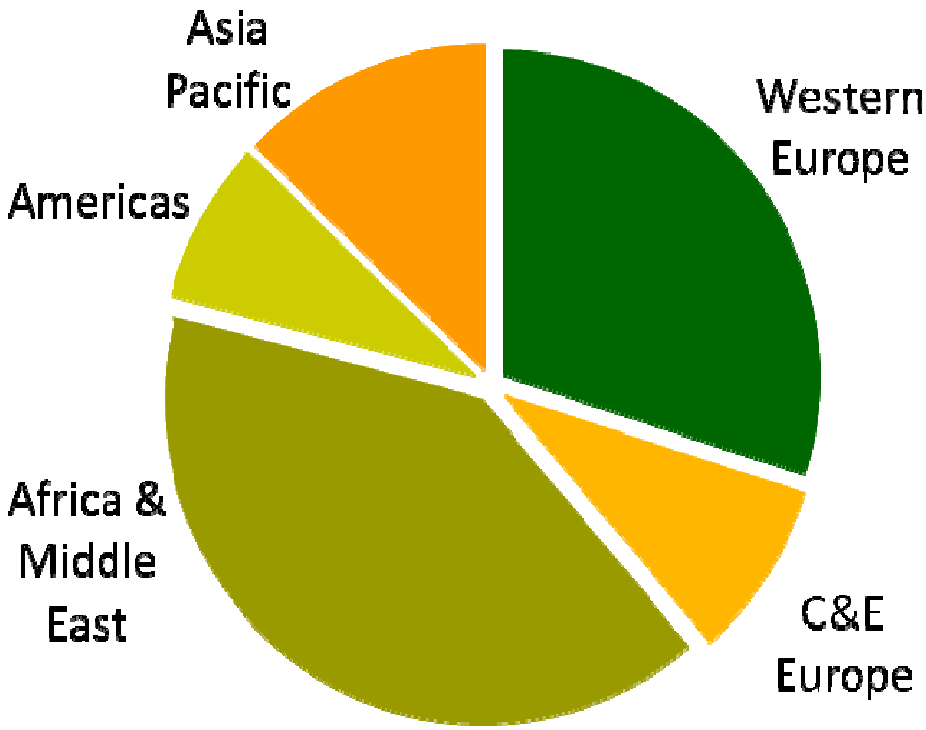
Organic EBIT (beia) growth*



* excluding Head Office

- Organic EBIT growth +13%,
  (EUR117 m)
- All regions positive
- S&N included in the organic performance for 2 months

S&N synergies

80% of synergies realised

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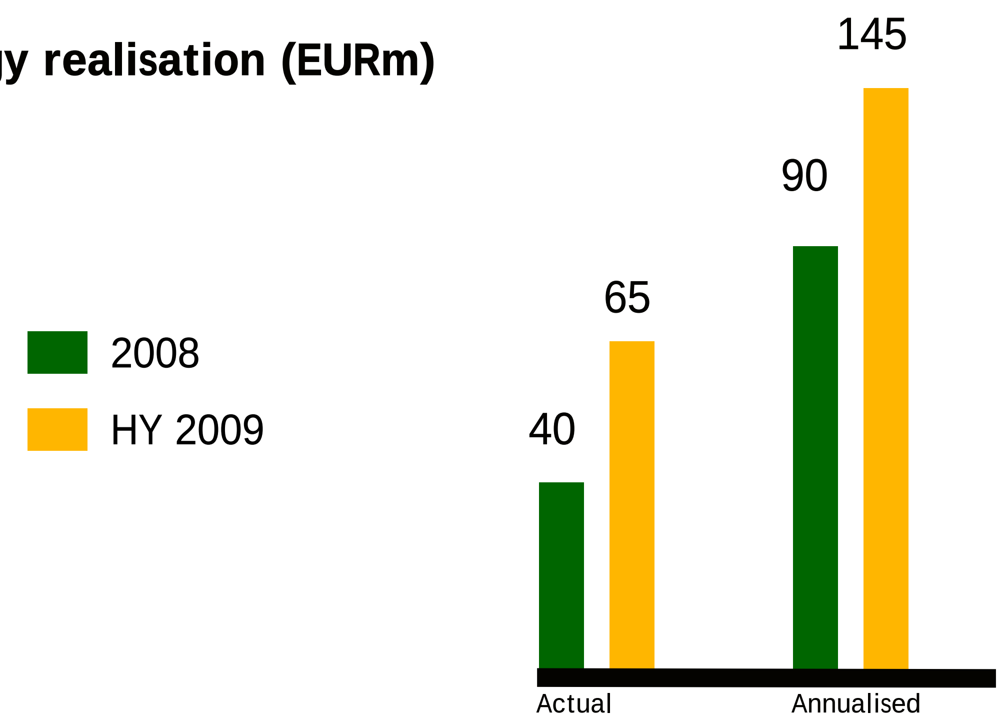
- EUR145m synergies achieved on an annualised basis
- HY 2009:
  - Savings of EUR65 m
  - Exceptional restructuring costs of EUR18 m in HY 2009

Synergy realisation (EURm)



Stronger cash flow

Hunt for Cash 2 (H4C2) delivering

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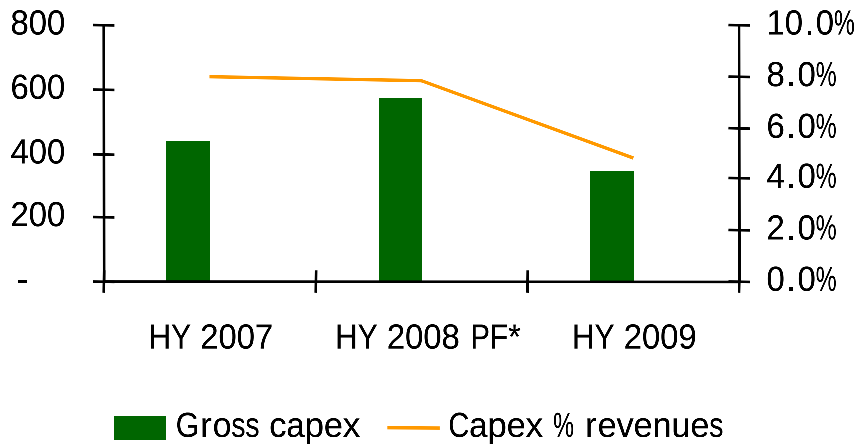
H4C2

- 3 year programme
- Aimed at improving cash conversion ratio to >100% in 2009 -11
- Focused on net working capital, capex and redundant assets

H4C2 in HY 2009

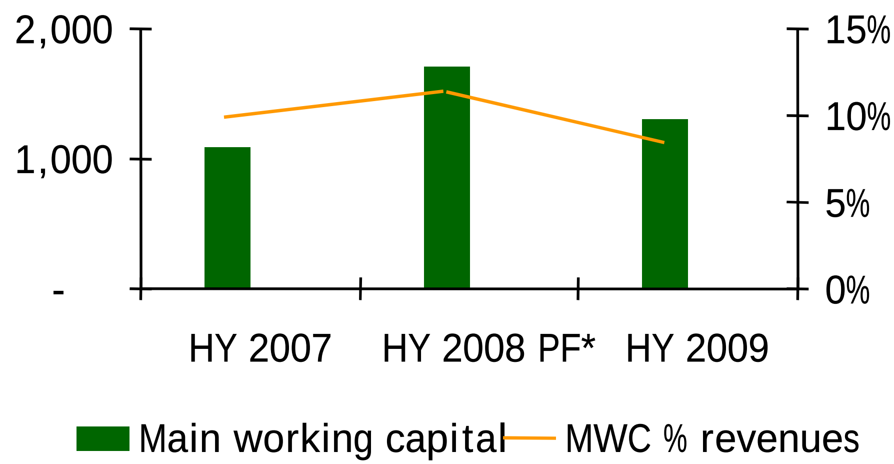
- Free operating cash flow improved by EUR531 m
- Improvement in Net Working Capital
- Lower capex
- FY2009 capex forecast at EUR700 m

Capex



* Including 6M of S&N revenues

Main Working Capital



* Including 6M of S&N revenues

A sound maturity profile

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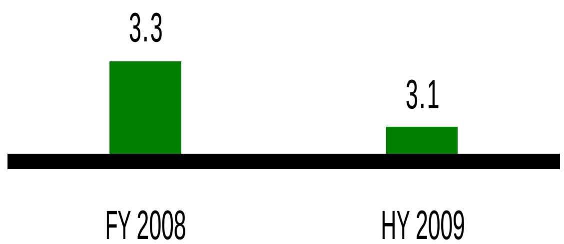
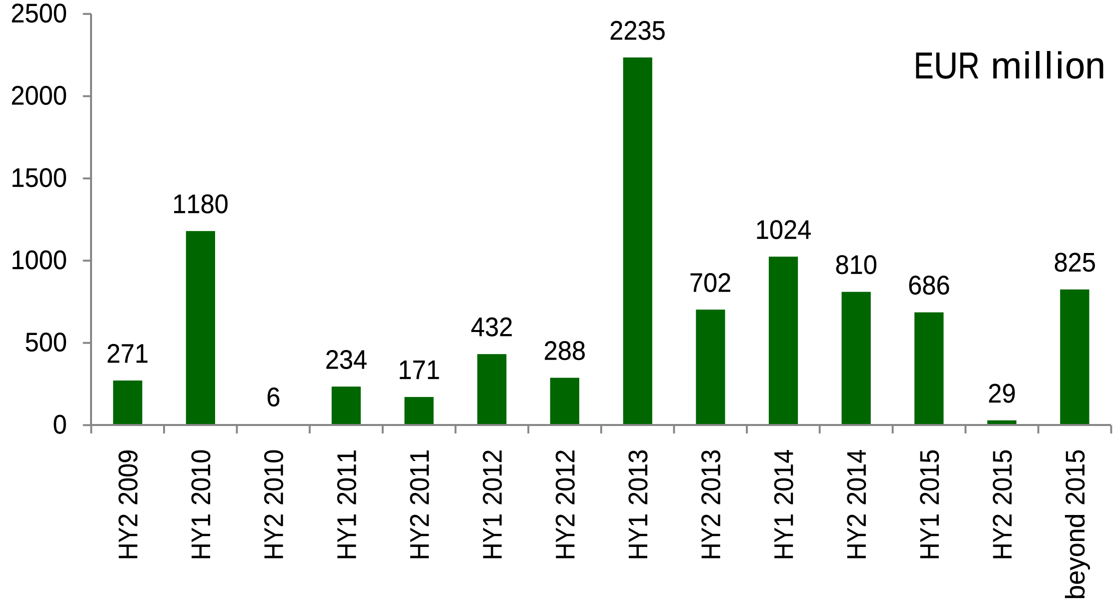
No refinancing required before March 2012

Net debt/EBITDA trend



Long term debt - Maturity profile



- Net Debt decreased from EUR9.3 bn to EUR8.8 bn in 1 year
- Net Debt/EBITDA ratio decreased from 3.3x to 3.1x in 6 months
- 85% of debt EURO denominated, low sensitivity to currency fluctuations
- 86% at fixed interest rates
- Headroom on June 2009: Over EUR2 bn

Summary

Delivering despite the challenges

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- Value strategy effective
- Heineken brand outperforms overall the portfolio
- TCM delivered EUR50 m savings
- Organic EBIT (beia) growth 13%, organic Net profit (beia) growth 12%
- Strong cash flow, sound financial structure, H4C2 delivering

Expected organic Net profit (beia) growth at least high single digit for FY2009

Commercial

Questions

A sound maturity profile

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Pro-active financial management

Recent issues/renegotiated lines

	Amount	Maturity
Acq. Facility A	324	2010
Acq. Facility B	2170	2013
RCF	380	2012
Bond	500	2010
Bond	600	2013
Bond	1000	2014
Bond	450	2015
US PP	341	2015-2018
Schuldschein	418	2013-2016

- Issued EUR1,450 m of bonds for an average rate of ca.7%, with strong market response
- Issued Private placements of EUR759 m
- Repurchased 85.7% Class A1 of Globe notes
- Repurchased 31.6% Class B1 of Globe notes
- Entered as a swap counterpart for Globe

Balance Sheet June 2009

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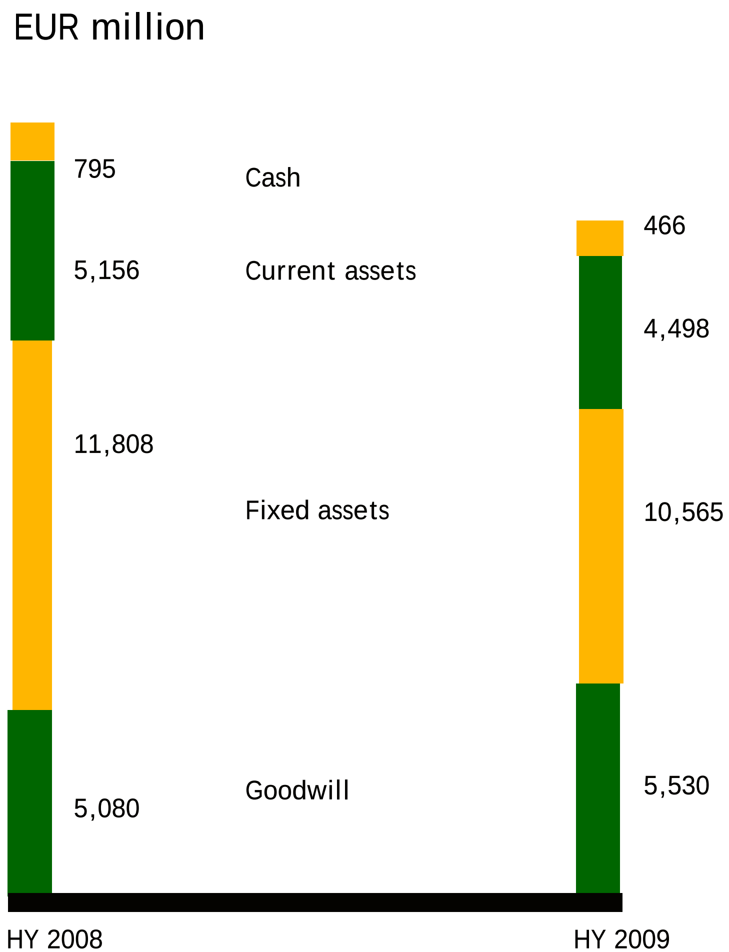
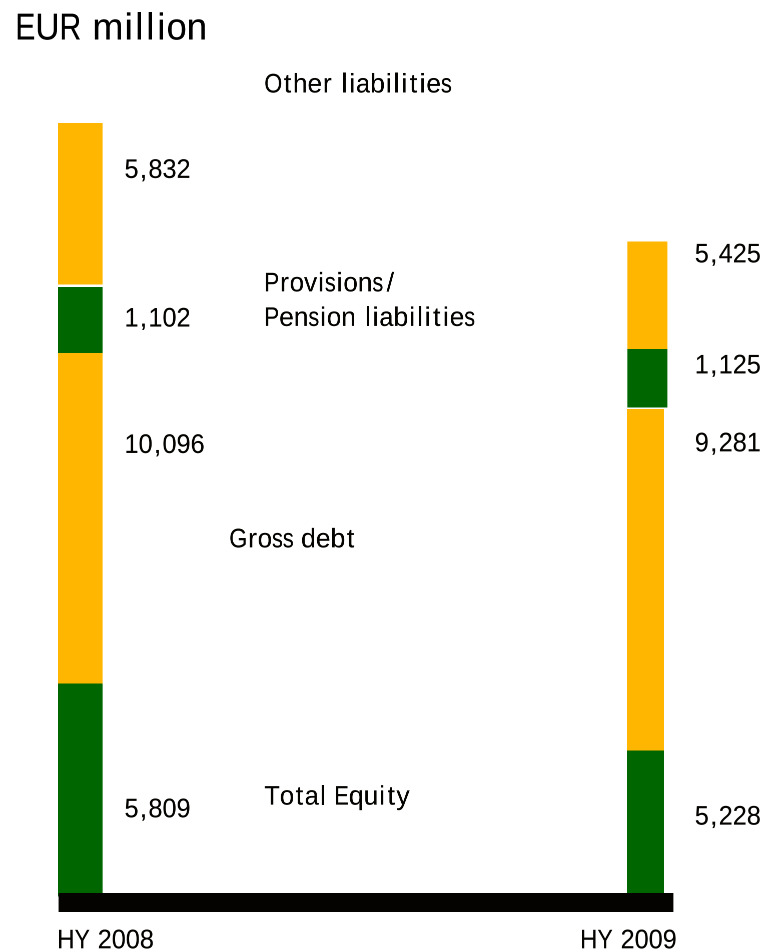
Sound financial structure

Assets



Equity and liabilities



US Dollar Hedging

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Position

USD million	Net Inflow	Hedged Part**	Hedged Rate***
2006A	866	866	1.26
2007A	798	798	1.27
2008A	832	832	1.38
2009F	866	805	1.43
2010F	848	551	1.35

* Assuming USD spot rate at 31 December corresponds with the hedging rate - spot rate used for open positions only
** Hedging as at 24th August 2009
*** Including the costs of hedging

Impact

EUR million	Net Profit
2006A	-4
2007A	-9
2008A	-31
2009F*	-15
2010F*	19

Listings

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Dow Jones Sustainability Indexes
Member 2008/09

- 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 GLOBAL COMPACT

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.

THE GLOBAL COMPACT
WE SUPPORT

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.

THE GLOBAL COMPACT

- 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.

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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.

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26 August 2009

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