

HEINEKEN N.V. Trading Update – Third Quarter 2011

Amsterdam, 26 October 2011 – HEINEKEN N.V. today announced its trading update for the third quarter of 2011. In the quarter:

- On an organic¹ basis, revenue grew 3.0% driven by higher volumes and improved price and sales mix;
- Higher marketing investment supported total consolidated volume and consolidated beer volume organic growth of 1.1% and 2.2%, respectively;
- Volume of the Heineken® brand in the international premium segment increased 4%, outperforming group beer volumes, supported by the continued success of the global brand campaign ‘Open Your World’;
- Organically, EBIT (beia) was lower, primarily due to higher planned costs;
- Reaffirm outlook for full year 2011 net profit (beia) to be broadly in line with last year, on an organic basis;
- The share repurchase programme in connection with the acquisition of FEMSA Cerveza has been completed ahead of schedule.

Financial Results

During the quarter, **revenue** grew 0.6% to €4,645 million, including a positive first time consolidation impact of €32 million, or 0.7%, mainly related to the acquired breweries in Nigeria in January 2011. Foreign currency movements contributed to a negative translational effect on revenues of 3.1% in the quarter. This primarily reflects devaluation of the Nigerian naira, Polish zloty, British pound and Mexican peso versus the euro reporting currency. On an organic basis, revenue grew 3.0%, reflecting a positive volume effect of 0.5% (including the impact of country mix) and improved price and sales mix of 2.5%.

On an organic basis, **EBIT (beia)** was lower in the quarter. While revenues increased and ongoing TCM cost savings were realised, the effect of poor weather in July and early August resulted in negative operational leverage in Europe. In addition, higher planned marketing spend, upfront capability building investments in Commerce and Business Services and a low single-digit increase in input costs per hectolitre reduced profit. In the quarter, a slight positive consolidation scope impact was more than offset by an adverse translational effect from foreign currency movements.

HEINEKEN’s share of net profit of associates and joint ventures grew substantially, driven by strong performances of the Asia Pacific Breweries and South African joint venture operations.

¹ An explanation of key volume and financial terms used are provided under the heading ‘Definitions’ at the end of this update.

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There were no exceptional costs in the quarter. Reported **net profit** in the quarter was €525 million, broadly in line with the prior year.

Full Year Outlook

HEINEKEN confirms its earlier outlook for net profit (beia) to be broadly in line with last year, on an organic basis. The Company reaffirms its previous cost synergy target, related to the acquisition of FEMSA Cerveza, of €150 million by the end of 2013. The Company reiterates its estimate of an average interest rate of around 5.5% and does not expect material changes to the effective tax rate (beia) in 2011 (2010: 27.3%).

Volume

Total Consolidated Volume

Q3 2011 (mhl)	Change (%)	Organic Change (%)	Regions	9 months 2011 (mhl)	Change (%)	Organic Change (%)
18.4	-3.0	-3.3	Western Europe	50.6	-2.3	-1.2
14.6	4.8	4.8	Central & Eastern Europe	37.9	6.6	6.6
7.1	10	6.2	Africa & the Middle East	20.8	11	5.8
12.9	0.2	0.5	The Americas	37.3	44	-0.7
0.4	12	12	Asia Pacific	1.1	-5.2	9.1
53.4	1.6	1.1	Total	147.7	11.5	2.1

In the third quarter, total consolidated volume grew by 1.1% on an organic basis, with growth in consolidated beer volume (+2.2%) partly offset by lower volumes in wholesale operations and soft drinks. Volume of the cider category was broadly in line with the prior year.

Consolidated Beer Volume

Q3 2011 (mhl)	Change (%)	Organic Change (%)	Regions	9 months 2011 (mhl)	Change (%)	Organic Change (%)
12.7	-1.7	-1.7	Western Europe	35.1	0.0	0.0
13.8	5.8	5.8	Central & Eastern Europe	35.6	7.5	7.5
5.2	12	6.4	Africa & the Middle East	15.9	15	7.8
12.8	0.4	0.8	The Americas	37.1	51	-0.7
0.4	12	12	Asia Pacific	1.0	-3.8	9.3
44.9	2.7	2.2	Total	124.7	16	3.2

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Group Beer Volume

Q3 2011 (mhl)	Change (%)	Organic Change (%)	Regions	9 months 2011 (mhl)	Change (%)	Organic Change (%)
12.8	-1.7	-1.7	Western Europe	35.4	0.3	0.0
16.0	4.9	4.9	Central & Eastern Europe	41.4	6.5	6.5
6.8	10	6.0	Africa & the Middle East	20.5	11	5.9
14.8	0.6	0.9	The Americas	43.7	41	0.6
6.5	3.8	3.8	Asia Pacific	20.1	9.7	6.1
56.9	2.7	2.3	Total	161.1	14	3.5
7.9	4.0	4.0	Heineken® volume	22.7	4.4	4.4

Group beer volume development in the third quarter 2011

Group beer volume grew 2.3% on an organic basis, with volume gains across four of the five regions.

In **Western Europe**, group beer volume decreased 1.7% organically. This primarily reflects the impact of unusually poor weather in July and early August across large parts of the region and ongoing economic uncertainty. However, group beer volumes showed a solid improvement in the latter part of the quarter as weather conditions became favourable. In the quarter, volume was lower in the United Kingdom, France, Netherlands and Spain, while volume in Italy grew in the low-single-digits.

In **Central & Eastern Europe**, group beer volume grew 4.9%, on an organic basis, driven by a strong volume rebound in Russia. Volume also increased in other key markets including Austria, Hungary and Romania, whilst volume declined in Poland and Greece. In the latter market, the effect of government austerity measures continues to impede consumer demand, leading to a high single-digit decline in volume in the quarter.

In **Africa & the Middle East**, group beer volume was up 6%, on an organic basis, led by high single-digit growth in Nigeria, Rwanda and our joint venture in the Republic of Congo. Volume of our South African joint venture grew in the mid single-digits, while volume in the Democratic Republic of Congo grew in the low single-digits. Volume in Egypt declined by high single-digits, reflecting a slower pace of volume decline compared with the first half of 2011. Heineken completed the transfer of three breweries acquired from the Sona Group to Nigerian Breweries in early October. The two breweries acquired in Ethiopia in August 2011 will be consolidated in the fourth quarter of 2011.

The Americas achieved organic group beer volume growth of 0.9% driven by higher volume in Brazil, the Caribbean region and the CCU joint venture in Chile and Argentina.

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Depletions in the USA declined at a slightly slower rate versus the first half of 2011 with improving trends for the Heineken® brand and continuing strong double-digit growth of Dos Equis. Volume in Mexico was in line with the prior year period. The successful implementation of the commercial strategy and realisation of planned cost synergies in Mexico continues to support positive revenue and profit momentum in the country.

In *Asia Pacific*, group beer volume increased 3.8% organically, led by mid single-digit growth at our Asia Pacific Breweries joint venture, primarily driven by a continued strong performance in Vietnam. The Taiwanese and South Korean export markets grew strongly, while volume of the United Breweries joint venture in India grew moderately following strong comparative growth in the prior year quarter.

Global brand volume development in the third quarter 2011

Volume of the **Heineken®** brand in the international premium segment grew in the third quarter and year-to-date by 4.0% and 4.4%, respectively. The Africa & the Middle East and Asia Pacific regions led this solid brand performance, up 18% and 15%, respectively, in the quarter. Strong activation around the 'Open Your World' global marketing campaign supported brand growth in many key markets including the UK, Mexico, Brazil, Chile, Nigeria, South Africa, Vietnam and Taiwan. The Heineken® brand was launched in Mumbai in August 2011 and will be rolled-out to other major Indian cities in the coming months. Brand volumes declined in Greece and the USA, primarily reflecting the challenging economic conditions in these markets.

Volume of **Desperados**, the tequila-flavoured beer, grew 18% in the quarter. This follows successful launches in 10 countries since the beginning of 2011 and continued growth in existing markets, led by strong volume gains in France.

Volume of **Strongbow** was in line with the prior year quarter. Higher brand volumes in South Africa and Italy were offset by a low single-digit decline in the UK in the quarter.

Financial structure

At the end of September 2011, HEINEKEN privately placed US\$90 million of notes with a 6-year maturity, further improving the currency and maturity profile of its long-term debt.

On 3 October 2011, the Company announced that all 29,172,504 shares under the terms of the Allotted Share Delivery Instrument ("ASDI") concluded between HEINEKEN N.V. and Fomento Económico Mexicano, S.A.B. de C.V. ("FEMSA") were repurchased. All repurchased shares have now been delivered. Based on the current shareholders' equity base of HEINEKEN N.V., the weighted average diluted number of shares outstanding would be approximately 586.3 million for the full year 2011 and 576.0 million for the full year 2012.

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The net debt position at the end of September 2011 was broadly in line with the amount at 30 June 2011, despite cash outflows associated with an accelerated execution of the ASDI repurchase programme and recent acquisitions in Ethiopia.

HEINEKEN continues to target a cash conversion rate of around 100% for the full year 2011.

Investor calendar HEINEKEN N.V.

Financial Markets Conference	8–9 December 2011
Financial results for the full year 2011	15 February 2012
Trading update for Q1 2012	18 April 2012
Annual General Meeting of Shareholders (AGM)	19 April 2012

HEINEKEN will host an analyst and investor conference call in relation to this trading update today at 10:00 CET/ 09:00 BST. The call will be audio cast live via the Company's website: <http://www.heinekeninternational.com/webcasts/investors>. An audio replay service will also be made available after the conference call at the above web address. Analysts and investors can dial-in using the following telephone numbers:

Netherlands
Local line: +31-(0) 45-631-6902
Toll-Free: 0800-265-8611

United Kingdom
Local line: +44-207-153-2027
Toll-Free: 0800-358-0886

Press enquiries

John Clarke
Head of External Communication
E-mail: john.g.clarke@heineken.com
John-Paul Schuirink
Financial Communications Manager
E-mail: john-paul.schuirink@heineken.com
Tel: +31-20-5239355

Investor and analyst enquiries

George Toulantas
Director of Investor Relations
Lucia Bergamini
Senior Investor Relations Manager
E-mail: investors@heineken.com
Tel: +31-20-5239590

Definitions:

Organic Growth excludes the effect of foreign currency translational effects, consolidation changes, exceptional items, amortisation of brands and customer relations. Beia refers to financials before exceptional items and amortisation of brands and customer relations. Group beer volume includes 100 per cent of beer volume produced and sold by fully consolidated companies and joint venture companies as well as the volume of Heineken's brands produced and sold under license by third parties. Consolidated beer volume includes 100 per cent of beer volume produced and sold by fully consolidated companies (excluding the beer volume brewed and sold by joint venture companies). Total Consolidated volume includes volume produced and sold by fully consolidated companies (including beer, cider, soft drinks and other beverages), volume of third party products and volume of Heineken's brands produced and sold under license by third parties.

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Editorial information:

HEINEKEN is one of the world's great brewers and is committed to growth and remaining independent. The brand that bears the founder's family name – Heineken – is available in almost every country on the globe and is the world's most valuable international premium beer brand. The Company's aim is to be a leading brewer in each of the markets in which it operates and to have the world's most valuable brand portfolio. The Company is present in over 70 countries and operates 140 breweries with volume of 205 million hectolitres of beer sold on a pro-forma basis. HEINEKEN is Europe's largest brewer and the world's third largest by volume. The Company is committed to the responsible marketing and consumption of its more than 200 international premium, regional, local and specialty beers and ciders. These include Heineken, Amstel, Birra Moretti, Cruzcampo, Dos Equis, Foster's, Kingfisher, Newcastle Brown Ale, Ochota, Primus, Sagres, Sol, Star, Strongbow, Tecate, Tiger and Zywiec. On a 2010 pro-forma basis, including FEMSA Cerveza, revenue totalled €17 billion and EBIT (beia) was €2.7 billion. The average number of people employed is more than 70,000. HEINEKEN N.V. and HEINEKEN Holding N.V. shares are listed on the Amsterdam stock exchange. Prices for the ordinary shares may be accessed on Bloomberg under the symbols HEIA NA and HEIO NA and on the Reuter Equities 2000 Service under HEIN.AS and HEIO.AS. Most recent information is available on HEINEKEN's website: www.theHEINEKENcompany.com.

Disclaimer:

This press release 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 exchange-rate fluctuations, changes 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 are only relevant as of the date of this press release. HEINEKEN does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of these statements. Market share estimates contained in this press release are based on outside sources, such as specialised research institutes, in combination with management estimate.