Annual Report 2001

Heineken NV

Profile

Heineken N.V. has the widest global presence of all the international brewing groups, operating in over 170 countries* and employing 40,025 people around the world. With total beer volume of 105.1 million hectolitres in 2001, Heineken is also among the largest. Beer is produced at over 110 breweries in more than 50 countries and by other brewers under licence. Heineken also has a strong export business. Europe accounts for over half of the sales volume.

Strategy and mission

Heineken has its roots in Amsterdam, where Gerard Adriaan Heineken purchased a brewery in 1864. In the ensuing decades, under the leadership of three generations of the Heineken family and pursuing a policy of measured expansion and consistent brand development, Heineken has grown into one of the world's leading brewing groups. In many countries Heineken has secured strong market positions and an efficient cost structure by combining the marketing and sale of the international Heineken premium brand with a range of strong local brands. This generates above-average returns and creates added value for our shareholders. Heineken seeks long-term profit growth by expanding in existing markets and entering new markets. Heineken aims to be the best international brewing group in terms of financial performance. The company's core values include respect, pleasure in the good things in life and a passion for quality. Heineken attaches great importance to having good social and environmental policies.

Brands

The group's principal international brands are Heineken and Amstel. Heineken has the widest global presence of any international beer brand and is the leading brand in Europe. In most markets, the Heineken brand's quality and image mean that it can be positioned in the attractive premium segment. Amstel, the second largest beer brand in Europe, is generally positioned in the mid-priced mainstream segment, the largest segment of the market. Our international brands are supplemented and supported by national and regional brands and a range of speciality beers (which differ from lager in flavour, colour or brewing method), light beers (low-calorie beers) and alcohol-free beers. Heineken also has a very limited presence in the low-priced segment.

Distribution

The beverage wholesalers owned by Heineken play an important role in distribution, especially in Europe. As well as beers, these wholesalers also supply a supporting range of soft drinks, wines and spirits to the on-trade sector. Some of the soft drinks are produced by Heineken.

Research and development

Innovation is very important to a leading company like Heineken, especially in defending the competitive position of its international Heineken and Amstel brands. In pursuit of higher quality, lower cost, greater safety and lower environmental impact, Heineken works hard to improve all the technical processes involved in brewing, packaging and supply chain management. Work in these areas is coordinated by our research and development centre in the Netherlands, which makes its services available to group companies and associated breweries all over the world.

Stock exchange listing

Heineken N.V. shares are quoted on Euronext Amsterdam, Euronext Brussels and the Luxembourg Bourse. Heineken Holding N.V. holds 50.005% of the Heineken N.V. shares. Heineken Holding shares are traded on Euronext Amsterdam.

* The full list of breweries and operating companies can be found on pages 80 – 84.

Annual Report 2001

Heineken NV

4 November 1923

Alfred H. Heineken

3 January 2002

June Mendoza, 1992

In memoriam

The company has bid a respectful farewell to Alfred Heineken, who started work on 1 June 1942, at the age of 18, at the brewery his grandfather had bought in 1864. Heineken N.V. has Alfred Heineken to thank for its transformation from a family company into the international brewing group with the widest global presence.

As major shareholder in the company and Chairman of the Executive Board, Alfred Heineken was a major influence on Heineken's long-term strategy and it was his vision to build it into an international brand. When he stood down as Executive Board Chairman on 27 April 1989, the company had achieved wider geographical coverage than any other international brewing group. After serving as Chairman of the Supervisory Board and delegated Supervisory Director from 1989 to 1995, he ceased to hold an official position within Heineken N.V. but remained as Chairman and delegated member of the Management Board of Heineken Holding N.V., which holds his majority holding in Heineken N.V.

Alfred Heineken was also actively involved in social and cultural affairs. In memory of his father, he set up the Dr. H.P. Heineken Foundation, which has given biennial cash prizes for pioneering scientific research in biochemistry and biophysics since 1964. In the 1980s he formed the Alfred Heineken Fondsen Foundation, which awards four biennial cash prizes for the arts and sciences, the Dr. A.H. Heineken prizes, three of which reward outstanding contributions to medicine, history and environmental sciences, the fourth being awarded to an artist living and working in the Netherlands.

In recognition of his services in various fields, many honours were bestowed on Mr. Heineken. In the Netherlands, these included Knight in the Order of the Netherlands Lion and Commander in the Order of Orange-Nassau. In France, he was made Knight and Officer in the Order of the Legion of Honour and INSEAD, the international management institute, awarded him the honorary title of Master of Business Administration. In the United States, Rochester University made him an honorary Doctor of Law and Hofstra University in New York awarded him an honorary doctorate in Humane Letters. He was also awarded the Amsterdam Silver Medal by the Mayor and Aldermen of the city and Silver Academy Medal by the Royal Netherlands Academy of Arts and Sciences.

Mr. Heineken's death has deprived the company of a unique man who was devoted heart and soul to the business and whose multi-faceted personality combined wide-ranging knowledge, creativity, intuition and humour. We have a great deal to thank him for and his spirit will live on forever within our company.

This is an English translation of the original Dutch-language report.
Both can be downloaded from www.heinekencorp.com

Contents

Key Figures 2001

	2001	2000	Change (%)
Results *in millions of euros*			
Net turnover (incl. excise duties)	**9,163**	8,107	13.0
Operating profit	**1,125**	921	22.1
Net profit on ordinary activities	**715**	621	15.1
Dividend	**157**	125	25.0
Cash flow from operating activities	**1,165**	1,035	12.6
Balance sheet *in millions of euros*			
Total assets	**7,217**	6,289	14.8
Group equity	**3,139**	2,520	24.6
Shareholders' equity	**2,758**	2,396	15.1
Issued capital	**784**	711	10.2
Per share of EUR 2.00*			
Number of shares issued	**391,979,675**	313,583,740	25.0
Cash flow from operating activities	**2.97**	2.64	12.5
Net profit on ordinary activities	**1.82**	1.58	15.1
Dividend	**0.40**	0.32	25.0
Shareholders' equity	**7.04**	6.11	15.2
Net turnover *in millions of euros*			
(incl. interregional sales)			
Europe (incl. Exports)	**7,907**	7,272	8.7
Western Hemisphere	**1,176**	987	19.1
Africa/Middle East	**776**	392	98.0
Asia/Pacific	**472**	504	– 6.3
Tangible fixed assets *in millions of euros*			
Investments less disposals	**579**	418	38.5
Depreciation and value adjustments	**471**	445	5.8
Staff *in numbers*			
Average number of employees	**40,025**	37,857	5.7
of which employed by Dutch operating companies	**5,620**	5,585	0.6
Ratios			
Operating profit as % of net turnover	**12.3**	11.4	
Operating profit as % of total assets	**15.6**	14.6	
Net profit as % of shareholders' equity	**25.9**	25.9	
Dividend as % of net profit on ordinary activities	**22.0**	20.1	
Group equity/other borrowed capital	**0.77**	0.67	
Group equity/fixed assets	**0.75**	0.65	
Current assets/current liabilities	**1.37**	1.27	
Interest cover ratio	**16.5**	14.8	

* The figures per share for 2000 have been restated according to the number of shares in issue as at year-end 2001.

Heineken International Campaign *Bottle Opener*

Agency *Bates Singapore*

Awards *Cannes Lions 2001 – Silver Lion*

Executive Board

K. Vuursteen (1941)
Dutch nationality
Chairman
1991 Member of the Executive Board
1992 Vice-Chairman
1993 Chairman

A. Ruys (1947)
Dutch nationality
Vice-Chairman
1993 Member of the Executive Board
1996 Vice-Chairman

S.W.W. Lubsen (1944)
Dutch nationality
1995 Member of the Executive Board

M.J. Bolland (1959)
Dutch nationality
2001 Member of the Executive Board*

J.F.M.L. van Boxmeer (1961)
Belgian nationality
2001 Member of the Executive Board*

* from 1 May 2001

Supervisory Board

(as at 26 February 2002)

R. Hazelhoff (1930)
Dutch nationality
Appointed in 1994
Last reappointed in 1998[1]
Chairman
Chairman of the Preparatory Committee
Profession: Banker
Supervisory Directorships[2]:
- Gamma Holding N.V.
- Koninklijke Nedlloyd Groep N.V.
- N.V. Twentsche Kabel Holding

M. Das (1948)
Dutch nationality
Appointed in 1994
Last reappointed in 2001[1]
Delegated Member
Secretary of the Preparatory Committee
Profession: Lawyer
Partner in Loyens & Loeff
Management Board[2]:
- Heineken Holding N.V.

J. Loudon (1936)
Dutch nationality
Appointed in 1978
Last reappointed in 2000[1]
Member of the Audit Committee
Profession: Banker
Chairman of Caneminster Limited, United Kingdom

A. Maas (1934)
Dutch nationality
Appointed in 1989
Last reappointed in 1998[1]
Member of the Preparatory Committee
Profession: Company Director
Supervisory Directorships[2]:
- TPG N.V.
- Koninklijke Luchtvaart Maatschappij N.V.

H. de Ruiter (1934)
Dutch nationality
Appointed in 1993
Last reappointed in 2001[1]
Chairman of the Audit Committee
Profession: Engineer
Supervisory Directorships[2]:
- Koninklijke Ahold N.V.
- Aegon N.V.
- N.V. Koninklijke Nederlandsche Petroleum Maatschappij
- Wolters Kluwer N.V.
- Koninklijke Vopak N.V.

M.R. de Carvalho (1944)
British nationality
Appointed in 1996
Last reappointed in 2000[1]
Member of the Preparatory Committee
Profession: Banker
Vice-Chairman of Schroder Salomon Smith Barney, United Kingdom

L. van Vollenhoven (1930)
Dutch nationality
Appointed in 1996
Last reappointed in 1999[1]
Member of the Audit Committee
Profession: Company Director

A.H.J. Risseeuw (1936)
Dutch nationality
Appointed in 2000
Member of the Audit Committee
Profession: Company Director
Supervisory Directorships[2]:
- KPN N.V.
- Samas-Groep NV
- AOT NV

J.M. Hessels (1942)
Dutch nationality
Appointed in 2001
Member of the Audit Committee
Profession: Company Director
Supervisory Directorships[2]:
- Euronext N.V.
- Laurus N.V.
- Schiphol Groep N.V.
- Koninklijke Vopak N.V.
- Royal Philips Electronics N.V.
- Fortis N.V.

[1] Two members of the Supervisory Board retire each year in accordance with a rota which is determined annually.

[2] Only supervisory directorships and positions with large quoted Dutch companies and/or Heineken operating companies are listed here. A complete list of the other positions held is given when members of the Supervisory Board are nominated for reappointment.

Report of the Supervisory Board

To the shareholders

The Supervisory Board was greatly saddened by the death of Mr. A.H. Heineken on 3 January 2002, at the age of 78. His passing marks the loss of a great man and a great brewer, to whom we are all indebted for his enormous contribution to the success of our company. His vision and his principles of quality and solidity will continue to form the foundations on which the Supervisory Board and Executive Board will work to build the business in the future, and the strategic course he plotted, will be maintained.

The Executive Board has submitted to the Supervisory Board the financial statements for 2001 which it has prepared. These financial statements, which can be found on pages 49 to 74 of this annual report, have been audited by KPMG Accountants N.V., whose report appears on page 75.

The Supervisory Board recommends that you adopt these financial statements and, as proposed by the Executive Board, appropriate EUR 157 million of the profit as dividend and add the remainder, amounting to EUR 610 million, to the general reserve. The proposed dividend amounts to EUR 0.40 per share of EUR 2.00 nominal value, of which EUR 0.16 was paid as interim dividend on 24 September 2001. The dividend for the whole of 2000 was EUR 0.40.

Mr. J.M. Hessels was appointed to the Supervisory Board of the company at the Annual General Meeting of Shareholders on 26 April 2001. Messrs. H. de Ruiter and M. Das were reappointed to the Supervisory Board of the company at the same meeting, the latter also being reappointed as delegated Supervisory Director. The proposal to appoint Mr. Boonstra was withdrawn. At the same meeting Messrs. M.J. Bolland and J.F.M.L. van Boxmeer were appointed to the Executive Board with effect from 1 May 2001.

It was announced on 12 September 2001 that Mr. A. Ruys, at present Vice-Chairman of the Executive Board, is to succeed Mr. K. Vuursteen as Chairman of the Executive Board. Mr. Vuursteen, who is to step down at the forthcoming Annual General Meeting of Shareholders, joined the Executive Board in 1991 and has been its Chairman since 1993. The Supervisory Board owes Mr. Vuursteen a great debt of gratitude for his singular commitment to the company and his contribution to its success. The Management Board of Heineken Holding N.V. has announced that Mr. Vuursteen is to be proposed for appointment to the Management Board.

It is proposed to appoint Mr. D.R. Hooft Graafland to the Executive Board with effect from 1 May 2002. A binding nomination to that effect will be submitted to the Annual General Meeting.

Messrs. R. Hazelhoff and L. van Vollenhoven are due to retire by rotation from the Supervisory Board of the company and, having reached the age limit laid down in the Articles of Association, neither is eligible for re-election. Mr. A. Maas will also be retiring, at his own request. The Supervisory Board thanks them most sincerely for the expertise with which they have discharged their duties.

A proposal will be put before the Annual General Meeting on 25 April 2002 to appoint Messrs. J.M. de Jong and C.J.A. van Lede to the Supervisory Board and to appoint Mr. De Jong as its Chairman. Binding nominations for the appointment of two members of the Supervisory Board will be submitted to the Annual General Meeting.

The Supervisory Board held seven joint meetings with the Executive Board and met twice in the absence of the Executive Board in 2001.

The agenda of these meetings included a number of regular items, including consideration of the financial position, results, policies and business plans of the operating companies, investment proposals and management development. Other items on the agenda included evaluation of completed investment projects, interest-rate and exchange-rate risks, financing and internal control systems. Meetings convened to consider the results were attended by the external auditors.

One meeting was devoted especially to corporate strategy, with special emphasis on business development. Other topics included the Supply Chain project, a reorganisation exercise to introduce a supply-chain approach to cooperation between the production units in and the commercial organisations of Heineken Nederland, Heineken Export Group and Heineken USA. One meeting was devoted to the activities of Heineken University and one was held in Greece at Athenian Brewery, where the management team gave a presentation on the Greek beer market and Athenian Brewery's strategy.

The Preparatory Committee met seven times and the Audit Committee held three meetings, one of which was attended by the external auditors. One meeting was devoted to the changes in accounting policies.

The Supervisory Board thanks the Executive Board and all the staff for their continued commitment during 2001.

Amsterdam, 26 February 2002 *Supervisory Board*

Hazelhoff	Maas	Van Vollenhoven
Das	De Ruiter	Risseeuw
Loudon	De Carvalho	Hessels

Report of the Executive Board

Operating profit	Net profit excl. extraordinary results	Net profit incl. extraordinary results	Net turnover	Total beer sales	Heineken beer sales
EUR 1,125 million	EUR 715 million	EUR 767 million	EUR 9.2 billion	105.1 million hl	22.4 million hl
+ 22%	+ 15%	+ 24%	+ 13%	+ 7%	+ 4%

Foreword by the Chairman

Alfred Heineken, who died on 3 January 2002, will always be remembered as a unique man and an inspiring leader. He was devoted heart and soul to the company to the very end and was instrumental in transforming the Heineken brand and the Heineken company into a major international force.

Business was good for Heineken in 2001, with net profit on ordinary operations up by 15.1% to EUR 715 million. As part of the ongoing process of internationalisation and consolidation within the global beer market, Heineken secured a substantial position in Germany in 2001 and acquired a brewery in Russia with a fast-growing market position in early 2002. New breweries are under construction in Nigeria and Vietnam. Despite the temporary weakening of the beer market following the terrorist attacks in the United States on 11 September, the operating result increased from EUR 921 million to EUR 1,125 million.

New acquisitions included in the consolidation played an important part in the improvement in the operating result. The appreciation of the US dollar against the euro also made a significant contribution to the operating result, with the increased volume, improved sales mix and higher selling prices also playing a part. The operating result was, however, depressed by the higher costs associated with the development and implementation of common systems throughout the Heineken group. Sales of Heineken beer increased from 21.6 to 22.4 million hl and sales in the premium segment were up by 7% at 16.7 million hl. In many markets we added new brands to our range and were able increasingly to take advantage of economies of scale.

The joint venture formed in Germany with Bayerische Brau-Holding places Heineken in a good position in Europe's largest beer market. The highly fragmented German beer market has now embarked on a protracted process of consolidation, in which strong regional brands will have scope for further development. Through this joint venture Heineken has also acquired stakes in two German breweries, which own brands with strong development potential. The inclusion in the joint venture of interest in the largest brewery in Chile depends on the outcome of arbitration in that country.

Our interests in existing operations in Spain and Poland were enlarged.

The acquisition of Bravo International in early 2002 has made Heineken the fourth largest brewer in Russia in terms of production volume and the country's fastest growing brewer. Bravo International is a solid base from which to pursue rapid growth in this emerging beer market, where export growth potential has been restricted by high import duties. With a range of well-positioned local mainstream brands complemented by locally brewed premium Heineken beer, the group is strongly placed to secure a broad position in the Russian market.

Long-term profit growth is a priority

The process of consolidation, both nationally and internationally, gathered momentum in 2001. With its geographical coverage, strong brands and long experience of international expansion and brand development, Heineken is well placed to play a significant role in this trend. Heineken has massive growth potential, which can be realised by increasing our shares of our existing markets, by improving our sales mix and also through acquisition. It is essential, however, that acquisitions make an adequate contribution to profit growth. In the coming years Heineken will focus its search for opportunities for further expansion mainly in Latin America, Asia/Pacific and Russia, in view of their strong development potential, but attractive opportunities for growth may also arise in Germany and other parts of Europe and in Africa. To ensure stable profit growth, Heineken takes care to strike a careful balance between its interests in developed and emerging markets.

In most markets, Heineken aims to secure a significant market share with strong local brands which complement one another and offer clear economies of scale. The sales mix in these countries can be optimised by introducing or developing the Heineken brand. In a number of countries, such as the United States, Heineken will concentrate only on securing a strong position in the premium segment. In both cases, the Heineken brand is our most valuable asset and is one of the driving forces behind profit growth. While national brands will continue to dominate the mainstream segment, which makes up the bulk of the beer market, the premium and speciality beer segments increasingly offer growth potential for Heineken's international brands. Ongoing development of the Heineken brand is therefore our spearhead strategy.

from left to right:
Guus Lubsen
Karel Vuursteen
Jean François van Boxmeer
Marc Bolland
Thony Ruys

Effective and efficient

The Heineken organisation has been reinforced on many fronts. Valuable productivity gains have been achieved by concentrating production at fewer plants, reducing staffing levels through more efficient manpower planning and organic output growth.

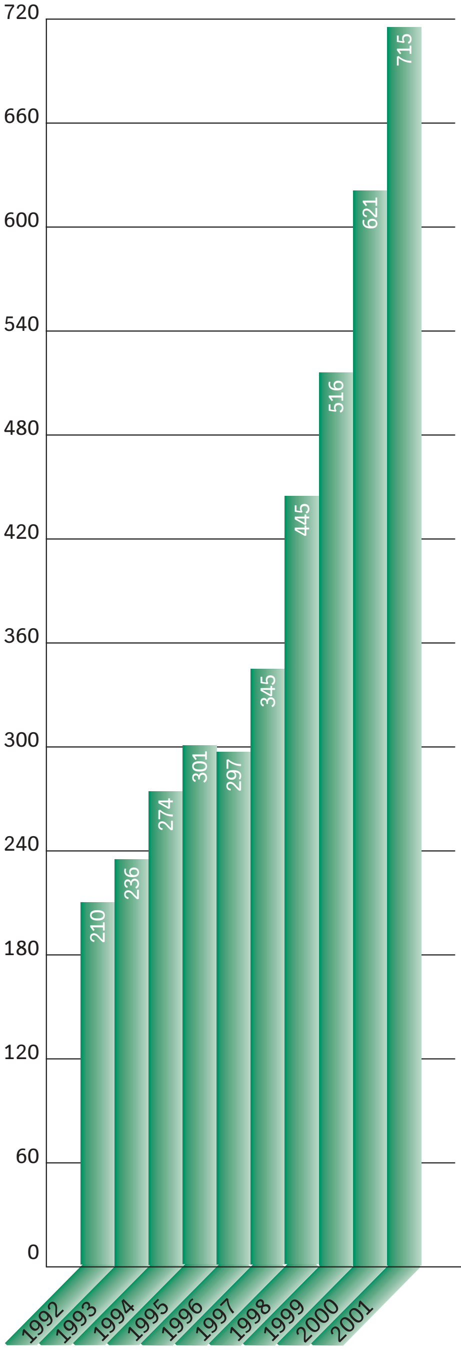
We have invested heavily in supply-chain management and information and communication systems over the past two years. The project to streamline the entire process, from brewing to the sale of beer in the US market, was completed this year. A more efficient supply chain has been achieved through better demand forecasting and more efficient transport and stock management. The average time taken for our export beers to travel from brewery to consumer has been shortened considerably. Supply-chain management will also be optimised in other countries in the coming years.

The upgraded uniform information and communication systems are bringing efficiency and quality gains. The internet is now being used increasingly in our purchasing function and in our dealings with clients in both the on-trade and off-trade segments. Effectiveness based on local knowledge and the ability to grasp local market opportunities has always been a distinguishing feature of our operating companies, and now our standardised and upgraded management information and business process systems are creating new opportunities for them to benefit from one another's expertise and experience.

Continuing excellence

Although Heineken already has an excellent reputation for quality, innovation and financial performance, we can only retain our position as one of the world's leading brewing groups by striving tirelessly for improvement in all areas, from marketing and sales to water treatment, from raw-material purchasing and quality control to packaging, and all the other disciplines in which we aim to excel. Heineken's personnel are given ample opportunities for professional and personal development, but we also demand a great deal of them in working to achieve our objectives. I should like to take this opportunity to thank all our staff for their efforts in the past year.

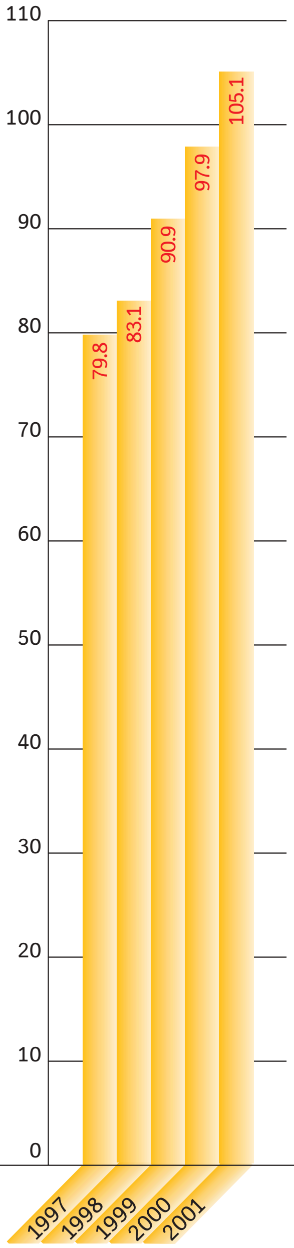
K. Vuursteen
Chairman of the Executive Board



Net profit

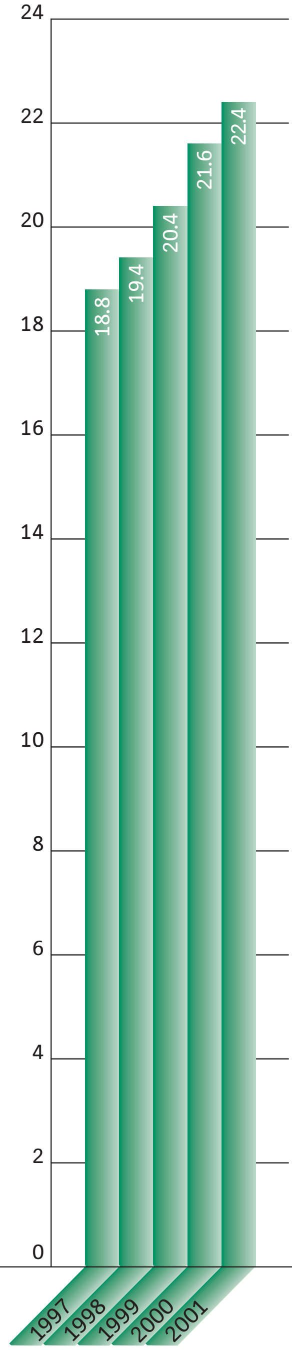
excluding extraordinary result

in million of euros



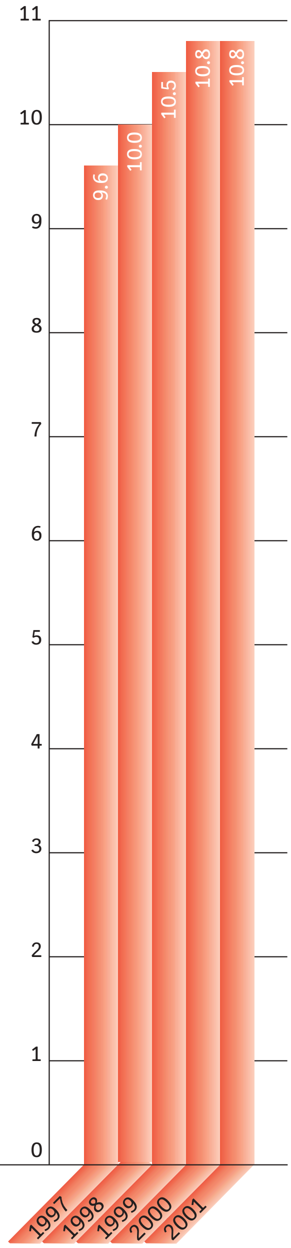
Total beer volume

in million hectolitres



Sales Heineken

in million hectolitres



Sales Amstel

in million hectolitres

Outlook for 2002

Heineken expects global beer consumption to continue growing in 2002. With sustained growth also predicted for the international premium beer market, creating scope for further development of both our local brands and the Heineken brand, we forecast continuing growth in net profit in 2002.

The economic uncertainty being experienced by many markets will have a negligible effect on global beer sales. Although there may be a temporary shift away from the mainstream beer segment towards the low-priced segment in a number of emerging markets, the international premium beer segment will continue to grow in most countries.

Regions
In Europe, Heineken will continue to benefit from strong market positions, extensive distribution networks and the brand's growing market share in the premium segment. Western and Southern Europe will be our most profitable markets.

Russia has great growth potential. The Russian beer market has doubled in the past three years, with total volume rising to 60 million hl in 2001, and is on course to become one of the world's top five beer markets within the next few years. We expect Bravo International, the brewery which we acquired in early 2002, to increase its sales from 2.5 million hl in 2001 to 4 million hl in 2002 and to make a positive contribution to net profit this year.

Although the profitability of our other markets in Central and Eastern Europe is at present still modest, due to low consumer purchasing power, the increasing scope for improving the sales mix in these large beer markets means that there are good prospects of profit growth in the medium term. The progress achieved in the talks on the expansion of the European Union to include the former Eastern bloc countries is seen by Heineken as a positive sign.

The growth prospects for both Heineken and Amstel Light in the United States are good. Amstel Light should continue to grow strongly in the popular light beer segment. In Latin America, the crisis in Argentina is so far having little effect on Heineken. Our total volume in the region is still limited, but the long-term outlook remains good and we are working to enhance our position there.

Although a number of countries in the Asia/Pacific region will continue in 2002 to feel the effects of the economic uncertainty in the United States and Europe, the performance of the beer market is likely to differ significantly from one sub-region and one country to another. We are moderately optimistic about the development of the total beer market in this region and the growth potential for our business.

Volume growth in Africa will be faster than in previous years, especially in Nigeria and Congo, where economic stimulus will come from greater political stability. Capital projects are in hand to equip us to meet the predicted growth in demand for beer in these countries. The other operating companies in Africa are expected to show a modest improvement overall, thanks to a combination of more intensive staff training, cost control and investment in modernisation of the production facilities.

Acquisitions
Internationalisation and consolidation will continue to be defining features of the global beer market in 2002. While we intend to play an active part in this process, the price paid for acquisitions must not preclude a reasonable return on our investment.

Cost structure
As well as expansion, an optimum cost structure is also an important goal, and increasing use will be made of economies of scale. Excluding effects of acquisitions, the total number of employees will decrease slightly in 2002 as a result of efficiency improvements.

Investments
Investments in tangible fixed assets in 2002 will total around EUR 750 million, a significant proportion of which will be replacement investment. But also includes the building of a new brewery in Nigeria. These investments will in principle be financed out of existing cash reserves and cash flow, if appropriate supplemented by external financing.

The acquisition of Bravo International in Russia will involve a sum of EUR 463 million, which will be financed out of available resources.

Profit forecast
Profit is affected from year to year by factors which are difficult to predict, such as exchange rates, government action, economic developments and the weather. Despite these uncertainties, Heineken is looking forward to further growth in net profit in 2002. Heineken also takes an optimistic view of the trend in results in the longer term, in view of the success of our corporate strategy, the strength of the Heineken, Amstel and local brands, our international coverage, the financial resources at our disposal and our extensive international experience.

Heineken

The Heineken brand again enjoyed vigorous growth in 2001, with sales up from 21.6 to 22.4 million hl (+ 4%). Our main markets in Europe and the United States generated most of the increase, but volume growth was also reported in emerging markets in Latin America, Asia/Pacific and Africa.

The growth of the Heineken brand is primarily the result of our persistent and consistent efforts to enhance the brand's value and secure a higher level of consumer preference, while improving the availability of Heineken in new and existing markets and tapping into new distribution channels.

Gathering detailed market intelligence enables Heineken to optimise the introduction and/or development of the brand in each individual market. Much of the information and many of the tools used in our brand-building activities are developed centrally by Heineken. In 2001, for example, the models we use for brand building in beer markets at different stages of development were further refined and a worldwide intranet portal was set up to improve the exchange of brand expertise and ideas. New tools were made available to the operating companies for the upgrading and maintenance of their local internet sites.

The operating companies are able increasingly to draw on a shared pool of top-quality TV commercials, developed centrally or by other operating companies, and those in emerging markets have been given access to new campaigns. The operating companies themselves are responsible for the choice and implementation of local marketing initiatives.

Sponsorship

Sponsorship plays an important role in the international development of the Heineken brand. Heineken focuses its sponsorship activities chiefly on music, film and selected sporting events, chiefly tennis and rugby. The main tennis tournaments sponsored by Heineken are the Australian Open and the US Open. A new livery which better reflects the image we seek to project was devised this year for the Australian Open, a competition which generates a great deal of publicity especially in the Asia/Pacific region. The Davis Cup sponsorship contract has expired and has not been renewed.

Heineken continues to sponsor the Heineken Cup, a rugby competition for top European clubs, the Hong Kong & Dubai Sevens, also this year Heineken sponsored the Rugby World Cup Sevens in Argentina.

Music sponsorship again accounted for the fastest growth in our expenditure on this activity. Heineken's image at national level benefited significantly from our sponsorship of several major festivals in Europe, including Jammin' in Italy, Green Energy in Ireland, the FIB-Heineken international music festival at Benicassim in Spain and the Montreux Jazz Festival in Switzerland. New sponsorship initiatives included the Heineken Music Hall in the Netherlands, the Super Club in China and the Green Room Sessions in Singapore. The Heineken Music Initiative, which supports talented bands and musicians, was launched in the United States.

Our main film sponsorship project was *Swordfish*, which we supported in many countries with tie-in TV advertising and promotional activities.

The Heineken Experience

The Heineken Museum in Amsterdam has made way for the Heineken Experience, a visual and interactive exhibition which takes the visitor through the history of the company and the brand, the brewing process and Heineken's social function. The Heineken Experience attracted over 150,000 visitors, mainly foreign tourists, in its first six months of operation and was named the best tourist attraction in the Netherlands in 2001. The Heineken Experience also supports our international marketing and communication strategy.

Amstel

While the mainstream beer segment contracted in several important European countries, in many others, in Europe and outside, Amstel recorded growing sales. Amstel's total sales volume remained stable at 10.8 million hl.

Sales were higher in Spain, Bulgaria and the United Kingdom, but fell short of the previous year's figure in the Netherlands, Greece and France, which are important markets for Amstel and where the beer market in general was lacklustre. In these markets in particular, mainstream beers such as Amstel faced growing competition from new premixed spirits. The weather was also a factor in the lower sales in these markets. However, Amstel reported higher sales in South Africa, Cameroon and Morocco, and the brand was successfully launched in Macedonia, Rwanda, Kazakhstan, Australia and Lebanon.

Exports of Amstel Light to the United States increased sharply, benefiting from the large American market for light beers, which now account for over 44% of total beer sales. Amstel invested heavily in marketing in the United States so that it can continue in future to take advantage of the growth opportunities. Amstel Light benefited particularly from improved availability. The Canadian launch of Amstel Light was a success.

The 'Three Friends' campaign concept, which proved so effective in the Netherlands that it was replicated in Greece and Hungary, has now also been used in Bulgaria to convey Amstel's key brand values of friendship, fun and freedom.

Sponsorship

Amstel sponsors several sporting events to raise brand awareness and enhance its brand image. Amstel is the principal sponsor of the UEFA Champions League for top European football clubs and continues to sponsor the African Cup of Nations for national football teams, by far the most important sporting event on the African continent., which was held in Mali early in 2002. These events, which are extremely popular with broad sections of the population, are consistent with the brand image which Amstel wishes to project. As well as major international events, Amstel also sponsors various national sporting competitions.

Speciality beers

Consumer demand for the distinctive taste of speciality beers continued to grow in many markets and sales of our international speciality beers, on which we earn above-average margins, increased from 842,000 to 1,065,000 hl.

Sales of Desperados, a tequila-flavoured speciality beer which is available in most European markets, were again sharply higher as the brand gained in popularity. The highest sales were recorded in Germany and France, and the brand also sold well in Spain, the Netherlands, Greece and Italy. Affligem, our Belgian abbey beer, performed well and has gained a reputation as a high-quality beer for the connoisseur, especially in France and Spain.

While sales of Murphy's Irish Stout were down, in line with the contraction of the large stout market in Ireland and the United Kingdom which is losing ground to lager, sales of Murphy's Irish Red were higher, particularly in the off-trade sector. The brand developed well in the Netherlands, supported by the popular 'Murphy's Law' campaign. Both Murphy's products benefited in the on-trade sector from the success of Irish pubs in many European countries.

As well as Desperados, Affligem and Murphy's, our range of international speciality beers also includes Wieckse Witte, a white beer for which the main markets

	2001	2000	Change (%)
Geographical distribution of Group volume			
in 1,000 hl			
Europe	**55,401**	50,687	9.3
Western Hemisphere	**7,810**	7,384	5.8
Africa/Middle East	**9,899**	9,179	7.8
Asia/Pacific	**7,838**	7,520	4.2
Group volume [1]	**80,948**	74,770	8.3
Affiliated companies	**24,131**	23,111	4.4
Total beer volume [2]	**105,079**	97,881	7.4

1 Group volume = volume sold by consolidated companies and Heineken beers brewed under licence by third parties.
2 Total beer volume = Group volume plus volume produced by affiliated breweries Kaiser and Quilmes.

are France and the Netherlands. Although international speciality beers still account for only a small proportion of Heineken's total volume, they have growth potential and help to improve the sales mix and are being added to the range in a growing number of markets, alongside local speciality beers.

Research and development

Research and development, as the foundation of quality control and the source of innovation, have strategic importance for Heineken. Some R&D work is performed locally, but is coordinated from the Netherlands. Research projects in 2001 focused primarily on raw materials, production efficiency, quality control and packaging development.

The production efficiency improvement programme, based on research carried out centrally in 2000, has already helped the breweries to achieve significant productivity gains. The improvement in productivity compared with 2000 averaged 12% overall, and even in Western Europe, where productivity is already relatively high, an improvement of over 9% was recorded. These gains were achieved mainly by concentrating production at fewer plants and reducing staffing levels through more efficient manpower planning and organic growth in output.

The laboratory-scale brewery and malt-house, which are used in the development of brewing and malting processes and play a key role in our ongoing research into improving the quality of both raw materials and end-products, were replaced in 2001. Heineken also uses the experimental results to develop improved strains of barley, in cooperation with malt suppliers and barley growers.

A start was made in 2001 on the introduction of a new system of sensor-based quality control in our breweries, which will enable us to reduce still further the chance of variances from the desired quality.

A special test facility entered service in 2001 which is being used in the development of new packaging concepts to rigorously investigate the effects of new materials on product quality.

Heineken's research and development effort has also resulted in advances in sustainable membrane filtration technology. This new technology offers greatly reduced environmental impact compared with the beer filtration method currently in use, which employs non-recyclable kieselguhr. Sustainable membrane filtration technology is now ready for use in the brewery.

Environment, health and safety

Many more initiatives relating to water-saving, which is a key element in Heineken's environmental policy, were launched in 2001. A central health and safety policy was formulated to assist in defining and applying standards and procedures at all sites.

Now that all the operating companies in which Heineken holds a majority interest are using the same reporting system, we are able for the first time to publish a global environmental report for 2001 (our previous environmental reports covered only the European breweries). The 2001 report, which will be published in the second half of 2002, will also deal with the activities and achievements of our European breweries in the area of health and safety.

Environment

As well as being beer's principal constituent, water plays an important part in many stages of the production process. Heineken's water-saving policy has now been introduced in all operating companies in which we have a majority interest. Significant savings were again achieved by many of Heineken's breweries, malt-houses and soft-drink plants, mainly through encouraging responsible water use, training, advanced metering technology and selective recycling. An average water saving of around 6% was achieved. Other projects were undertaken in 2001 to save electrical and thermal energy and reduce emissions, the results of which will be published in our environmental, health and safety report.

A start was made on installing waste-water treatment plants at all our breweries in Africa. The treatment plants, which operate on the anaerobic principle, are energy-efficient, space-efficient and generate little waste. A training module was developed for Africa and the Caribbean region on ways of reducing waste-water production.

Health and safety

Heineken complies with local statutory requirements and rules in the field of health and safety. Where these do not exist or are deficient, Heineken sees it as its responsibility to develop and apply its own standards on behalf of employees and other interested parties, including consumers, suppliers and people living close to our breweries. A central policy was drawn up in 2001 for the formulation and application of central and local standards and procedures. Information and awareness are essential to prevent employees being exposed to unsafe and

Heineken International Campaign *Drops*

Agency *Lowe Lintas & Partners, New York*

unhealthy conditions. A health survey has been launched at our Bralima brewery in the Democratic Republic of Congo, the findings of which will be used as the basis for a system of health-promotion measures and facilities for all our African breweries.

One element of our healthcare policy is provision for employees who are HIV-positive or have contracted Aids. In countries where employees are unable to obtain treatment via their normal healthcare provider, such as countries in Africa, Heineken provides Aids management drugs for employees and their families.

Alcohol and society

Alcohol abuse by young people is giving cause for concern in many countries, especially in Europe and the United States. Authorities are increasingly acknowledging that a clear distinction between alcohol use and abuse is essential in an effective policy to curb alcohol abuse. Acceptance of this distinction will also facilitate cooperation between government, the industry and the other organisations involved.

Heineken initiates and supports – in some cases via the European trade organisation – information and education project initiatives to combat and prevent alcohol abuse. There is evidence of a shift in the pattern of consumption towards drinking mainly at weekends, which is exacerbating the problem of drink-driving. The industry in Europe worked hard in 2001 to export the 'Sober Bob' campaign, which had been developed in Belgium, to other European countries. The campaign encourages the practice of naming one member of the party as the designated driver who, wearing his or her 'Sober Bob' badge, agrees to stay 'on the wagon' for the evening. The industry has also taken other kinds of action to bring home the risks of drink-driving to the consumer. Heineken ran an international campaign addressing these risks for the first time over the Christmas period, having previously gained experience with similar campaigns in Ireland, the United States and other countries.

As well as new forms of effective communication, Heineken also researches and supports new forms of education and prevention. In the Netherlands, for example, we supported a 'virtual forum' project enabling young people to communicate with one another, in an interactive internet environment, on issues relating to alcohol, tobacco and drugs. This sociopsychological approach is designed to find effective ways of influencing young people's behaviour and the health risks they take.

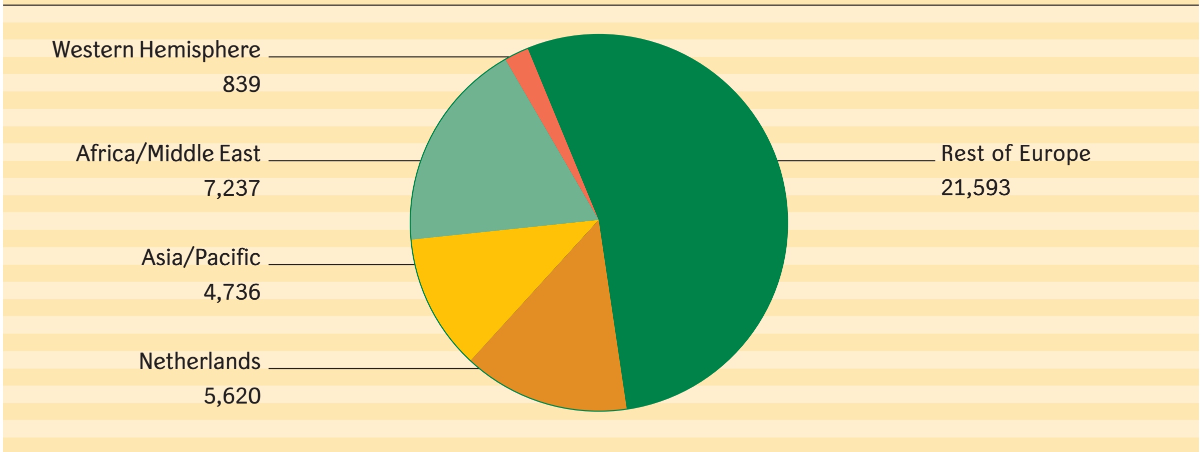
Personnel

The average number of people employed by Heineken increased from 37,857 to 40,025, due entirely to the inclusion of Nigerian Breweries in the consolidation. Excluding acquisitions, the trend in the number of employees was downward, reflecting the action taken to boost efficiency.

Central personnel policy is concerned with the recruitment, development and retention of managers for senior international positions. The operating companies have their own policies for other staff which take account of the local labour market, regulations and practices. The adop-

Geographical distribution of personnel

in numbers

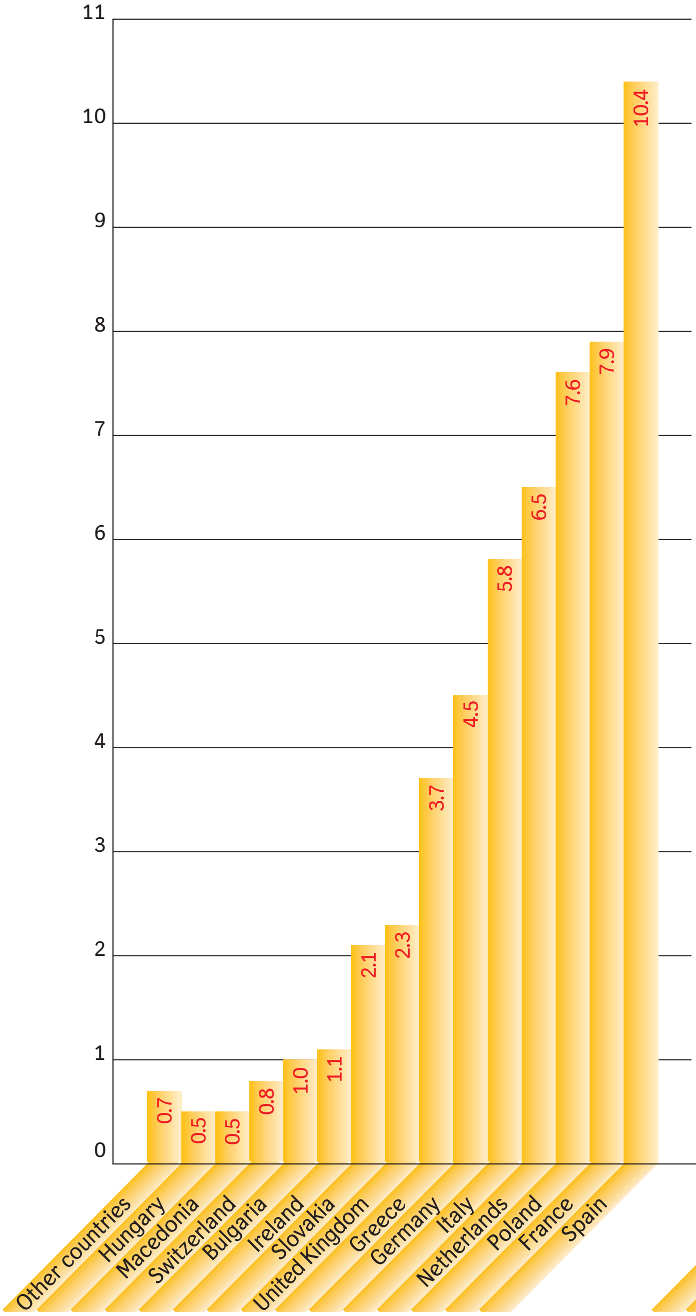


tion of uniform personnel management systems can yield significant advantages for Heineken in terms of cost-saving and knowledge and information transfer. In collaboration with the operating companies, more compatible systems are accordingly being developed which can be accessed via the Heineken intranet.

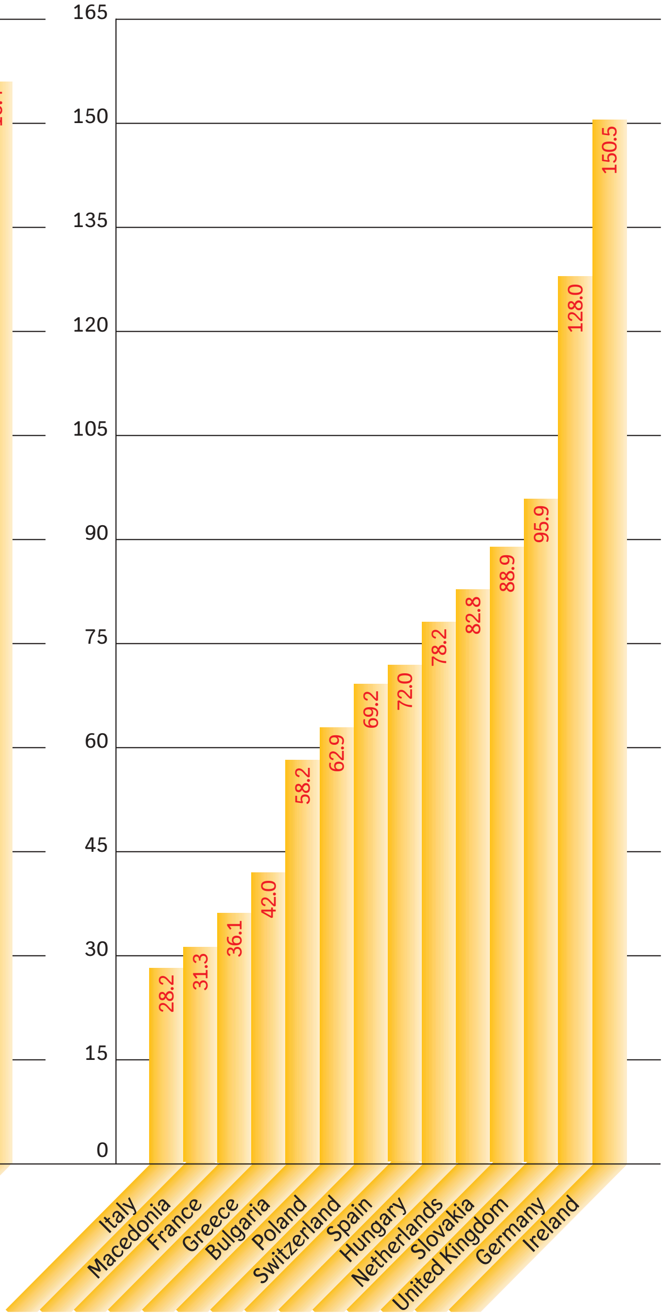
Alongside our routine research in this area at local level, we embarked on a Europe-wide study in 2001 of recruitment and retention of highly qualified staff. Supporting the growing internationalisation of the business requires a more international pool of management expertise and more international assignments to build knowledge and experience. Heineken aims to increase the number of trainees of non-Dutch nationality to two-thirds of the total and ensure that managers with high potential are able to follow career paths which include international experience.

Training

The number of employees making use of the facilities of the Heineken University, which provides short, intensive courses, increased to over 1,300. Modules concerned with project management were in particularly heavy demand in 2001. The courses provided by the Heineken University are a valuable supplement our regular local and international training courses. The object is to activate the knowledge which already exists within the business and share it with others. Personnel managers and trainers from the operating companies and central services coordinate knowledge input within an open learning environment. Employees all over the world will shortly be able to participate in training courses and contribute their knowledge and experience via the digital infrastructure which is currently under construction.

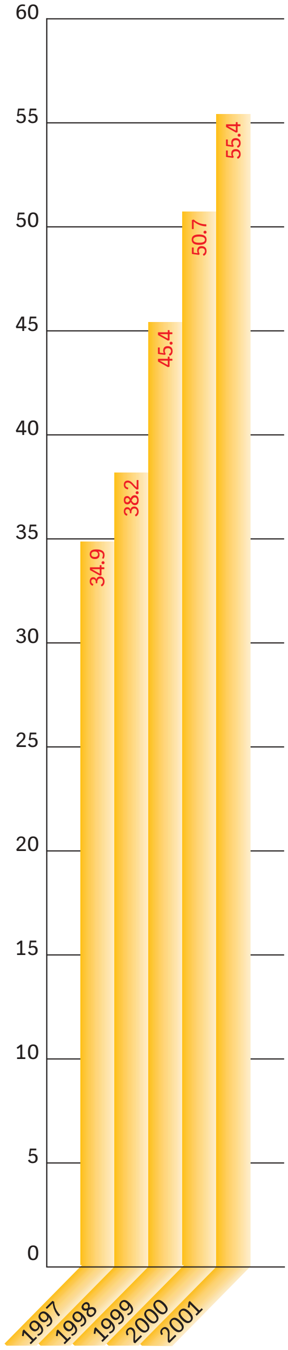


Group volume
Europe 2001
by country, in million hectolitres



Beer consumption
Europe 2000
per capita, in litres

Europe



Group volume Europe

in million hectolitres

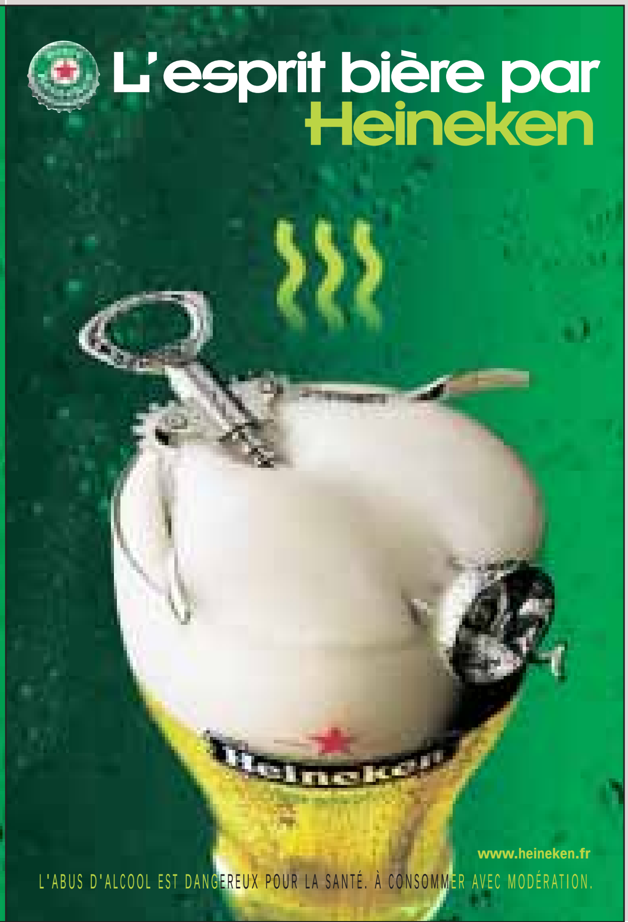
Heineken Group's sales in Europe increased from 50.7 to 55.4 million hl (+ 9.3%), with the breweries in Spain, France, Italy and Poland recording the sharpest volume growth, while sales in the Netherlands and Greece were under pressure.

2001 was a disappointing year for the European beer market. Sales were adversely affected by a number of non-structural factors, including the relatively wet summer, the decrease in air travel and other repercussions of the terrorist attacks in the United States.
At the same time, the process of consolidation within the European brewing industry gathered pace and shifting market positions translated into intensified competition in many cases.

The most profitable markets are in Western and Southern Europe. With the acquisition of Bravo International in early 2002, Heineken is well placed to build a strong position in the Russian beer market, which has great growth potential. Heineken regards the progress achieved in the negotiations on entry of former Eastern bloc countries to the European Union as a positive development: as purchasing power in these countries improves, profitability could rise to the Western European level in the medium term. Heineken has concentrated its investments in the countries which are leading the field in economic development and have good prospects of joining the European Union shortly.

The European Commission's new policy on vertical agreements, such as those between brewers and the on-trade sector, did not have a significant effect on our European on-trade sales in 2001.

The introduction of the euro did not cause any particular problems.



Heineken France campaign *L'esprit bière par Heineken*
Agency *Publicis Conseil*
Awards *Best Marketing Campagne 2000*

Europe

Netherlands

Rising result in a contracting market

The Dutch beer market was rather lacklustre in 2001. Lagers gained market share at the expense of alcohol-free beers and sales of speciality beers remained stable. Our beer sales in the Netherlands declined from 6.7 to 6.5 million hl. There was no growth in the Group's market share in the Netherlands, but the sales mix improved and the result was slightly higher.

Sales were adversely affected by the weather and impaired consumer mobility due to the travel restrictions imposed in connection with the outbreak of foot-and-mouth disease. Demographic factors and the growing competition from wine and premixed spirits also exerted pressure on the beer market. Heineken's share of the beer market was negatively affected by the ban on the sale of alcoholic beverages at filling stations, a sales channel in which Heineken was relatively strongly represented.

The initial results of the new advertising campaign for the Heineken brand were encouraging. Amstel's market share and sales were down slightly. The successful 'Three Friends' campaign was expanded and more sponsored concerts tied into the hit TV programme 'The Friends of Amstel Live' were staged. The launch of Amstel Bright, a pale lager in a clear bottle which is imported from Curaçao, exceeded expectations.

A new bottling line serving our export markets was installed at the Zoeterwoude brewery in 2001. This new line, which has raised efficiency and expanded capacity, entered service early in 2002. The efficiency and effectiveness of our production and distribution, marketing and sales and central services functions were maximised by organising them under three separate companies. A new management information system, supporting the operations of Heineken Nederland, Heineken USA and Heineken Export Group, was introduced.

Heineken Nederland was pleased to learn of the shelving of the plans to introduce a can deposit. Such a system would impose heavy costs on the industry, but would do little to reduce the volume of litter. It would also encourage fraud, because the deposit far exceeds the production cost.

Growth in the soft drinks and mineral water market was constrained by the poor summer. Sales of special soft drinks such as iced tea and fruit-based soft drinks continued to advance, bringing pressure to bear on sales of more traditional soft drinks such as cola, orange and lemon/lime. Branded soft drinks increased their share of the total market. The keen competition on the take-home market was exacerbated by the large number of new entrants.

Vrumona, our soft drinks company, maintained its market position. The market shares of Pepsi and 7-Up, which are produced under licence, remained stable and Sisi sales continued to grow. Work continued on the development of the Xí brand and Xí Climax was launched successfully in the on-trade sector. With the acquisition of the Crystal Clear brand, Vrumona secured a position in the fruit-flavoured mineral water take-home market.

Spain

Higher volume despite compulsory sale of regional brands

The Spanish beer market enjoyed a sixth consecutive year of growth in 2001. Heineken España's beer sales increased from 10.0 to 10.4 million hl and its market share was virtually unchanged, despite the sale of two breweries and a number of regional brands which was a government-imposed condition of the acquisition of Cruzcampo in 2000. Heineken España posted an improved result.

Through a public offer, Heineken increased its shareholding in Heineken España to 97.2%. The Heineken, Cruzcampo and Aguila-Amstel brands reported strong growth, replacing the volume of the brands which had been sold making it necessary to increase capacity at the remaining breweries. Heineken España successfully launched several new beers and packaging variants, including Amstel 1870, Amstel Oro and Cruzcampo Big, in an innovative wide-necked bottle. The sales mix improved. While the large market in Spain for alcohol-free beer contracted, the Buckler and Kaliber brands, which occupy leading positions on that market, recorded increased sales.

The principal brands were strongly supported with marketing campaigns and sponsorship of events such as the FIB-Heineken Music Festival, which drew a European audience. Aguila-Amstel also benefited greatly from its sponsorship of the UEFA Champions League, helped by the success of the Spanish soccer teams.

Steady progress was made with the integration of El

Europe

Aguila and Cruzcampo and, by the end of 2001, most of the staff functions had been brought together in Seville. Following the compulsory sale of two breweries, Heineken España has made a start on improving the cost structure of the remaining breweries. The distribution operations were transferred to a new organisation.

Although the market share in the Canary Islands of imported Heineken beer is more or less stable, our competitive position will be affected by the levy on imported beers which has been introduced in 2002 to protect local brewers.

France

Improved result generated by Heineken and Desperados brands

Although France had its second poor summer in a row in 2001, with a great deal of wet weather, Sogebra's beer sales were up from 7.7 to 7.9 million hl. Despite intense competition, it succeeded in boosting its market share and returned an improved result.

The Heineken brand increased its share of the market and achieved record sales volume, supported by consistent development of consumer preferences and the launch of new and attractive packaging variants. The growth in sales of our premium and speciality beers translated into an improved sales mix. Desperados, the international speciality beer which is brewed in France, once again performed exceptionally well, recording sales growth of almost 30% in France and over 40% in export markets. The relaunch and repositioning of Affligem, an abbey beer brewed in Belgium, was a success.

Sales of "33" Export and Panach' in PET (high-grade plastic) bottles were again higher. A new dedicated filling line for PET bottles entered service in 2001. Sales of beer in PET bottles are growing steadily and currently account for around 1% of the French take-home market.

Italy

Higher Heineken and Birra Moretti volume improves sales mix

Beer consumption in Italy continued to grow. Heineken Italia's beer sales increased slightly to 5.8 million hl and its market share remained virtually stable. Heineken Italia posted a higher result, helped by an improved sales mix and efficiency gains in production and distribution.

The Heineken, Birra Moretti and Ichnusa brands were the main contributors to the improvement in the sales mix. The launch of Dreher beer in PET bottles fulfilled our expectations. Innovative multi-packs were also introduced successfully.

Heineken Italia supports its brands with a number of prestigious sponsorship activities. The fourth Heineken Jammin' music festival and the fifth series of the Birra Moretti football competition attracted record numbers. The long-established Umbria Jazz Festival in Perugia was also a great success.

Production capacity was expanded in 2001, notably in Bergamo. Improvements in supply-chain management enabled us to speed up beer deliveries while cutting costs. Partesa, Heineken Italia's distribution organisation, is playing a prominent part in the process of rationalisation in the beverage wholesaling sector. With its 65 depots, Partesa now has national coverage.

Greece

Sales down in declining beer market

The Greek beer market contracted for the second year in succession. Athenian Brewery's beer sales were also down, from 3.9 to 3.7 million hl, but it managed to limit the effect on the result through rigorous cost control. Athenian Brewery's market share remained virtually unchanged.

Sales of Amstel, the market leader in Greece, and Heineken were down, in line with the market. Beer exports to neighbouring countries increased and sales of Ioli mineral water were again higher.

Heineken and Athenian Brewery have been selected by the Athens Organising Committee as principal sponsors of the 2004 Olympic Games. This sponsorship agreement will significantly benefit the image of the Heineken brand.

A number of efficiency and quality improvement projects were undertaken at the three breweries and the mineral water plant in 2001. The Amstel half-litre bottles and crates were also replaced. Athenian Brewery introduced new management information systems which comply with the uniform Heineken standard.

Amstel's
Fun Friendship and Freedom

Heineken Switzerland Campaign *Sounds Good*
Agency *JWT+H+F Zürich*
Awards *3rd finalist International Food and Beverage Creative Excellent Awards 2001*

Europe

Ireland

Improved result through sales growth and cost control

Overall demand on the Irish beer market rose slightly. Lager sales continued to grow at the expense of stouts and ales, sustaining the trend of recent years. Heineken Ireland's beer sales increased from 1.0 to 1.1 million hl and its market share held firm. Higher beer sales combined with effective cost control translated into an improved result.

Although the shift in beer sales from the on-trade to the off-trade sector is continuing, the share of the on-trade sector is still very high relative to other countries. The Heineken brand recorded growth in both sales volume and market share. As well as advertising, Heineken's sponsorship activities, especially the Green Energy music festival and the European Heineken Rugby Cup, were also significant factors in this growth. Amstel performed well, especially in the take-home market. Following the downward trend in the stout market, sales of Murphy's Irish Stout were lower. The name of the operating company was changed in 2001 from Murphy Ireland to Heineken Ireland, in order to strengthen support for the Heineken brand in the Irish market.

Switzerland

Growth for Heineken brand in contracting market

The Swiss beer market was also affected by the poor summer and contracted slightly, with lower sales of mainstream beers and private labels. Heineken Switzerland's beer sales were down from 782,000 to 761,000 hl. The market share contracted and the result was lower.

Sales of premium and speciality beers and low-priced imported German beers in the Swiss market were higher in 2001 and Heineken Switzerland (formerly Calanda Haldengut Brauereien) reported increased sales of the Heineken brand and its speciality beers. Sales of the Calanda and Haldengut brands were down, in line with the mainstream beer market. Competition intensified following the acquisition of the Swiss market leader by a competing brewing group.

Europe

Work started on the construction of a new brew-house at the Chur brewery which will enter service in the second half of 2002. The concentration of production facilities in Chur will improve the cost structure. Heineken Switzerland acquired several more beverage wholesalers in 2001.

Poland

Rising market share in a static market

The Polish beer market had to cope with sharp rises in excise duties in 2001, as well as a downturn in consumer expenditure as the economy weakened. For the first time in seven years, there was no growth in the market. Grupa Żywiec's beer sales increased from 7.5 to 7.6 million hl. Its market share increased slightly and its financial performance was greatly improved.

Żywiec's financial position was strengthened in November by a successful share issue, which gave Heineken the opportunity to increase its stake from 51.6% to 61.8%. Strong national mainstream brands increased their market share at the expense of many regional brands.

Grupa Żywiec's national brands – Warka lager and Tatra in the mainstream segment and Warka Strong in the strong beers segment – performed particularly well. Warka lager and Tatra, former regional brands which were launched nationally in 2001, achieved growth rates of 36% and 50%, respectively. Sales of Żywiec in the national premium segment remained stable. Sales of regional brands Specjal and Leżajsk were higher. Some of the weaker regional brands were withdrawn from the market. Grupa Żywiec focuses primarily on brands which have strong development potential at the national level. Sales of Heineken beer increased and further growth of the brand is expected to accrue from its full integration into the Żywiec organisation in 2002.

In the second half of 2001 the government introduced tight restrictions on the advertising of alcoholic drinks, including a ban on TV, radio and cinema advertising between 6 a.m. and 11 p.m. Higher excise duties and lower consumer spending brought pressure to bear on sales throughout the brewing sector. Competition intensified in 2001 and is expected to remain strong in the years ahead. Substantial improvements in cost structure and productivity were achieved through staff training and updated systems. Further efficiency gains accrued from the concentration of production at fewer locations at the end of 2000. The medium-term outlook for the large Polish beer market is good.

Slovakia

Better result and good prospects

The Slovakian beer market recorded marginal growth in 2001. Heineken Slovensko's beer sales held steady at 2.1 million hl and the company was able to defend its market leadership against keen competition from Czech brands. Financial performance improved.

Although beer prices in the Slovakian market remained low, purchasing power is expected to improve significantly in the coming years. Heineken Slovensko has strong brands in Zlatý Bažant, Corgon and Kelt. New packaging was introduced for Zlatý Bažant to underline its image as a national premium brand. Corgon achieved sales growth in the mainstream segment while Kelt gained market share in the premium segment. The four original breweries, Zlatý Bažant, Corgon, Martiner and Gemer, have been fully integrated and now operate under the same name – Heineken Slovensko – using the same business information systems. Implementation of Heineken Slovensko's project to build its own distribution network by acquiring beverage wholesalers has been accelerated.
Work started in 2001 on increasing the capacity of the malt-house to 130,000 tonnes. When it is completed in 2002, the new plant will produce malt for the Heineken breweries in the region.

Bulgaria

Zagorka and Amstel brands achieve strong growth

The Bulgarian beer market posted 5% growth in 2001, mainly in the low-price segment. Although sales of beers produced by our Zagorka brewery remained close to the previous year's level at 1.0 million hl, the company reported an improved result.

Sales of the Zagorka and Amstel brands were higher, but low-priced Ariana sales volume was down. Sales of imported Heineken beer also rose. Further investments were made in modernisation of the production facilities.

Hungary

Stable result due to Heineken sales and cost control

The Hungarian beer market contracted in 2001. Profitability is low in the brewing sector in Hungary, but the position is gradually improving. Although Amstel Brewery Hungary's beer sales decreased from 543,000 to 516,000 hl, the financial result remained stable.

Amstel Brewery Hungary maintained its market share and, thanks to a better sales mix, effective cost control and increased efficiency, returned a stable financial result. Extra marketing and promotional effort is being invested to halt the decline in Amstel sales. Heineken beer, which have been brewed in Hungary since 1999, again recorded vigorous growth.

Macedonia

Promising launch for Amstel

Despite the adverse effect on the beer market in Macedonia of the uncertain political situation in the country, sales of Skopsko and Star Lisec beers by our Pivara Skopje brewery held steady at 0.5 million hl.

Sales of imported Amstel beer via Pivara Skopje's distribution network made encouraging progress. Pivara Skopje will also start distributing imported Heineken in 2002.

Other European countries

Beer sales by the Affligem brewery in Belgium grew by over 10%. Our Belgian brewery exclusively produces Affligem abbey beers, which are being sold into a growing number of export markets and are developing well as part of Heineken's range of international speciality beers. We increased our stake in the Affligem brewery from 50% to 95.7% early in 2001.
Malt production at Mouterij Albert, where capacity had been expanded to 230,000 tonnes in 2000, increased sharply. One of the most efficient plants of its kind in the world, Mouterij Albert supplies our breweries in the Netherlands, Nigeria, Brazil and elsewhere.
The beer market in the **United Kingdom** continued to contract in 2001, with the weather and the effects of the foot-and-mouth crisis exacerbating the trend. Sales of Heineken Cold Filtered, Heineken Export and Murphy's

Heineken Switzerland	Campaign *Sounds Good*
Agency	*JWT+H+F Zürich*
Awards	*3rd finalist International Food and Beverage Creative Excellent Awards 2001*

Europe

Irish Stout were lower. Preparations are in progress for repositioning of the Heineken brand, which will require a substantial market investment.

Sales of Heineken beer in **Germany** continued to grow in 2001. There was a sharp rise in sales of our Desperados speciality beer. The results of the joint venture with Bayerische BrauHolding AG will be included in the consolidation as from 2002.

Since Spendrups Bryggery in **Sweden** started producing Heineken beer locally under licence in May 2001, sales of Heineken in that country have trebled.

Heineken's successful distributor in **Bosnia** also took over marketing in **Croatia** in early 2001 and posted sales growth of 20%.

Exports of Amstel beer from Greece to **Albania** recorded strong growth.

The beer market in **Yugoslavia** benefited from the improving economy and greater political stability, and sales of imported Heineken beer increased sharply.

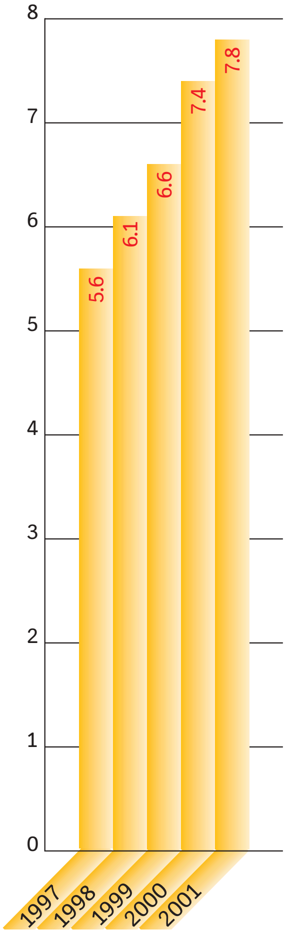
The acquisition of Bravo International, the fourth largest brewer in **Russia**, in early 2002 places Heineken in a good position from which to pursue rapid growth in this emerging beer market.

The position of imported Heineken beer in **Eastern Europe** was strengthened by the signature of new distribution agreements for Russia, Latvia, Estonia, Lithuania and Georgia.

Heineken Switzerland Campaign *Sounds Good* Agency *JWT+H+F Zürich*

Awards *3rd finalist International Food and Beverage Creative Excellent Awards 2001*

Western Hemisphere



Group volume
Western Hemisphere
in million hectolitres

Heineken Group's sales in the Western Hemisphere increased from 7.4 to 7.8 million hl (+ 5.5%), with the United States making a substantial contribution to this growth. Sales in Canada were also significantly higher.

Heineken has built a strong position in the Western Hemisphere, with growing exports to the United States, Canada and Central and South America. Heineken also owns a number of breweries in the Caribbean and has licensing agreements with several brewers in Central and South America. Despite the crisis in Argentina, the long-term outlook for the South American market is favourable and Heineken is seeking to expand in that region.

United States

Heineken and Amstel Light sales higher in a slowing market

Although growth in the US beer market slowed abruptly to under 0.6%, sales of imported beers were up by 9%. Sales of our imported beers rose from 5.3 to 5.5 million hl (+ 5%).

The US beer market contracted sharply for a short time in the wake of the tragic events of 11 September. Stronger competition from premixed spirits was also a factor. The imported beer and light beer segments grew and both Heineken and Amstel Light contributed to the increase in our sales. With sales in the off-trade segment growing faster than the on-trade segment, both brands benefited from our sustained marketing and sales effort on the take-home market, which was reflected in stronger positioning and greater availability of Heineken and Amstel in all distribution channels. Our marketing strategy was revised to take greater account of regional differences and cultural diversity within our consumer base, for example by launching special campaigns for Hispanic American and African American consumers.

The formation of Heineken Music Initiative Inc., a foundation which helps talented bands and musicians to further their careers, represented a major advance in our involvement in music sponsorship.

Our project to improve distribution was completed with the opening of our tenth beer depot in New York State. The new distribution organisation has boosted efficiency in the supply chain and significantly shortened the average lead time for delivery our imported beer from the brewery to the consumer. The reorganisation has enabled Heineken USA to address the market more intensively, so that it can focus more specifically on the individual distribution channels and further improve communications with their distributors in each channel.

Canada

Strong growth in Heineken and Amstel Light sales

While the rest of the market remained static, the imported beer segment grew in 2001.

For marketing and distribution, Heineken Canada works closely with the Molson brewery. The Heineken brand posted strong growth and the launch campaign for

Amateur

Correction

Lágrimas

Western Hemisphere

Amstel Light, which was introduced at the end of 2001, was well received.

Central America and the Caribbean

After a promising start to the year, tourism declined sharply in the latter part of 2001, with the Bahamas and St. Lucia in particular suffering severely. Sales in Central America and the Caribbean region, at 725,000 million hl, remained close to the 2000 level and the result similarly showed little change. Sales of Heineken beer in the region increased.

Sales of imported Heineken in **Mexico** were also higher. Commonwealth Breweries on the **Bahamas** benefited strongly from the acquisition of a large local distributor in 2000, but both turnover and result were negatively affected by the decline in tourism after 11 September.

The Windward and Leeward Brewery on **St. Lucia** also suffered from the downturn in the tourism sector, but both sales and result remained stable thanks to growth in exports to neighbouring islands.

Surinaamse Brouwerij was able to hold sales of its Parbo beer steady despite the difficult economic situation in **Surinam** and its financial result was little affected.

Antilliaanse Brouwerij on **Curaçao**, which had to cope with the effects of a severe economic recession, reported slightly lower sales of Amstel beer, but its financial result was helped by the successful launch in the Netherlands of Amstel Bright, which is brewed on Curaçao.

Brasserie Lorraine on **Martinique** achieved higher sales and posted a stable result.

Sales of Heineken beer brewed under licence were higher on **Trinidad** and **Jamaica** and in **Costa Rica**, but no growth was recorded in the **Dominican Republic**. A new marketing strategy has been developed to boost sales.

Heineken USA Campaign *Beer moments* Agency *Lowe Lintas & Partners New York* Awards *New York Festivals 2000 – finalists television*

Heineken USA Campaign *Beer moments* Agency *Lowe Lintas & Partners New York* Awards *Finalist London International Advertising Awards 2000*

Heineken Puerto Rico Campaign *Lágrimas* Agency *Young & Rubicam Puerto Rico* Awards *Cúspide Award Puerto Rico Association of Advertising Agencies – Gold*

Western Hemisphere

Sales of imported Heineken beer on **Puerto Rico**, the largest imported beer market in the Caribbean, were again higher.

South America

The beer market in this region continued to grow, despite the worrying economic situation in Argentina, and our sales rose from 389,000 to 408,000 hl.

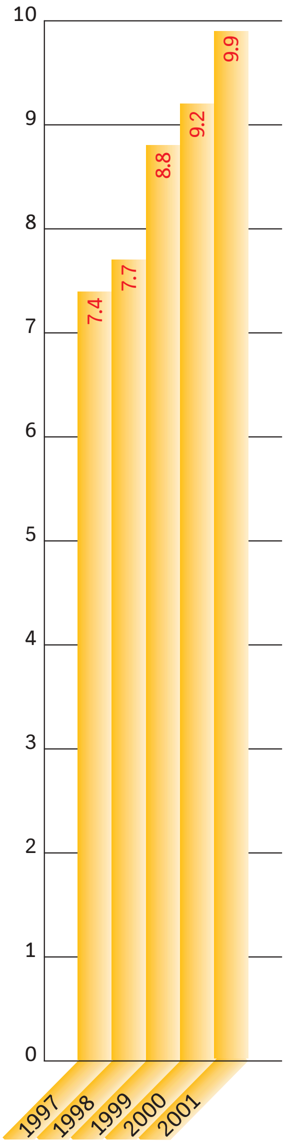
The prospects for the South American beer market are good, with rising purchasing power translating into higher beer consumption and growth in the premium beer segment. The region offers good potential for development of Heineken and our other international brands, and we are seeking to expand in this region.

Quilmes, our licensing partner, reported increased sales of Heineken in **Chile** and **Uruguay**.

The beer market in **Argentina**, where Heineken has a modest position, was adversely affected by the decline in consumer purchasing power in the wake of the economic crisis and Heineken sales were down. Kaiser, our licensing partner in **Brazil**, reported increased Heineken sales.

Exports of Heineken beer to South America increased sharply, with spectacular growth in **Colombia** and **Ecuador** where the distribution organisation has been improved and the brand's profile has been raised.

Africa/Middle East



Group volume Africa/Middle East

in million hectolitres

Africa

The greater political stability and improving economic situation in a number of important markets, including Nigeria, Congo and Sierra Leone, fed through into growth in beer consumption. Heineken Group's beer sales increased from 9.2 to 9.9 million hl (+ 7.8%), which translated into a substantially improved result. Nigerian Breweries accounted for much of this growth, due to a combination of good performance and full consolidation of its figures as from 2001.

The Heineken breweries in several African countries hold substantial positions in their national markets. As well as local brands, these breweries also sell Amstel beer in some of these countries. Most of the companies also produce and market soft drinks. In some African countries our Heineken, Amstel and Mützig brands are brewed under licence and marketed by third parties. Sales of imported Heineken, which is available on a limited scale, rose by 10%. The Heineken brand is developing well in Nigeria in particular and sales were also substantially higher in Gabon, Ivory Coast and Algeria.
Staff training and development, which is a critical success factor for any brewery, is a priority in Africa. New systems were introduced and many training courses in sales, distribution, supply-chain management and cost control were provided. Heineken University's regional programmes played an important part in this effort.

A start was made at several breweries on replacing the filling lines. As well as reducing costs, the new equipment also offers improved safety.

Although there were a number of local incidents, the political situation in **Nigeria** remained stable, thanks to the positive role played by the democratically elected president. With the economic situation improving and inflation under control, 2001 also saw growth in the Nigerian beer market, the second largest in Africa. Sales by Nigerian Breweries, the market leader, increased so fast that the company had problems meeting the rising demand. The financial result was sharply higher, reflecting heavy demand for Star, the country's leading premium beer. Nigerian Breweries has also taken on the marketing and distribution of Heineken, sales of which are growing steadily.

The five Nigerian Breweries plants operated at maximum capacity. The construction of a sixth brewery in Enugu, which will provide sufficient capacity to meet the

Heineken USA Campaign *Keg Cans*
Agency *Lowe Lintas & Partners New York*
Awards *2000 Addy – mixed media*

Africa/Middle East

growth in demand expected in the years ahead, is progressing well. This modern brewery is designed to the highest standards and will be capable of producing beer of the best quality at the lowest possible cost.

Economic activity in the **Democratic Republic of Congo** remained at a low level and beer sales were adversely affected by declining purchasing power. Although Brasseries, Limonaderies et Malteries Bralima's sales were down, restructing enabled it to post an improved financial result.

The economic situation in **Rwanda** stabilised and, although there is little sign yet of any improvement in consumer purchasing power, the beer market recovered to some extent from the tax increases in 2000. Brasseries et Limonaderies du Rwanda 'Bralirwa' reported improved sales, but its result showed little change. Amstel was launched successfully.

The economic situation in **Burundi** showed no improvement and the foreign aid which had been promised still failed to materialise. Consumer purchasing power was further eroded by new taxes, and this was reflected in lower sales figures for Brasseries et Limonaderies du Burundi, but the result was held at the 2000 level, partly thanks to exports of Amstel to neighbouring countries.

In **Congo**, Brasserie du Congo benefited from the political stability and economic recovery which followed the signature of a peace agreement, reporting a strong increase in beer sales and a substantially improved result.

On **Ile de la Réunion**, Brasseries de Bourbon felt the effects of a protracted labour dispute at the beginning of the year, and both beer sales and result fell short of the previous year's level.

The weak economic situation and high inflation in **Ghana** were not conducive to a healthy beer market and Ghana Breweries reported reduced beer sales and a lower result. The company is implementing a restructuring pro-

Africa/Middle East

gramme to improve its position in a weakened and highly competitive market.

Brasserie du Logone in **Chad** was able to increase both sales volume and market share.

The brewery in **Sierra Leone** in which we hold a minority stake reopened in 2001 after being severely damaged during the rebellion in 2000. Political stability has now been restored, following military intervention by the United Nations and the installation of a new, democratically elected government.

The political situation in **Angola** continues to give cause for concern. Our two breweries there are making every effort to continue production.

Sales of Heineken beer in **South Africa**, which South African Breweries started producing under licence, were up by over 60%, helped by intensified sales efforts targeted on specific market segments and distribution channels and increased marketing activity. Sales of Amstel brewed under licence in South Africa were also higher.

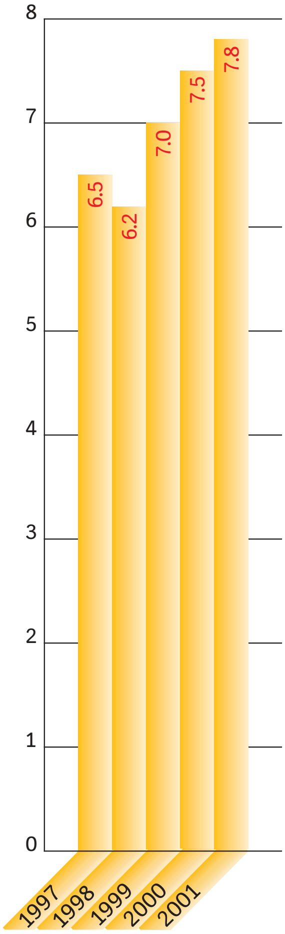
In **Cameroon**, sales of Amstel and Mützig produced under licence increased sharply.

Middle East

Although the abrupt fall in the number of tourists and business travellers to the Gulf states after the terrorist attacks on the United States had a negative effect on total beer sales, exports of Heineken to the rest of the Middle East held up well, with strong growth especially in **Israel** and in **Lebanon**, where the Amstel brand was successfully relaunched.

Heineken International Campaign *Labels* Agency *Bates Singapore*

Asia/Pacific



Group volume Asia/Pacific

in million hectolitres

Although, after the improvement in 2000, economic growth in the Asia/Pacific region lost momentum in 2001, the beer market still achieved some growth. Heineken Group's sales in the region increased from 7.5 to 7.8 million hl (+ 4%), with sales of Heineken beer growing strongly especially in Thailand and Vietnam.

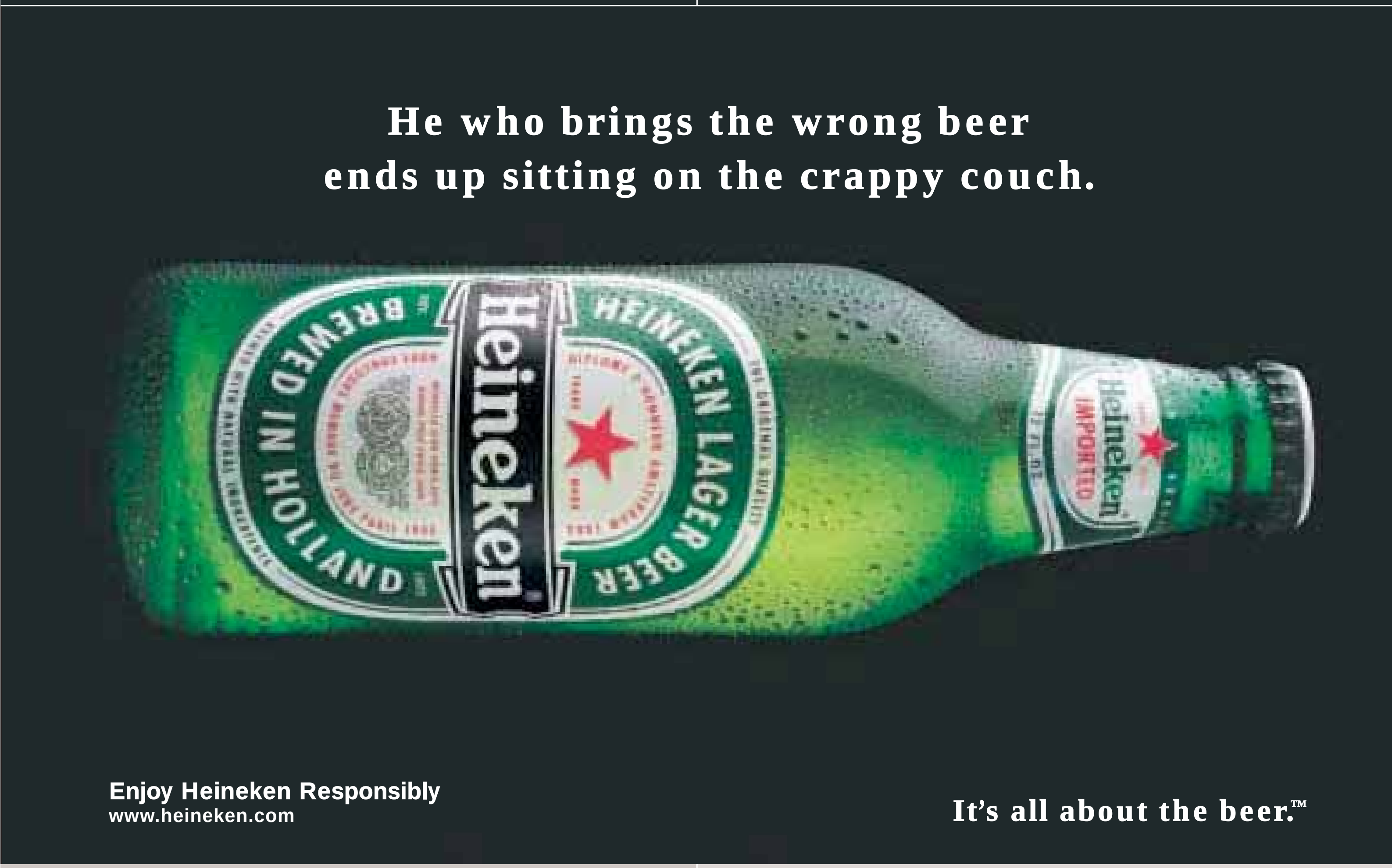
One of the main pillars supporting Heineken's strong position in this region is Asia Pacific Breweries, a Singapore-based joint venture between Heineken and Fraser & Neave, which has interests in many breweries in the region. Heineken beer is produced at several Asia Pacific Breweries plants.

Heineken also has its own operating companies in Indonesia and on New Caledonia. Imported Heineken beer is available in many countries in the region and the Heineken brand has built a strong position, especially in China, Thailand, Vietnam, Hong Kong and Taiwan. Agreements have been entered into with local breweries in several countries to produce Heineken beer under licence.

High priority was given to building the Heineken brand in **China**. Stronger competition from local beers in the premium segment brought pressure to bear on margins and sales of imported Heineken beer were slightly lower. We also worked hard to strengthen our local breweries' brands. The brewery in Shanghai launched Reeb Superlight, to develop the Reeb brand and take advantage of the growing demand for light beers. Shanghai Asia Pacific Breweries losses were drastically reduced and the brewery on the island of Hainan, which was commissioned in 1997, moved into profit for the first time.

In **Singapore**, where the beer market recorded 2.5% growth, Asia Pacific Breweries was able to increase its market share and posted an improved result. Sales of Tiger beer were higher, but stout fell short of the previous year's level. Exports from Singapore were sharply higher.

In **Vietnam**, the beer market benefited from the rapidly improving economy. Vietnam Brewery had an excellent year, reporting increased sales and an improved result. In the premium segment, Heineken and Tiger sales were higher and both brands gained market share. Although marketing support for Bivina, a mainstream beer on which the margins are lower than on Heineken and Tiger, was scaled down, sales volume remained stable. Hatay Brewery, our second brewery in Vietnam, is currently under construction and is expected to come on stream in October 2003.



Heineken USA Campaign *It's all about the Beer*

Agency *Lowe Lintas & Partners New York*

Finalist 2000 Effie Awards

Pain Barrier

Sushi

Keg Cans

Asia/Pacific

Pain Barrier
Heineken International
Campaign *Beer moments*
Agency *Lowe Lintas & Partners New York*
Winner London International Advertising Awards 2000

Sushi
Heineken Thailand
Campaign *Sushi*
Agency *Leo Burnet Thailand*
Silver Award 25th Top Advertising Contest of Thailand

Keg Cans
Heineken USA
Campaign *Keg Cans*
Agency *Lowe Lintas & Partners New York*
Awards *2000 Addy – Mixed Media*

In **Thailand**, sales of Heineken beer brewed by Thai Asia Pacific Brewery again recorded strong growth and production capacity was expanded significantly. Two years after the brand's launch on the Thai market, Amstel beer sales still fell short of expectations.

In **Cambodia** sales of low-priced beers continued to advance at the expense of mainstream and premium beers. Cambodia Brewery maintained its market leadership.

The beer market in **Malaysia** was stable, but growing competition exerted pressure on margins. Guinness Anchor Berhard was able to increase its market share slightly, mainly thanks to higher sales of Tiger beer.

The **New Zealand** beer market continued to contract. Although our beer sales were down, a better sales mix and lower costs helped DB Group to achieve a better result in spite of a substantial devaluation of the New Zealand dollar. DB Group's wine activities were sold.

Beer sales in **Papua New Guinea** increased, but the result was lower due to the fall in value of the local currency. SP Holdings' soft-drink activities were sold.

Asia/Pacific

In **Indonesia**, despite the adverse effect on the total beer market of the political and economic uncertainty and the substantial rise in excise duty, Multi Bintang Indonesia increased its market share and returned a financial result close to the previous year's level, although sales of Bintang beer were down slightly.

On **New Caledonia**, the pressure on selling prices eased and Grande Brasserie de Nouvelle Caledonie reported higher sales and a better result.

Beer sales on **Tahiti** were depressed by the sharp decline in tourism and sales of Heineken beer brewed under licence by Brasserie de Tahiti were a little lower.

In **Australia**, the Heineken brand performed particularly well, supported by increased investment in marketing and improvements in the sales organisation. Amstel was successfully introduced.

Despite the significant slowing of economic growth in **Taiwan**, sales of Heineken beer were posted strong growth and our market share increased. Our own marketing and sales organisation, which will become operational in 2002, will help to boost sales still further.

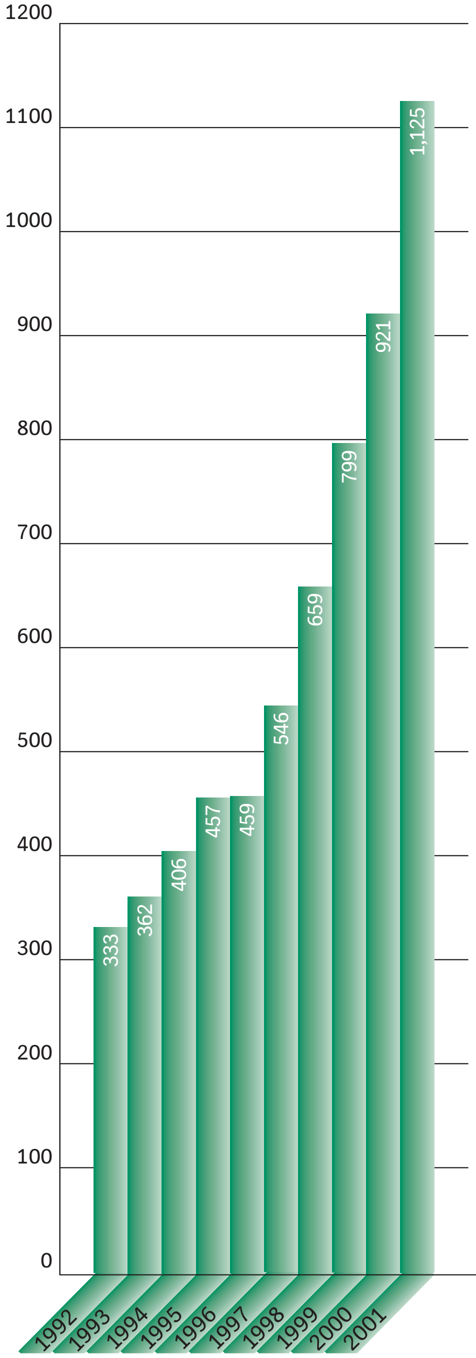
The weak economic situation in **Hong Kong** translated into intense competition, chiefly on selling price, which adversely affected Heineken sales.

The beer market in **Japan** continued to contract. Heineken sales were down, but the brand was able to advance its substantial position in the on-trade segment.

The **Kazakhstan** beer market achieved substantial growth and Dinal Brewery in Almaty, in which we have a minority interest, posted a commensurate increase in sales. Production capacity was raised to 300,000 hl. The Amstel brand was successfully launched by Dinal on the Kazakhstan market, to supplement the local Tyan Shan brand.

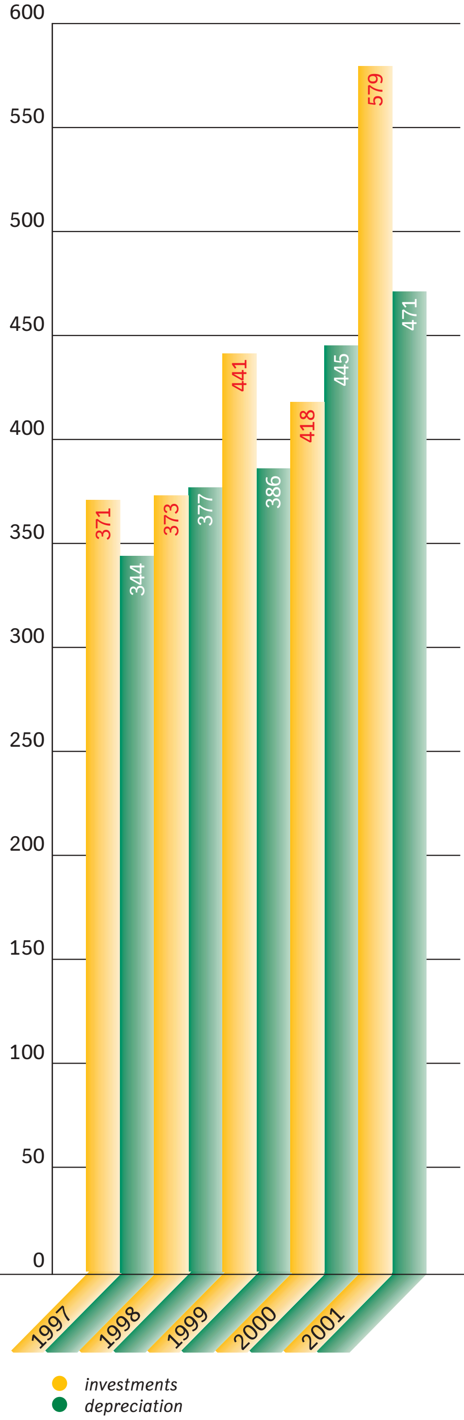
In **Uzbekistan** and **Azerbaijan** the position of imported Heineken was strengthened by new distribution agreements.

Financial Developments



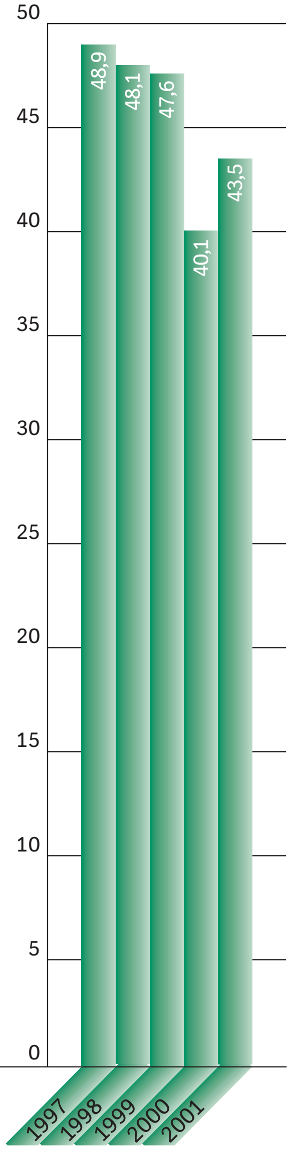
Operating profit

in millions of euros



Tangible fixed assets, net investments and depreciation

in millions of euros

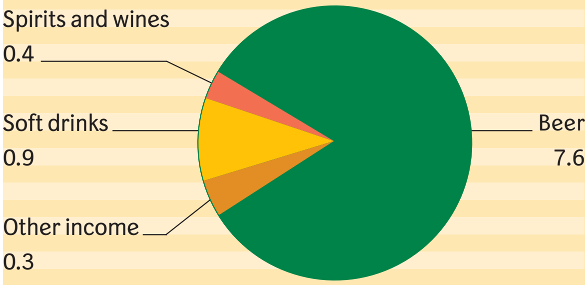


Group equity

as a percentage of total assets

Net turnover

in billions of euros



Net turnover and cost of sales

Net turnover in 2001 was up by 13%, or by more than EUR 1 billion, at EUR 9,163 million. First-time consolidations accounted for 6% of this increase, with the appreciation of the US dollar against the euro resulting in increase of 2%. Organic growth in net turnover amounted to 5%, with 4% accounted for by improved selling prices and a better sales mix and 1% due to higher sales volume.

The most significant change in the consolidation concerned Nigerian Breweries, in Nigeria. This company, in which we increased our interest to 54.2% in the course of 2000, has been fully consolidated with effect from 1 January 2001. In 2000, the then 43.3% interest in Nigerian Breweries was included at net asset value. Owing to the increase in the interest in Affligem Brouwerij BDS, in Belgium, to 95.7%, this participating interest has likewise been fully consolidated with effect from 1 January 2001.

A number of beverage wholesalers in Italy and France have also been included in the consolidation. And during the year, we increased our interests in Żywiec, Poland, from 51.6% to 61.8% and in Heineken España from 80.9% to 97.2%. Disposals included several non-core activities of the DB Group, in New Zealand, including Corban Wines, and the non-alcoholic beverages activities of SP Holdings in Papua New Guinea. The 49.9% participating interest in BrauHolding International, in Germany, a joint venture between Heineken N.V. and Bayerische BrauHolding AG, was carried at net asset value in the balance sheet as at 31 December 2001. The company will be fully consolidated as from 1 January 2002.

Operating expenses rose by 12% to EUR 8,038 million, a considerable proportion of this increase being accounted for by the new consolidations. The price of raw materials and the cost of packaging rose by more than 4%, but energy costs remained steady. Higher sponsorship and advertising activities to strengthen our brands and market positions led to a 16% increase in marketing and selling expenses to EUR 1,281 million. Expressed as a proportion of net turnover, marketing and selling expenses amounted to 14.0%, compared with 13.7% in 2000.

As from the beginning of 2001, investments in major ICT projects satisfying certain criteria laid down in the Guidelines for Annual Reporting in the Netherlands have been capitalised with amortisation taking place over three years. Costs not qualifying for capitalisation in 2001 have been included in staff costs and other expenses, and amounted to around EUR 40 million more than in 2000. Staff costs were also increased by the first-time consolidations.

Additions to the provisions for staff schemes were on a par with last year's level, while extra write-downs due to value adjustments were lower than in 2001.

Turnover and costs *in millions of euros*	**2001**	2000	Change (%)
Net turnover	**9,163**	8,107	13
Raw materials, consumables and services	**4,919**	4,324	14
Excise duties	**1,226**	1,093	12
Staff costs	**1,417**	1,301	9
Amortisation/depreciation and value adjustments	**476**	468	2
Total operating expenses	**8,038**	7,186	12
Operating profit	**1,125**	921	22

Operating profit and net profit *in millions of euros*	2001	2000	Change (%)
Operating profit	**1,125**	921	22
Earnings of non-consolidated participating interests	**45**	59	– 24
Interest	**– 71**	– 66	8
Profit before tax	**1,099**	914	20
Taxation	**– 327**	– 277	18
Profit after tax	**772**	637	21
Minority interests	**– 57**	– 16	256
Net profit on ordinary activities	**715**	621	15
Extraordinary result after tax	**52**	–	–
Net profit	**767**	621	24

Operating profit and net profit

The operating profit rose by 22% to EUR 1,125 million. Roughly half of this increase was due to first-time consolidations. The effect of new consolidations on the net profit, however, was considerably less. The appreciation of the US dollar against the euro also contributed to the increase in the operating profit. In addition, the higher sales volume, the improvement in the sales mix and the higher selling prices all played a part in the increase. The operating profit as a proportion of net turnover improved from 11.4% to 12.3%.
Income from non-consolidated participating interests decreased owing to the full consolidation of Nigerian Breweries. In 2000, our share of the profits of this company was recognised under the above heading.
Interest charges rose by EUR 5 million to EUR 71 million. The increase in the amount of interest paid, which was mainly due to first-time consolidations, was partially offset by higher interest income on cash balances. The interest cover ratio improved from 15 in 2000 to 16.5 in 2001.
The tax burden, expressed relative to the operating profit including interest, fell from 32.4% to 31.0%. This reduction was largely the effect of utilising tax losses carried forward in Spain. There was also incidental income from the release of taxation provisions formed in the past.
Minority interests in the result were higher, mainly owing to the consolidation of Nigerian Breweries.
The net profit on ordinary activities increased by 15% in 2001 to EUR 715 million. An extraordinary result after tax of EUR 52 million was also posted. This relates to the book profit of EUR 36 million on the disposal of the 2% interest in the Spanish hotel group NH Hoteles SA and an exceptional cash dividend of EUR 16 million distributed by Whitbread

Cash flow *in millions of euros*	2001	2000
Cash flow from operating activities	**1,165**	1,035
Dividends paid	**– 168**	– 160
Cash flow from investing activities	**– 784**	– 1,503
	213	– 628
Borrowings	**86**	480
Repayments on loans	**– 182**	– 187
Other financing	**58**	42
	175	– 293

Plc following the disposal of its Pubs & Bars Division.
The net profit per share of EUR 2.00 nominal value increased from EUR 1.58 (restated for the share split in April 2001) to EUR 1.82.

Cash flow and investments

The cash flow from operating activities rose by EUR 130 million to EUR 1,165 million, mainly owing to the increased operating profit.
Net investments in tangible fixed assets amounted to EUR 579 million. Significant investments were made in Nigeria (EUR 74 million), Greece (EUR 36 million) and the Netherlands (EUR 29 million).
A net amount of EUR 170 million was invested in acquisitions and increases in existing interests. Set against the acquisition of the 49.9% interest in BrauHolding International, in Germany, and various increases in interests, there were disposals in New Zealand and Papua New Guinea.

Financing and liquidity

Group equity increased from EUR 2,520 million to EUR 3,139 million as at 31 December 2001. Shareholders' equity rose by EUR 362 million to EUR 2,758 million. Set against the addition of the net profit of EUR 767 million and revaluations of EUR 72 million, was a goodwill charge of EUR 320 million and the proposed dividend distribution of EUR 157 million. The combined effect of repayments on long-term borrowings and the increase in cash balances was to reduce the net debt position from EUR 442 million to EUR 152 million as at 31 December 2001.

Appropriation profit

Net profit for Heineken N.V. in 2001 amounted to EUR 767 million. In accordance with Article 12 of the Articles of Association, the Annual General Meeting of Shareholders will be invited to appropriate an amount of EUR 157 million for distribution as dividend. This proposed appropriation corresponds to a dividend of EUR 0.40 per share of EUR 2.00 nominal value, out of which an interim dividend of EUR 0.16 was paid on 24 September 2001. The final dividend thus amounts to EUR 0.24 per share. Dutch withholding tax at 25% will be deducted from the final dividend. It is proposed to add the remaining amount of EUR 610 million to the general reserve.

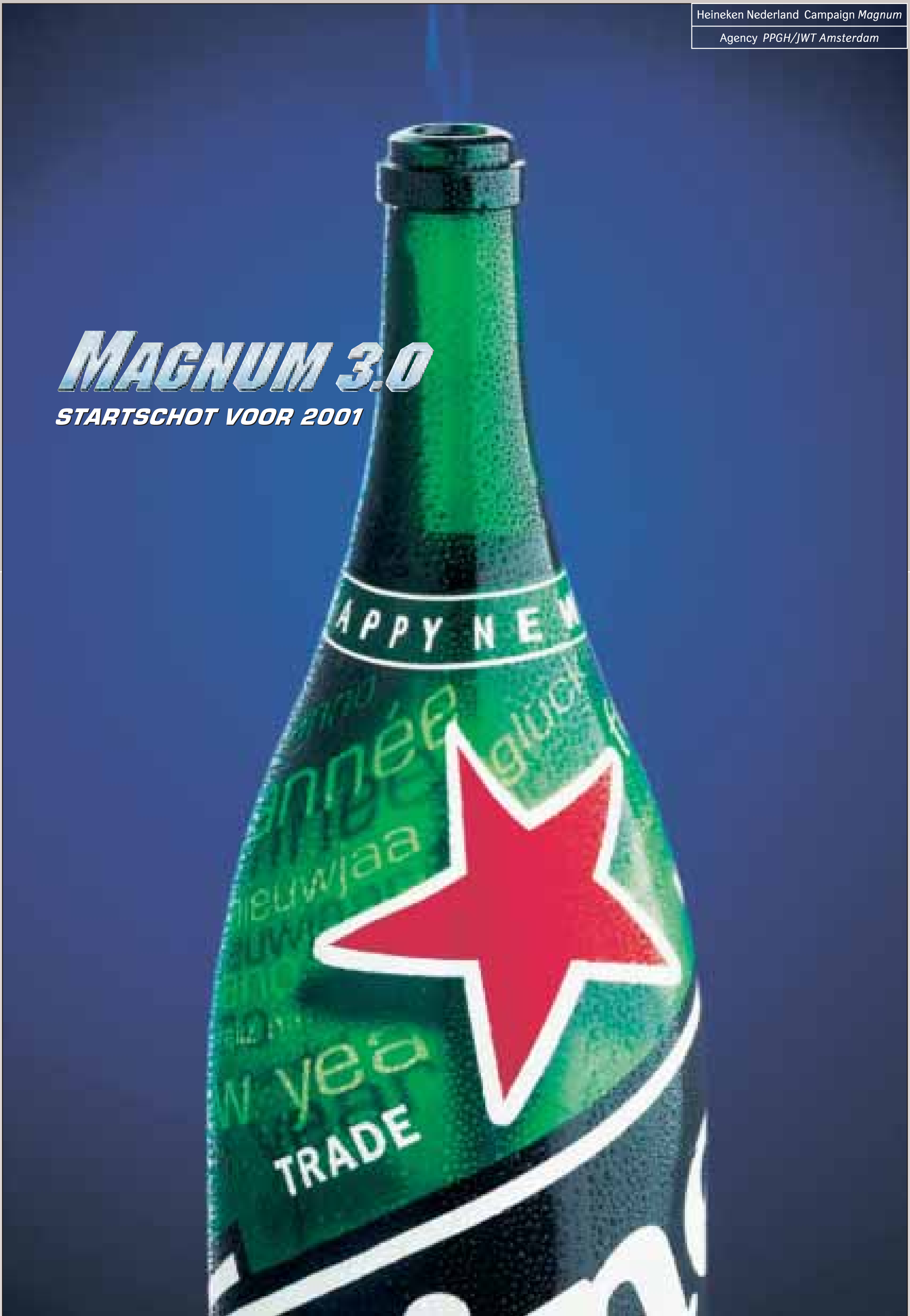
Amsterdam, 26 February 2002

Vuursteen
Ruys
Lubsen
Bolland
Van Boxmeer

Financing structure *in millions of euros*	**2001**	%	2000	%
Group equity	**3,139**	**44**	2,520	40
Equalisation account and deferred taxation	**379**	**5**	338	5
Other provisions	**667**	**9**	664	11
Liabilities	**3,032**	**42**	2,767	44
	7,217	**100**	6,289	100

Heineken Nederland Campaign *Magnum*

Agency *PPGH/JWT Amsterdam*



Financial Statements 2001

Consolidated Balance Sheet

after appropriation of profit
in millions of euros

	31 December **2001**		31 December 2000	
Assets				
Fixed assets				
Intangible fixed assets	**13**		–	
Tangible fixed assets	**3,614**		3,276	
Financial fixed assets	**531**		615	
		4,158		3,891
Current assets				
Stocks	**692**		550	
Receivables	**1,192**		1,024	
Securities	**29**		23	
Cash	**1,146**		801	
		3,059		2,398
		7,217		6,289
Equity and liabilities				
Group equity				
Shareholders' equity	**2,758**		2,396	
Minority interests	**381**		124	
		3,139		2,520
Investment facilities equalisation account		**22**		26
Provisions		**1,024**		976
Liabilities				
Long-term borrowings	**797**		875	
Current liabilities	**2,235**		1,892	
		3,032		2,767
		7,217		6,289

Consolidated Profit and Loss Account

in millions of euros

	2001	2001	2000	2000
Net turnover		**9,163**		8,107
Raw materials, consumables and services	**4,919**		4,324	
Excise duties	**1,226**		1,093	
Staff costs	**1,417**		1,301	
Amortisation/depreciation and value adjustments	**476**		468	
Total operating expenses		**8,038**		7,186
Operating profit		**1,125**		921
Results of non-consolidated participating interests		**45**		59
Interest		**– 71**		– 66
Profit before tax		**1,099**		914
Taxation		**– 327**		– 277
Group profit after tax		**772**		637
Minority interests		**– 57**		– 16
Net profit on ordinary activities		**715**		621
Extraordinary result after tax		**52**		–
Net profit		**767**		621
Number of shares in issue		**391,979,675**		313,583,740
Profit per share on ordinary activities, restated for share split		**1.82**		1.58

Consolidated Cash Flow Statement

in millions of euros

	2001	2001	2000	2000
Cash flow from operating activities				
Operating profit	**1,125**		921	
Results of non-consolidated participating interests	**45**		59	
Amortisation/depreciation and value adjustments	**476**		468	
Movements in provisions	**– 32**		– 26	
Movements in working capital	**– 42**		– 29	
Cash flow from operations		**1,572**		1,393
Interest paid and received		**– 74**		– 67
Taxation paid on profits		**– 333**		– 291
Cash flow from operating activities		**1,165**		1,035
Dividends paid		**– 168**		– 160
Cash flow from operating activities less dividends paid		**997**		875
Cas flow from investing activities				
Intangible fixed assets	**– 17**		–	
Tangible fixed assets	**– 579**		– 418	
Consolidated participating interests	**– 148**		– 939	
Non-consolidated participating interests	**– 74**		– 107	
Extraordinary result on participating interests disposed of	**52**		–	
Other financial fixed assets	**– 18**		– 39	
		– 784		– 1,503
Cash flow from financing activities				
Long-term borrowings	**86**		480	
Repayment of long-term borrowings	**– 182**		– 187	
Share issue by group companies	**57**		41	
Investment facilities	**1**		1	
		– 38		335
Net cash flow		**175**		– 293
Other cash movements:				
Changes in the consolidation		**99**		– 74
Foreign exchange differences		**– 14**		– 6
Movement in cash		**260**		– 373
The net cash position is made up of:				
Cash		**1,146**		801
Securities		**29**		23
Bank overdrafts		**– 297**		– 206
Position as at 31 December		**878**		618

Notes to the Consolidated Balance Sheet, Profit and Loss Account and Cash Flow Statement for 2001

General

The financial statements and the report of the Executive Board have been prepared in accordance with the provisions of Part 9, Book 2, of the Netherlands Civil Code.

There were a number of changes in the scope of the consolidation during the year, the following being the more significant of these with regard to the financial statements.

Nigerian Breweries, in Nigeria, in which the interest has been increased to 54.2%, has been fully consolidated with effect from 1 January 2001. In 2000, the then 43.3% interest in Nigerian Breweries was included at net asset value. Owing to the increase in the interest in Affligem Brouwerij BDS, in Belgium, to 95.7%, this participating interest has likewise been fully consolidated with effect from 1 January 2001. A number of beverage wholesalers have also been included in the consolidation. Several non-core activities of the DB Group, in New Zealand, including Corban Wines, have been sold off. In Papua New Guinea, the non-alcoholic beverages activities of SP Holdings were also disposed of.

The 49.9% participating interest in BrauHolding International, in Germany, a joint venture between Heineken International B.V. and Bayerische BrauHolding AG, acquired in February 2001, was carried at net asset value in the balance sheet as at 31 December 2001. With effect from 1 January 2002, the joint venture will be proportionally consolidated, with Heineken sharing in the results as from that date.

The changes had the effect of increasing net turnover by EUR 456 million and resulted in a goodwill charge against group equity of EUR 320 million.

The financial information relating to Heineken N.V. has been included in the consolidated balance sheet and profit and loss account. The abridged presentation permitted by Section 402, Part 9, Book 2, of the Netherlands Civil Code has accordingly been used for the Heineken N.V. profit and loss account.

The amounts disclosed in the notes are in millions of euros unless otherwise indicated.

Consolidation principles

Heineken N.V. and the subsidiaries with which it forms a group are fully consolidated in the consolidated balance sheet and profit and loss account, with minority interests in group equity and group profits shown separately.

Proportional consolidation is applied in the case of companies in which the Heineken group has a direct interest and exercises a controlling influence on management decisions in partnership with other shareholders and whose activities are closely related to those of the Heineken group.

In the analyses of movements in various assets and liabilities, disclosures of 'changes in the consolidation' relate to increases or decreases in the group's interests in consolidated companies.

Foreign currency

Hedging transactions are entered into only to limit exchange risks in respect of actual amounts receivable and payable and highly probable future cash flows in foreign currencies. The instruments used are forward contracts and options. Before such contracts are entered into, inward and outward cash flows in a particular currency are netted off at group level as far as possible. Where foreign currency balance sheet positions have been hedged, they are translated at the exchange rate of the hedge. Recognition of results arising from hedging operations relating to future foreign currency cash flows is deferred until the relevant cash flows are accounted for. Other foreign currency transactions in the profit and loss account are recognised at spot rates unless forward contracts have been entered into in connection with these transactions, in which case the forward rate applies.

The financial statements of non-eurozone companies are translated into euros. Assets and liabilities are translated at exchange rates on the balance sheet date. Profit and loss account items are translated at the average monthly exchange rates. The difference between the net profit based on average exchange rates and the net profit based on the exchange rates as at balance sheet date is accounted for in the revaluation reserve. The profit and loss accounts of companies in hyperinflation countries are translated at exchange rates prevailing on the balance sheet date.

The translation into euros of the opening balance of the shareholders' equity of the non-eurozone consolidated companies plus intra-group loans granted to these companies gives rise to translation differences. These differences are treated as revaluations and are credited or debited directly to group equity, with due allowance for taxation. Other differences due to exchange rate movements are accounted for directly in the profit and loss account.

Valuation of assets and liabilities

Intangible fixed assets
Goodwill, the difference between the price paid for participating interests and their valuation according to Heineken accounting policies, is charged to shareholders' equity where the group exercises at least a significant influence on management decisions. In the case of acquisition of beverage wholesalers, the purchase price is almost entirely determined by the customer base and this element, being an intangible asset, is not capitalised, so that a large part of the purchase price in fact constitutes goodwill.

When the relevant legal requirements are changed, goodwill will be capitalised and amortised over the expected economic life of the assets concerned.

Other intangible fixed assets are capitalised and amortised by the straight-line method over three years. If the net realisable value of intangible fixed assets is less than the carrying amount, a diminution in value is applied. Costs of internally developed brands, patents and licences and research and development are expensed.

Brands, patents and licences purchased with acquisitions are treated as part of the goodwill paid.

Tangible fixed assets
Except for land, which is not depreciated, tangible fixed assets are stated at replacement cost less accumulated depreciation. The following average useful lives are used for depreciation purposes:

Buildings	30 - 40 years
Plant and equipment	10 - 30 years
Other fixed assets	5 - 10 years

The replacement cost is based on appraisals by internal and external experts, taking into account technical and economic developments and supported by the experience gained in the construction of breweries throughout the world. Projects under construction are included at cost.

Financial fixed assets
Non-consolidated participating interests where the group has a significant influence are stated at the Heineken share of the net asset value, which is arrived at as far as possible on the basis of the Heineken accounting policies. Other non-consolidated participating interests are stated at cost less any necessary provisions.

Loans to non-consolidated companies and other financial fixed assets are carried at face value, less provisions for credit risks.

Impairment of assets
Regularly it is assessed whether there are any indications that intangible and tangible fixed assets may be impaired. If any such indication exist, the net realisable value of the assets concerned is determined. If the net realisable value of an asset is less than its book value, the difference is deducted from the carrying amount as an impairment loss and charged to the profit and loss account.

Current assets
Stocks bought in from third parties are stated at replacement cost, arrived at on the basis of prices from current purchase contracts and latest prices as at balance sheet date. Finished products and work in progress are stated at manufactured cost based on replacement cost and taking into account the production stage reached. Stocks of spare parts are depreciated on a straight-line basis taking account of obsolescence. If the recoverable amount or net realisable value of stocks is less than their replacement cost, provisions are made in respect of the difference. Advance payments on stocks are stated at face value.

Receivables are carried at face value less a provision for bad debts and less the amount of deposits on returnable packaging.

Securities are carried at the lower of historical cost and quoted price, or estimated market value in the case of unlisted securities.

Cash is stated at face value.

Revaluations
Differences in carrying amounts due to revaluations are credited or debited to group equity, less an amount in respect of deferred tax liabilities where applicable.

Investment facilities equalisation account
The purpose of the investment facilities equalisation account is to apportion amounts received under investment grant schemes in certain countries over the estimated useful lives of the assets concerned.

Provisions
The provision for deferred tax liabilities is formed in respect of timing differences between the balance sheet for reporting purposes and the recognition of assets and liabilities for tax purposes as well as taxation on profit distributions borne by the group. The liabilities are calculated at the standard tax rates on balance sheet date and are stated at face value. Deferred tax assets are netted off

against deferred tax liabilities of the same kind over matching periods. A net deferred tax asset is not recognised unless future realisation is reasonably certain.

The provision for pension liabilities is calculated at net present value according to actuarial principles based on current pay levels. Full provision is made for pension liabilities in respect of accrued benefit rights. 'Back-service' liabilities resulting from improvements in remuneration packages and pension plans are added to the provision for pension liabilities and charged directly to income.

The provision for other staff schemes is calculated at the net present value of the benefit commitments in connection with early retirement, relocation, redundancy and disablement schemes, taking account of the expected degree of employee participation in the schemes concerned.

Liabilities

Long-term borrowings and current liabilities are stated at face value.

Determination of results

Income and expenses are accounted for in the profit and loss account at the time of supply of the relevant goods or services.

Net turnover means the proceeds from sales of products and services supplied to third parties, net of sales taxes and customer discounts.

Raw materials and consumables are stated at replacement cost in the profit and loss account.

Excise duties are stated at the actual amounts payable.

The amount of the depreciation charges based on replacement cost is calculated on a straight-line basis according to the estimated useful lives of the assets concerned, reduced by amounts released from the investment facilities equalisation account.

The results of non-consolidated participating interests consist of dividends received during the year from companies carried at cost and Heineken's share of the net profits of companies carried at net asset value. The share of the results of companies carried at net asset value is calculated as far as possible in accordance with group accounting policies for the determination of results, taking account of taxation and minority interests.

Interest expenses are allocated to the periods to which they relate. Results arising from operations involving interest rate hedging instruments are also accounted for as interest. Such instruments are used to hedge the risk of a reduction in interest income on surplus funds temporarily invested in bank deposits due to falling interest rates and higher interest charges on interest-bearing liabilities due to interest rate rises. Interest rate hedging instruments are not used without a corresponding underlying position.

Taxation on profits is calculated on the profit shown in the financial statements by applying the standard tax rates, taking into account tax payable by the group on profit distributions by participating interests and applicable tax facilities. Differences between the amount thus calculated and taxes actually payable for the year are accounted for in the provision for deferred tax liabilities.

Notes to the Consolidated Balance Sheet

Intangible fixed assets
With effect from 1 January 2001, investments in intangible fixed assets satisfying certain criteria laid down in the Guidelines for Annual Reporting in the Netherlands have been capitalised. Prior to 2001, such investments were expensed. In 2001, an amount of EUR 17 million was capitalised and an amount of EUR 4 million was amortised in respect of intangible fixed assets.

This change in the accounting policies would have had no material effect on the balance sheet and profit and loss account for 2000, if applied already in 2000.

Tangible fixed assets	Total	Land and buildings	Plant and equipment	Other fixed assets	Projects under construction
Position as at 1 january 2001	3,276	1,135	1,444	577	120
Changes in the consolidation	136	24	52	47	13
Investments less disposals	579	– 28	96	196	315
Completed projects	–	40	109	60	– 209
Revaluations	94	12	65	15	2
Depreciation and value adjustments	– 471	– 48	– 244	– 179	–
Position as at 31 December 2001	3,614	1,135	1,522	716	241
This book value is made up as follows:					
Replacement cost	9,017	2,485	4,489	1,802	241
Accumulated depreciation	– 5,403	– 1,350	– 2,967	– 1,086	–
	3,614	1,135	1,522	716	241
The aggregate amount of the revaluations included in the book value as at 31 December 2001 is:	528	228	254	46	–

'Other fixed assets' includes vehicles, office equipment and returnable packaging. 'Projects under construction' also includes advance payments on tangible fixed assets on order.

Financial fixed assets	Total	Non-consolidated participating interests Shares	Loans	Other financial fixed assets
Position as at 1 January 2001	615	275	4	336
Changes in the consolidation	– 121	– 110	–	– 11
Additions/loans granted	253	107	–	146
Disposals/loan repayments	– 213	– 85	– 3	– 125
Revaluations	5	3	–	2
Goodwill	– 60	– 60	–	–
Other value adjustments	– 8	– 8	–	–
Share in net profit	17	17	–	–
Dividends received	– 9	– 9	–	–
Extraordinary result	52	52	–	–
Position as at 31 December 2001	531	182	1	348

'Other financial fixed assets' include EUR 270 million in respect of loans to customers. The corresponding figure in 2000 was EUR 262 million.

	2001		2000	
Stocks				
Raw materials	**118**		85	
Work in progress	**46**		51	
Finished products	**167**		139	
Goods for resale	**110**		95	
Non-returnable packaging	**65**		58	
Other stocks	**138**		105	
Advance payments on stocks	**48**		17	
		692		550
Receivables				
Amounts falling due within one year:				
Trade debtors	**1,070**		963	
Less: packaging deposits	**– 256**		– 245	
		814		718
Non-consolidated participating interests		**57**		42
Other amounts receivable		**171**		140
Prepayments and accrued income		**150**		124
		1,192		1,024

	2001		2000	
Securities				
Listed securities	**16**		7	
Unlisted securities	**13**		16	
		29		23
Cash				
Cash in hand and at bank	**362**		260	
Short-term cash deposits	**784**		541	
		1,146		801

Total cash not freely disposable amounts to EUR 161 million, mainly relating to letters of credit.

	2001		2000	
Shareholders' equity				
Position as at 1 January	**2,396**		2.618	
Revaluation	**72**		60	
Goodwill	**– 320**		– 778	
Net profit for the year	**767**		621	
Dividend for the year	**– 157**		– 125	
Position as at 31 December		**2,758**		2.396

For an analysis of shareholders' equity, reference is made to the balance sheet of Heineken N.V. as at 31 December 2001 on page 70.

	2001		2000	
Minority interests				
Position as at 1 January	**124**		248	
Changes in the consolidation	**156**		– 172	
Revaluations	**5**		11	
Minority interests in group profit	**57**		16	
Dividends payable to minority shareholders	**– 20**		– 20	
Share issue	**59**		41	
Position as at 31 December		**381**		124
Investment facilities equalisation account				
Position as at 1 January	**26**		31	
Changes in the consolidation	**1**		–	
Grants received	**1**		1	
Released to operating profit	**– 6**		– 6	
Position as at 31 December		**22**		26

Provisions	Deferred tax liabilities	Pension liabilities	Other staff schemes	Other provisions	Total
The movements were:					
Position as at 1 january 2001	312	100	406	158	976
Changes in the consolidation	25	17	12	7	61
Revaluations/foreign exchange differences	2	–	1	–	3
Added/released	36	6	33	– 15	60
Utilised	–	– 6	– 35	– 15	– 56
Other movements	– 18	– 5	5	– 2	– 20
Position as at 31 December 2001	357	112	422	133	1,024

The provision for pension liabilities relates to pensions and annuities which have not been insured with third parties. The average rate of interest used in calculating the net present value of the provision for pension liabilities, based on current applicable interest rates in the countries concerned, is 4% (2000: 4%).
The provision for other staff schemes relates to several early retirement and reorganisation schemes. Additions due to planned and announced restructuring programmes are charged to the profit and loss account, with the exception of restructuring programmes relating to recently acquired companies, which are taken into account in the calculation of goodwill.
The other provisions mainly comprise provisions formed for receivables from participating interests, for contracts of suretyship provided and for current lawsuits.
EUR 933 million of the provisions (2000: EUR 866 million) has a term in excess of one year.

	2001		2000	
Long-term borrowings	Total	More than 5 years	Total	More than 5 years
Amounts falling due after more than one year relate to:				
Loans from credit institutions, in EUR, average effective interest rate 5.2%, repayable in 2 instalments in 2006 and 2008	**264**	**150**	227	227
Loans from credit institutions, in PLN, average effective interest rate 15.8% (2000: 20.3%)	**61**	**–**	144	–
Loans from credit institutions, in EUR, average interest rate 5.0%	**16**	**–**	46	35
Loans from credit institutions, in EUR, average effective interest rate 5.0%	**278**	**278**	278	278
Private loan, in EUR, interest rate 5.8%	**68**	**68**	68	68
Other private loans, in EUR, average interest rate 5.45% (2000: 8.3%)	**72**	**16**	76	35
Other loans, interest-free	**38**	**21**	36	9
	797	**533**	875	652

Security in the form of mortgages totalling EUR 113 million (2000: EUR 127 million) has been provided in respect of the other private loans.

	2001		2000	
Current liabilities				
Amounts falling due within one year relate to:				
Repayment commitments on long-term borrowings in 2002	**32**		26	
Bank overdrafts	**297**		206	
Suppliers	**620**		529	
Taxation and social security contributions	**335**		288	
Dividend	**107**		78	
Short-terms deposits	**241**		196	
Amounts owed to non-consolidated participating interests	**3**		6	
Other creditors	**242**		196	
Accruals and deferred income	**358**		367	
		2,235		1,892

Tangible fixed assets totalling EUR 205 million (2000: EUR 234 million) have been pledged to the authorities in a number of countries as security for the payment of taxation, particularly excise duties and import duties.

	2001	2000
Off-balance-sheet commitments		
Tenancy and operating leases	**56**	52
Capital expenditure commitments, unless already included in tangible fixed assets	**84**	68
Long-term raw material purchase contracts	**186**	32
Declarations of joint and several liability	**286**	261
Other off-balance-sheet commitments	**12**	14
Financial instruments		
Contract value as at 31 December		
Currency hedging instruments in US dollars	**1,321**	1,061
Currency hedging instruments in other currencies	**206**	246
Interest-hedging instruments	**925**	945

Financial instruments are used in the normal course of business to hedge the effects on results of fluctuations in exchange rates and interest rates. The most important foreign currency inflow is denominated in US dollars and is generated by export activities. The expected net cash flow in US dollars, which amounts to around USD 760 million per annum, is hedged well in advance by means of a combination of forward contracts and options. This policy reduces the volatility of export sales proceeds and results due to short-term fluctuations in the value of the US dollar against the euro and delays the impact of long-term fluctuations on results.

As far as possible, temporary cash surpluses are held centrally and invested in bank deposits in euros with maximum terms of one year. Approximately 60% of the risk of a reduction in interest income on these deposits due to a fall in the interest rate or an increase in interest charges due to a rise in the interest rate on interest-bearing liabilities is hedged with interest rate instruments.

These interest-hedging instruments include interest rate swaps, forward rate agreements and caps and floors.

Currency and interest rate risk management is governed by a stringently defined policy and strict rules. Only a limited number of counterparties are used, all with excellent credit ratings. The activities are closely monitored, independently of implementation.

Notes to the Consolidated Profit and Loss Account

Information by geographical area

As just one product group, namely beer, accounts for over 80% of the group's net turnover, the financial information is segmented by geographical area only, into four regions: Europe, Western Hemisphere, Africa/Middle East and Asia/Pacific. The remaining 20% of turnover is generated by activities which are not individually designated as reporting segments. Since nearly all export production facilities are located in Europe, the results of these activities are reported under Europe. The results and assets, analysed by region, are presented below.

Results	Europe (incl. exports)		Western Hemisphere		Africa/ Middle East		Asia/Pacific		Eliminations		Consolidated	
	2001	2000	**2001**	2000	**2001**	2000	**2001**	2000	**2001**	2000	**2001**	2000
Net turnover												
Third-party sales proceeds	**6,654**	6,139	**1,176**	987	**747**	363	**465**	497	**–**	–	**9,042**	7,986
Interregional sales proceeds	**1,127**	1,009	**–**	–	**–**	–	**–**	–	**– 1,127**	– 1,009	**–**	–
Total sales proceeds	**7,781**	7,148	**1,176**	987	**747**	363	**465**	497	**– 1,127**	– 1,009	**9,042**	7,986
Proceeds from services	**126**	124	**–**	–	**29**	29	**7**	7	**– 41**	– 39	**121**	121
Net turnover	**7,907**	7,272	**1,176**	987	**776**	392	**472**	504	**– 1,168**	– 1,048	**9,163**	8,107
Operating profit	**881**	799	**55**	46	**129**	36	**60**	40	**–**	–	**1,125**	921
Results of non-consolidated participating interests	**6**	7	**20**	21	**5**	25	**14**	6	**–**	–	**45**	59
Interest											**– 71**	– 66
Taxation											**– 327**	– 277
Minority interests											**– 57**	– 16
Net profit on ordinary activities											**715**	621
Extraordinary result after tax											**52**	–
Net profit											**767**	621

Balance sheet	Europe (incl. export)		Western Hemisphere		Africa/Middle East		Asia/Pacific		Consolidated	
	2001	2000	**2001**	2000	**2001**	2000	**2001**	2000	**2001**	2000
Operating assets	**4,749**	4,656	**308**	266	**768**	213	**397**	315	**6,222**	5,450
Non-consolidated participating interests	**53**	29	**87**	61	**23**	167	**20**	18	**183**	275
Total assets	**4,802**	4,685	**395**	327	**791**	380	**417**	333	**6,405**	5,725
Invested cash									**812**	564
Total assets as per balance sheet									**7,217**	6,289
Total provisions and liabilities	**3,229**	3,188	**236**	186	**469**	223	**144**	172	**4,078**	3,769
Total liabilities as per balance sheet									**4,078**	3,769
Group equity									**3,139**	2,520
Investments in intangible fixed assets	**17**	–	**–**	–	**–**	–	**–**	–	**17**	–
Investments in tangible fixed assets	**443**	378	**17**	9	**103**	11	**16**	20	**579**	418
Amortisation of intangible fixed assets	**4**	–	**–**	–	**–**	–	**–**	–	**4**	–
Depreciation of and value adjustments to tangible fixed assets	**410**	391	**10**	8	**35**	19	**17**	27	**472**	445

Raw materials, consumables and services	2001		2000	
Raw materials	**507**		439	
Packaging	**873**		799	
Goods for resale	**978**		856	
Marketing and selling expenses	**1,281**		1,107	
Transport costs	**357**		302	
Energy and water	**138**		127	
Repair and maintenance	**161**		140	
Other expenses	**624**		554	
		4,919		4,324

The movement in work in progress and finished products (increase of EUR 32 million, excluding revaluations and changes in the consolidation) is included in the appropriate component of production costs, i.e. raw materials, packaging materials, excise duties and, with regard to the fixed cost element of stocks, other expenses.

Excise duties	2001	2000
Excise duties payable less refunds	**1,226**	1,093

	2001		2000	
Staff costs				
Salaries and wages	**994**		901	
Pension costs	**41**		37	
Other social security costs	**207**		197	
Other staff costs	**187**		173	
		1,429		1,308
Staff costs capitalised in connection with production of tangible fixed assets for use by the group		**– 12**		– 7
		1,417		1,301

'Other staff costs' include amounts added to and released from 'Provisions for other staff schemes' in respect of reorganisations.

	2001		2000	
Number of employees				
The average number of employees was:				
Netherlands	**5,620**		5,585	
Rest of Europe	**20,646**		20,302	
Western Hemisphere	**839**		860	
Africa/Middle East	**6,700**		4,852	
Asia/Pacific	**1,308**		1,176	
Heineken N.V. and fully consolidated participating interests		**35,113**		32,775
Rest of Europe	**947**		955	
Africa/Middle East	**537**		546	
Asia/Pacific	**3,428**		3.581	
Proportionally consolidated participating interests		**4,912**		5,082
Heineken N.V. and consolidated participating interests		**40,025**		37,857

	2001		2000	
Amortisation/depreciation and value adjustments				
Depreciation of tangible fixed assets	**450**		414	
Other value adjustments to tangible fixed assets	**21**		31	
Amortisation of intangible fixed assets	**4**		–	
		475		445
Released from investment facilities equalisation account		**– 6**		– 6
Value adjustments to other assets		**7**		29
		476		468

'Other value adjustments to tangible fixed assets' relate mainly to reduced book values of production assets in various African operating companies.

	2001		2000	
Results of non-consolidated participating interests				
Share in net result of participating interests carried at net asset value	**17**		32	
Dividends received from participating interests carried at cost	**28**		27	
		45		59
Interest				
Interest paid	**– 118**		– 109	
Interest received on cash deposits etc.	**47**		43	
		– 71		– 66

Taxation

Taxation amounts to 31.0% (2000: 32.4%) of the profit before tax not including the results of non-consolidated participating interests. The lower tax burden is mainly due to the utilisation of tax losses carried forward in Spain and release of a taxation provision formed in the past.

	2001		2000	
Taxation		**– 327**		– 277
The main components of the taxation charge are:				
Profit before taxation excluding the results of non-consolidated participating interests		**1,054**		855
Taxation charge at the statutory tax rate in the Netherlands	**35.0%**	**369**	35.0%	299
Effect of tax rates outside the Netherlands	**– 0.5%**	**– 5**	0.9%	8
Non-allowable expenses	**1.6%**	**17**	2.0%	17
Utilisation of tax losses carried forward	**– 2.6%**	**– 28**	– 3.2 %	– 27
Tax losses not recognised	**1.4%**	**15**	2.9%	24
Under/overprovided in prior years	**– 0.9%**	**– 9**	– 1.8%	– 15
Tax incentives and other differences	**– 3.0%**	**– 32**	– 3.4%	– 29
Effective tax burden	**31.0%**	**327**	32.4%	277

	2001
Tax losses	
As at 31 December 2001, the group had tax loss carryforwards totalling EUR 238 million, of which EUR 21 million can be carried forward indefinitely. The remaining EUR 217 million expires as follows:	
2002	21
2003	31
2004	61
2005	71
2006	33
	217

An amount of EUR 30 million representing relief on the above tax losses has been recognised as a deferred tax asset and included in financial fixed assets.

	2001	2000
Extraordinary result after tax	52	–

The extraordinary result after tax relates to the book profit of EUR 36 million on the disposal of the 2% interest in the Spanish hotel group NH Hoteles SA and an exceptional cash dividend of EUR 16 million distributed by Whitbread Plc following the disposal of its Pubs & Bars Division.

Notes to the Consolidated Cash Flow Statement

The consolidated cash flow statement has been drawn up using the indirect method. The various consolidated profit and loss account and balance sheet items have been adjusted for changes which have no effect on the receipts and payments during the year.

Working capital comprises stocks, receivables and current liabilities (excluding bank overdrafts and repayment commitments on long-term borrowings in 2002).

The cash flow from investing activities relates to the net amount of investments and disposals.

The net cash position consists of cash in hand and at bank, securities and bank overdrafts.

	Provisions	Long-term borrowings	Repayment commitments
Position as at 1 January 2001	976	875	26
Revaluations/foreign exchange differences	1	15	–
Changes in the consolidation	61	2	7
Other non-cash-flow movements	18	– 181	181
Cash flow statement	– 32	86	– 182
Position as at 31 December 2001	1,024	797	32

Working capital	
Position as at 1 January 2001	– 85
Movements in balance sheet items in connection with dividends, interest and taxation	– 37
Changes in the consolidaton	55
Other non-cash-flow movements	3
Cash flow statement	42
Position as at 31 December 2001	– 22

Participating Interests

of significance for the true and fair view required by law

A declaration of joint and several liability pursuant to the provisions of Section 403, Part 9, Book 2, of the Netherlands Civil Code has been issued with respect to the legal entities established in the Netherlands, marked with a • below.

Fully consolidated participating interests		% interest
• Heineken Nederlands Beheer B.V.	Amsterdam	100.0
• Heineken Brouwerijen B.V.	Amsterdam	100.0
• Heineken Nederland B.V.	Amsterdam	100.0
• Heineken International B.V.	Amsterdam	100.0
• Heineken Technical Services B.V.	Amsterdam	100.0
• Amstel Brouwerij B.V.	Amsterdam	100.0
• Amstel Internationaal B.V.	Amsterdam	100.0
• Vrumona B.V.	Bunnik	100.0
• Invebra Holland B.V.	Amsterdam	100.0
• Brouwerij de Ridder B.V.	Maastricht	100.0
• B.V. Beleggingsmaatschappij Limba	Amsterdam	100.0
• Brand Bierbrouwerij B.V.	Wijlre	100.0
• Beheer- en Exploitatiemaatschappij Brand B.V.	Wijlre	100.0
Sogebra S.A.	Paris (France)	100.0
Heineken España S.A.	Seville (Spain)	97.2
Heineken Italia S.p.A.	Pollein (Italy)	100.0
Athenian Brewery S.A.	Athens (Greece)	98.8
Grupa Żywiec S.A.	Żywiec (Poland)	61.8
Heineken Ireland Ltd.*	Cork (Ireland)	100.0
Amstel Brewery Hungary Inc.	Komárom (Hungary)	100.0
Heineken Slovensko A.S.	Nitra (Slovakia)	87.7
Heineken Switzerland A.G.	Chur (Switzerland)	100.0
Mouterij Albert N.V.	Ruisbroek (Belgium)	100.0
Ibecor S.A.	Brussels (Belgium)	100.0
Affligem Brouwerij BDS N.V.	Opwijk (Belgium)	95.7
Heineken USA Inc.	White Plains (United States)	100.0
Antilliaanse Brouwerij N.V.	Willemstad (Netherlands Antilles)	56.3
Commonwealth Brewery Ltd.	Nassau (Bahamas)	53.2
Windward & Leeward Brewery Ltd.	Vieux Fort (St Lucia)	73.9
Nigerian Breweries Plc.	Lagos (Nigeria)	54.2
Brasseries. Limonaderies et Malteries 'Bralima' S.A.R.L.	Kinshasa (R.D. Congo)	94.3
Brasseries et Limonaderies du Rwanda 'Bralirwa' S.A.	Kigali (Rwanda)	70.0
Brasseries et Limonaderies du Burundi 'Brarudi' S.A.	Bujumbura (Burundi)	59.3
Brasseries de Bourbon S.A.	St. Denis (Réunion)	85.4
Ghana Breweries Ltd.	Kumasi (Ghana)	75.6
Brasseries du Logone S.A.	Moundou (Chad)	100.0
P.T. Multi Bintang Indonesia Tbk.	Jakarta (Indonesia)	84.5

* In accordance with the provisions of Section 17 of the Republic of Ireland Companies (Amendment) Act 1986, Heineken N.V. has given irrevocable guarantees for the financial year from 1 January 2001 to 31 December 2001 in respect of the liabilities, as referred to in Section 5(c) of that Act, of the subsidiary companies Heineken Ireland Limited and Heineken Ireland Sales Limited.

Proportionally consolidated participating interests

The companies listed below are proportionally consolidated because control of these companies is exercised jointly and directly by virtue of an agreement with the other shareholders.

		% interest
Zagorka Brewery A.D.	Stara Zagora (Bulgaria)	48.6
Ariana Brewery A.D.	Sofia (Bulgaria)	43.6
Pivara Skopje A.D.	Skopje (Macedonia)	25.5
Brasseries du Congo S.A.	Brazzaville (Congo)	50.0
Asia Pacific Breweries (Singapore) Pte. Ltd.	Singapore	42.5
Shanghai Asia Pacific Co. Ltd.	Shanghai (China)	44.9
Hainan Asia Pacific Brewery Ltd.	Haikou (China)	42.5
SP Holdings Ltd.	Port Moresby (Papua New Guinea)	32.1
Vietnam Brewery Ltd.	Ho Chi Minh City (Vietnam)	25.5
Cambodia Brewery Ltd.	Phnom Penh (Cambodia)	34.0
DB Group Ltd.	Auckland (New Zealand)	32.7

Non-consolidated participating interests carried at net asset value

Guinness Anchor Berhad	Petaling Jaya (Malaysia)	10.8
Thai Asia Pacific Brewery Co. Ltd.	Bangkok (Thailand)	14.9
BrauHolding International AG	Munich (Germany)	49.9

Other non-consolidated participating interests carried at cost

Quilmes International (Bermuda) Ltd.	Hamilton (Bermuda)	15.0
Cervejarias Kaiser S.A.	Rio de Janeiro (Brazil)	14.2

Balance Sheet of Heineken N.V.

after proposed appropriation of profit
in millions of euros

	31 December 2001		31 December 2000	
Assets				
Fixed assets				
Financial fixed assets		**2,390**		2,160
Current assets				
Receivables	**12**		6	
Cash	**585**		440	
		597		446
		2,987		2,606

	31 December 2001		31 December 2000	
Equity and liabilities				
Shareholders' equity				
Issued share capital	**784**		711	
General reserve	**1,974**		1,685	
		2,758		2,396
Liabilities				
Long-term borrowings	**68**		68	
Current liabilities	**161**		142	
		229		210
		2,987		2,606

Profit and Loss account of Heineken N.V.

in millions of euros

	2001	2000
Net profit of group companies	**736**	615
Other revenues and expenses	**31**	6
Net profit according to the consolidated profit and loss account	**767**	621

Notes to the Balance Sheet and Profit and Loss Account of Heineken N.V. for 2001

General

The amounts disclosed in the notes are in millions of euros unless otherwise indicated.
The aggregate amounts referred to in Section 383, subsection 1, Part 9, Book 2, of the Netherlands Civil Code, in respect of the remuneration, pensions etc. of existing and former members of the Executive Board and of existing and former members of the Supervisory Board disbursed by the company were as follows:

	2001	2000
Executive Board members	**5.5**	2.5
Supervisory Board members	**0.3**	0.2

Remuneration

The remuneration of the members of the Executive Board comprises a fixed component and a variable component, made up of an annual profit-sharing bonus and a long-term bonus. The profit-sharing bonus is determined individually by the Supervisory Board. The long-term bonus is linked to the issue of bonus shares or recapitalisation by Heineken N.V., which, in the past, has occurred on average once every three years.

The remuneration of the Executive Board members was as follows (in thousands of euros):

		2001		2000
K. Vuursteen				
Fixed	**543**		543	
Annual bonus	**455**		358	
Long-term bonus	**845**		–	
		1,843		901
A. Ruys				
Fixed	**432**		432	
Annual bonus	**367**		288	
Long-term bonus	**681**		–	
		1,480		720
S.W.W. Lubsen				
Fixed	**358**		358	
Annual bonus	**412**		367	
Long-term bonus	**514**		–	
		1,284		725
M.J. Bolland				
Fixed	**239**		–	
Annual bonus	**185**		–	
		424		–
J.F.M.L. van Boxmeer				
Fixed	**239**		–	
Annual bonus	**185**		–	
		424		–

Pensions

The pensions of the Executive Board members are administered by the Heineken Pension Fund.
In 2001, EUR 125,000 (2000: EUR 98,000) was charged to the company in respect of pension contributions.

Shares

As at 31 December 2001, the members of the Executive Board did not hold any convertible bonds or option rights. The total number of the company's shares held by the members of the Executive Board as at 31 December 2001 was 3,356.

Supervisory Board

The individual members of the Supervisory Board received the following remuneration.

	2001	2000
Chairman	**34**	34
Members	**29**	29

As at 31 December 2001, the Supervisory Board members did not hold any of the company's shares, convertible bonds or option rights.

Accounting policies for the valuation of assets and liabilities and for the determination of results

Shares in group companies are carried at net asset value calculated in accordance with the accounting policies for the valuation of assets and liabilities stated on pages 54 et seq. Amounts receivable from group companies are stated at face value. Also stated at face value are other amounts receivable, cash, long-term borrowings and current liabilities. Goodwill, being the difference between the value as calculated in accordance with the stated accounting policies and the price paid on acquisition of group companies, is taken to the general reserve. Positive differences are credited to the revaluation reserve. Any difference in value of a group company between the beginning and end of the year which does not relate to changes in the paid-up share capital, results and dividends of that company is credited or debited to the revaluation reserve or, if this is insufficient, to the general reserve.

The profit and loss account has been prepared in accordance with the accounting policies stated on pages 55 et seq.

Financial fixed assets		Group companies	
	Total	*Shares*	*Accounts receivable*
Position as at 1 January 2001	2,160	560	1,600
Revaluations	– 248	– 248	–
Net profit of group companies	736	736	–
Dividend payments by group companies	– 334	– 334	–
Other movements	76	–	76
Position as at 31 December 2001	2,390	714	1,676

	2001	2000
Receivables		
Amounts receivable	**12**	6

The amounts receivable fall due within one year.

	2001	2000
Cash		
Short-term cash deposits	**585**	440
Issued capital		
Position as at 1 January	**711**	711
Recapitalisation charged to the general reserve	**73**	–
Position as at 31 December	**784**	711

The issued share capital comprises 391,979,675 shares of EUR 2.00 nominal value and the authorised share capital is EUR 2.5 billion.

	2001		2000	
General reserve				
Position as at 1 January	**1,685**		1,907	
Revaluations	**– 248**		– 718	
Net profit for the year	**767**		621	
Dividend for the year	**– 157**		– 125	
Recapitalisation	**– 73**		–	
Position as at 31 December		**1,974**		1,685

Long-term borrowings	Total	More than 5 years	Total	More than 5 years
Amounts falling due after more than one year relate to:				
Private loan, in EUR, interest rate 5.84%, redeemable 2 June 2006	**68**	**–**	68	68
	68	**–**	68	68

Current liabilities	2001		2000	
Amounts falling due within one year relate to:				
Taxation	**63**		63	
Dividend	**94**		76	
Other creditors	**4**		3	
		161		142

Off-balance-sheet commitments	Third parties	Group companies	Third parties	Group companies
Declarations of joint and several liability	**–**	**880**	1	587

Amsterdam, 26 February 2002

Supervisory Board		*Executive Board*
Hazelhoff	De Ruiter	Vuursteen
Das	De Carvalho	Ruys
Loudon	Van Vollenhoven	Lubsen
Maas	Risseeuw	Bolland
	Hessels	Van Boxmeer

Other information

Auditors' Report

Introduction
We have audited the 2001 financial statements of Heineken N.V., Amsterdam, as included on pages 49 to 74 of this report. The financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope
We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2001 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9, Book 2, of the Netherlands Civil Code.

Amsterdam, 26 February 2002
KPMG Accountants N.V.

Appropriation of profit

Article 12, paragraph 4, of the Articles of Association stipulates:
'From the net profit there shall first be distributed, if possible, six per cent dividend on the issued part of the authorised share capital. The amount then remaining shall be at the disposal of the General Meeting of Shareholders.'

It is proposed to appropriate EUR 157 million of the net profit for payment of dividend and to add EUR 610 million to the general reserve.

Special rights pursuant the Articles of Association

Article 7, paragraph 2, of the Articles of Association reads: 'The appointment of the members of the Executive Board and of the Supervisory Board shall be made by the General Meeting of Shareholders from a binding nomination of at least two persons to be drawn up for each appointment by the Supervisory Board.'

'Members of the Executive Board and Supervisory Board shall be appointed by the General Meeting of Shareholders from a binding list of at least two candidates for each appointment drawn up by the Supervisory Board.'

Heineken N.V. is not a 'structuurvennootschap' within the meaning of Sections 152-164 of the Netherlands Civil Code.

Other information

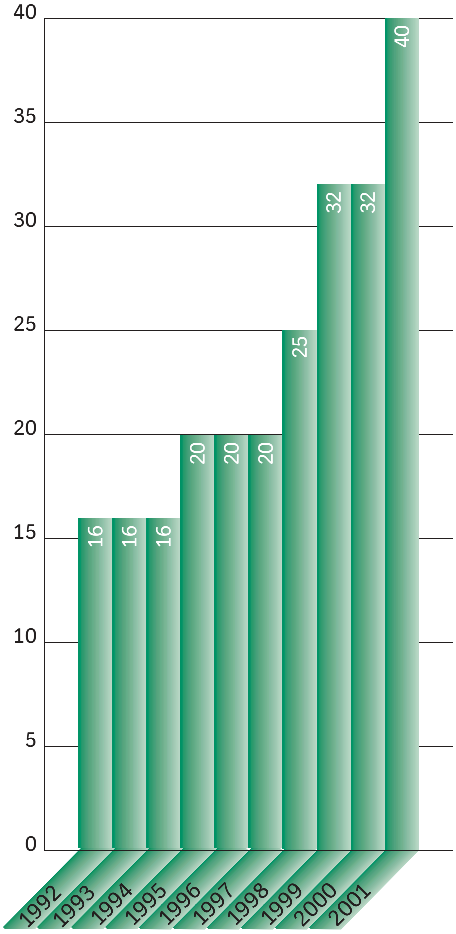
Heineken Holding N.V., a company listed on Euronext Amsterdam, holds 50.005% of the shares of Heineken N.V.

Events after balance sheet date

On 1 February 2002, Heineken signed an agreement for the acquisition of the Russian brewery Bravo International in St Petersburg. The transaction involves a maximum amount of USD 400 million.

In March 2002, Heineken received formal objections from the European Commission concerning alleged breaches of European competition rules. Heineken rejects the Commission's allegations and will be mounting a defence. With regard to the other investigations begun in 2000 in France, the Netherlands and Italy, the Commission has indicated that they have not yet reached a stage where conclusions can be drawn.

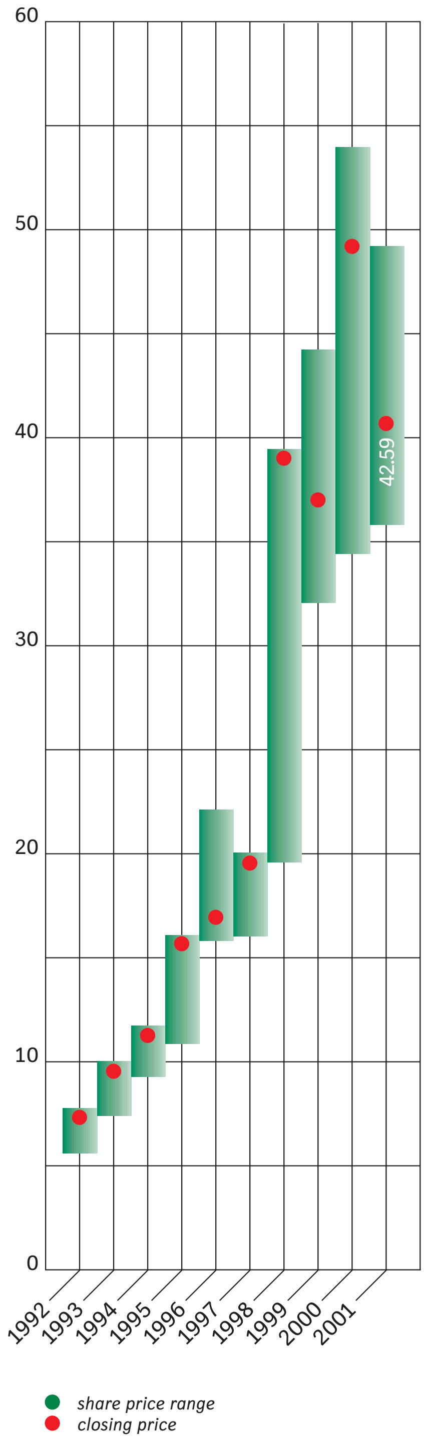
Information for Shareholders



Dividend per share

in euro cents

after restatement for bonus share issue and share split



Heineken N.V. share price

in euros

Euronext Amsterdam

after restatement for bonus share issue and share split

Average trade in 2001: 1,800,015 shares per day

The shares and options of Heineken N.V. are traded on Euronext Amsterdam, where the company is included in the main AEX index. In 2001, the average daily volume of trade was 1,800,015 shares. The shares are also listed on Euronext Brussels and on the Luxembourg Bourse.
Heineken N.V. is not a 'structuurvennootschap' within the meaning of the Netherlands Civil Code. Consequently, decisions on all important matters are taken by the General Meeting of Shareholders.
On 31 December 2001, there were 391,979,675 shares of EUR 2.00 nominal value in issue. At a closing price of EUR 42.59, the market capitalisation of Heineken N.V. on balance sheet date was EUR 16.7 billion.

Financial calendar in 2002

Announcement of figures for 2001	27 February
Publication of annual report	28 March
Annual General Meeting of Shareholders, Amsterdam	25 April
Quotation ex final dividend	29 April
Final dividend payable	8 May
Announcement of half-year figures for 2002	11 September
Quotation ex interim dividend	12 September
Interim dividend payable	23 September

Major Holdings in Listed Companies Disclosure Act

Pursuant to the Major Holdings in Listed Companies Disclosure Act, Heineken Holding N.V., Amsterdam, has disclosed an interest of 50.005% in Heineken N.V.

Further information is obtainable from
the Corporate Communication
and/or Investor Relations Departments,
telephone +31 20 523 92 39
or via www.heinekencorp.com

Ten Years Heineken

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Turnover and profit *in millions of euros*										
Net turnover	**9,163**	8,107	7,148	6,272	6,131	5,531	4,603	4,422	4,011	3,970
Operating profit	**1,125**	921	799	659	546	459	457	406	362	333
as % of net turnover	**12.3**	11.4	11.2	10.5	8.9	8.3	9.9	9.2	9.0	8.4
as % of total assets	**15.6**	14.6	13.3	12.4	10.7	9.5	10.4	10,0	9.8	9.4
Interest cover ratio	**16.5**	14.8	20.8	63.1	46.9	40.9	–	–	342.7	22.0
Net profit including extraordinary results	**767**	621	516	445	345	297	301	300	236	256
Net profit*	**715**	621	516	445	345	297	301	274	236	210
as % of shareholders' equity	**25.9**	25.9	19.7	19.4	14.9	14.5	14.0	13.9	13.1	12.7
Dividend	**157**	125	125	100	80	80	80	64	64	64
as % of net profit*	**22.0**	20.1	24.3	22.4	23.1	26.8	26.4	23.3	27.1	30.4
Bonus shares *in millions of euros*										
Increase in share capital	**73**	–	–	142	–	–	114	–	–	91
Cash payment	**–**	–	–	16	–	–	13	–	–	10
Distribution from reserves	**73**	–	–	158	–	–	127	–	–	101
Percentage increase	**10**	–	–	25	–	–	25	–	–	25
Per share of EUR 2.00 *in euros*										
Cash flow from operating activities*	**2.97**	2.64	2.39	2.25	1.92	1.38	1.63	1.79	1.43	1.30
Net profit*	**1.82**	1.58	1.32	1.14	0.88	0.76	0.77	0.70	0.60	0.54
Dividend	**0.40**	0.32	0.32	0.25	0.20	0.20	0.20	0.16	0.16	0.16
Shareholders' equity	**7.04**	6.11	6.68	5.87	5.91	5.23	5.48	5.04	4.60	4.23
Bonus shares (nominal value)	**0.23**	–	–	0.57	–	–	0.57	–	–	0.57
Cash payment	**–**	–	–	0.06	–	–	0.06	–	–	0.06
Cash flow statement *in millions of euros*										
Cash flow from operating activities	**1,165**	1,035	935	882	753	539	640	703	562	511
Dividend	**168**	160	112	114	94	93	93	77	72	77
Investments	**784**	1,503	527	728	439	840	344	334	279	292
Financing	**– 38**	335	– 13	80	36	111	– 70	– 179	36	– 20
Net cash flow	**175**	– 293	283	120	255	– 283	133	113	247	122

* Excluding extraordinary result

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Financing *in millions of euros*										
Share capital	**784**	711	711	711	569	569	569	455	455	455
Reserves	**1,974**	1,685	1,907	1,588	1,747	1,479	1,579	1,521	1,348	1,201
Shareholders' equity	**2,758**	2,396	2,618	2,299	2,316	2,048	2,148	1,976	1,803	1,656
Minority interests	**381**	124	248	256	182	186	157	161	108	127
Group equity	**3,139**	2,520	2,866	2,555	2,498	2,234	2,305	2,136	1,911	1,783
Investment facilities equalisation account	**22**	26	31	38	45	45	54	54	59	67
Provisions	**1,024**	976	770	733	769	734	637	619	581	522
	1,046	1,002	801	771	814	779	691	673	640	589
Long-term borrowings	**797**	875	490	522	412	359	192	228	210	261
Current liabilities	**2,235**	1,892	1,860	1,460	1,384	1,462	1,187	1,010	929	922
Liabilities	**3,032**	2,767	2,350	1,982	1,796	1,821	1,379	1,238	1,139	1,183
Total equity and liabilities	**7,217**	6,289	6,017	5,308	5,108	4,834	4,375	4,047	3,690	3,555
Group equity/borrowed capital	**0.77**	0.67	0.91	0.93	0.96	0.86	1.11	1.12	1.07	1.01

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Employment of capital *in millions of euros*										
Intangible fixed assets	**13**	–	–	–	–	–	–	–	–	–
Tangible fixed assets	**3,614**	3,276	2,995	2,643	2,566	2,497	2,140	2,130	1,980	1,988
Financial fixed assets	**531**	615	422	490	429	380	335	293	245	226
Fixed assets	**4,158**	3,891	3,417	3,133	2,995	2,877	2,475	2,423	2,225	2,214
Stocks	**692**	550	490	452	466	447	360	312	313	359
Receivables	**1,192**	1,024	903	775	799	771	563	522	441	455
Cash and securities	**1,175**	824	1,207	948	848	739	977	790	711	527
Current assets	**3,059**	2,398	2,600	2,175	2,113	1,957	1,900	1,624	1,465	1,341
Total assets	**7,217**	6,289	6,017	5,308	5,108	4,834	4,375	4,047	3,690	3,555
Group equity/fixed assets	**0.75**	0.65	0.84	0.82	0.83	0.78	0.93	0.88	0.86	0.81
Current assets/current liabilities	**1.37**	1.27	1.40	1.49	1.53	1.34	1.60	1.61	1.58	1.46

List of Operating Companies and Participating Interests

As at 31 December 2001
Export offices are not shown

Europe

Country	Company	Location	Brands
Belgium	Affligem Brouwerij BDS (95.7%)	Opwijk	Affligem, Opale
Bulgaria Bulgaria	Zagorka (48.6%) Ariana Brewery (43.6%)	Stara Zagora Sofia	Zagorka Ariana, Amstel
France	Sogebra (100%)	Marseille, Mons-en-Baroeul, Schiltigheim, St. Omer	Heineken, Amstel, Buckler, Pelforth, Murphy's Irish Stout, "33" Export, Fischer, Kingston, Desperados, Adelscott, St. Omer
Germany	BrauHolding International (49.9%)	Munich, Rosenheim Kulmbach, Plauen, Chemnitz	Paulaner Kulmbacher
Greece	Athenian Brewery (98.8%)	Athens, Patras, Thessaloniki	Heineken, Amstel, Buckler, Murphy's Irish Stout, Alfa
Hungary	Amstel Brewery Hungary (100%)	Komárom	Heineken, Amstel, Buckler, Talléros, Fregatt, Zlatý Bažant
Ireland	Murphy Brewery Ireland (100%)	Cork	Heineken, Amstel, Murphy's Irish Stout, Buckler
Italy	Heineken Italia (100%)	Aosta, Bergamo, Cagliari, Massafra, Messina, Pedavena	Heineken, Amstel, Murphy's Irish Stout, Buckler, Dreher, Birra Messina, McFarland, Sans Souci, Ichnusa, Birra Moretti, Classica von Wunster, Prinz
Macedonia	Pivara Skopje (25.5%)	Skopje	Skopsco, Star Lisec
Netherlands Netherlands Netherlands	Heineken Nederland (100%) Brand Bierbrouwerij (100%) Brouwerij De Ridder (100%)	's-Hertogenbosch, Zoeterwoude Wijlre Maastricht	Heineken, Amstel, Kylian, Lingen's Blond, Murphy's Irish Stout Brand Ridder, Wieckse Witte, Vos
Poland	Grupa Żywiec (61.8%)	Żywiec, Elblag, Warka, Leżajsk, Cieszyn, Braniewo	Żywiec, EB, Warka, Leżajsk, Specjal
Slovakia	Heineken Slovensko (87.7%)	Hurbanovo, Nitra	Zlatý Bažant, Amstel, Kelt, Corgon, Martiner, Gemer
Spain	Heineken España (97.2%)	Madrid, Valencia, Seville, Jaen, Arano	Heineken, Aguila Amstel, Buckler, Murphy's Irish Stout
Sweden	Spendrups (Licence)	Grängesberg	Heineken
Switzerland	Heineken Switzerland (100%)	Chur, Winterthur	Heineken, Amstel, Murphy's Irish Stout, Calanda, Haldengut
• United Kingdom • United Kingdom	Whitbread (Licence) Bulmers (Licence)	Samlesbury Trowbridge	Heineken, Murphy's Irish Stout Amstel

• Affiliated company (non-consolidated)

Western Hemisphere

Country	Company	Location	Brands
• Argentina	Quilmes International (15%)	Buenos Aires, Corrientes, Mendoza, San Miguel de Tucuman, Zárate	Heineken, Quilmes, Andes, Norte, Bieckert, Palermo, Liberty, Iguana
Bahamas	Commonwealth Brewery (53.2%)	Nassau	Heineken, Kalik, Guinness, Vita Malta
• Bolivia	Quilmes International (15%)	Cochabamba, Santa Cruz, La Paz	Ducal, Taquina, Imperial, Paceña
• Brazil	Cervejarias Kaiser (14.2%)	Divinópolis, Feira de Santana, Gravatai, Jacarei, Ponta Grossa, Queimados, Pacatuba, Araraguara	Heineken, Kaiser, Santa Cerva
• Chile	Quilmes International (15%)	Santiago	Heineken, Becker, Baltica
• Costa Rica	Cerveceria Costa Rica (Licence)	San José	Heineken
• Dominican Republic	Cerveceria Nacional Dominicana (9.3%)	Santo Domingo	Heineken, Presidente
• Haiti	Brasserie Nationale d'Haïti (22.5%)	Port-au-Prince	Prestige, Guinness, Malta
• Jamaica	Desnoes & Geddes (26.3%)	Kingston	Heineken, Red Stripe, Dragon Stout, Guinness
Martinique	Brasserie Lorraine (83.1%)	Lamentin	Lorraine, Porter, Malta
Netherlands Antilles	Antilliaanse Brouwerij (56.3%)	Willemstad	Amstel, Amstel Bright, Coral, Malta
• Paraguay	Quilmes International (15%)	Ypané	Bremen, Pilsen, Baviera, Quilmes, Dorada, Joia
St. Lucia	Windward & Leeward Brewery (73.9%)	Vieux-Fort	Heineken, Piton, Guinness
Surinam	Surinaamse Brouwerij (76.5%)	Paramaribo	Parbo
• Trinidad	Carib Brewery (CDC) (20%)	Port of Spain	Heineken, Stag, Carib, Guinness
• Uruguay	Quilmes International (15%)	Montevideo	Heineken, Pilsen, Zillertal

• Affiliated company (non-consolidated)

Africa/Middle East

Country	Company	Location	Brands
• Angola	Nocal (27.1%)	Luanda	Nocal, Primus
• Angola	EKA (46%)	Dondo	EKA
Burundi	Brarudi (59.3%)	Bujumbura, Gitega	Amstel, Primus, Dynamalt
• Cameroon	Brasseries du Cameroun (8.8%)	Bafoussam, Douala, Garoua, Yaoundé	Amstel, Mützig
Chad	Brasseries du Logone (100%)	Moundou	Gala, Chari, Maltina
Congo	Brasseries du Congo (50%)	Brazzaville, Pointe Noire	Mützig, Primus, Guinness, Ngok
Democratic Republic of Congo	Bralima (90%)	Boma, Bukavu, Kinshasa, Kisangani, Mbandaka, Lubumbashi	Amstel, Primus, Mützig, Guinness, Turboking
Ghana	Ghana Breweries (75.6%)	Kumasi, Accra	Amstel Malta, Star, Gulder, ABC Golden Bubra, ABC Golden Lager, ABC Stout
• Israel	Tempo Beer Industries (17.8%)	Netanya	Maccabee, Gold Star, Nesher, Malt Star
• Jordan	General Investment (10.8%)	Zerka	Amstel
• Lebanon	Almaza (10%)	Beirut	Almaza
• Morocco	Brasseries du Maroc (2.2%)	Casablanca, Fès, Tanger	Heineken, Amstel
Nigeria	Nigerian Breweries (54.2%)	Aba, Enugu, Ibadan, Kaduna, Lagos	Amstel Malta, Maltina, Star, Gulder, Legend
• Nigeria	Consolidated Breweries (23.9%)	Jjebu Ode, Owe Omamma	“33“ Export, Hi-malt
Réunion	Brasseries de Bourbon (85.4%)	Saint Denis	Bourbon, Dynamalt
Rwanda	Bralirwa (70%)	Gisenyi, Kigali	Primus, Mützig, Guinness
• Sierra Leone	Sierra Leone Brewery (42.5%)	Freetown	Star, Guinness, Maltina
• South Africa	South African Breweries (Licence)	Cape Town, Durban, Johannesburg	Amstel, Heineken

• Affiliated company (non-consolidated)

Asia/Pacific

	Country	Company	Location	Brands
	Cambodia	Cambodia Brewery (34%)	Phnom Penh	Tiger, Anchor, Gold Crown
	China China	Shanghai Asia Pacific (44.9%) Hainan Asia Pacific (42.5%)	Shanghai Haikou	Tiger, Reeb Tiger, Anchor, Aoke
	Indonesia	Multi Bintang Indonesia (84.5%)	Tangerang, Sampang Agung	Bintang, Tiger, Guinness
•	Japan	Kirin (Licence)	Tokyo	Heineken
•	Kazakhstan	Dinal LLP (28.0%)	Almaty	Tianshan, Amstel
•	Malaysia	Guinness Anchor Berhad (10.8%)	Kuala Lumpur	Heineken, Tiger, Anchor, Guinness
	New Caledonia	Grande Brasserie de Nouvelle Calédonie (87.3%)	Noumea	Number One, Havannah
	New Zealand	DB Groep (32.7%)	Greymouth, Mangatainoka, Otahuhu, Timaru	Heineken, DB, Murphy's Irish Stout, Export Gold, Export Dry, Tui, Monteith
	Papua New Guinea	South Pacific Brewery (32.1%)	Port Moresby, Lae	SP Lager, South Pacific Export Lager, Niugini
	Singapore	Asia Pacific Breweries (42.5%)	Singapore	Heineken, Tiger, Anchor, ABC Stout, Baron's
•	Tahiti	Brasserie de Tahiti (Licence)	Papeete	Heineken
•	Thailand	Thai Asia Pacific Brewery (14.9%)	Bangkok	Heineken, Amstel
	Vietnam Vietnam	Vietnam Brewery (25.5%) Hatay Brewery (27.7%)	Ho Chi Minh City Hatay, under construction	Heineken, Tiger, Bivina

• Affiliated company (non-consolidated)

A Heineken N.V. publication

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Translation
Mac Bay Consultants

Photography
Marco de Nood, p. 13

Graphic design
and electronic publishing
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Colour separations
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Printing
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Copies of this annual report
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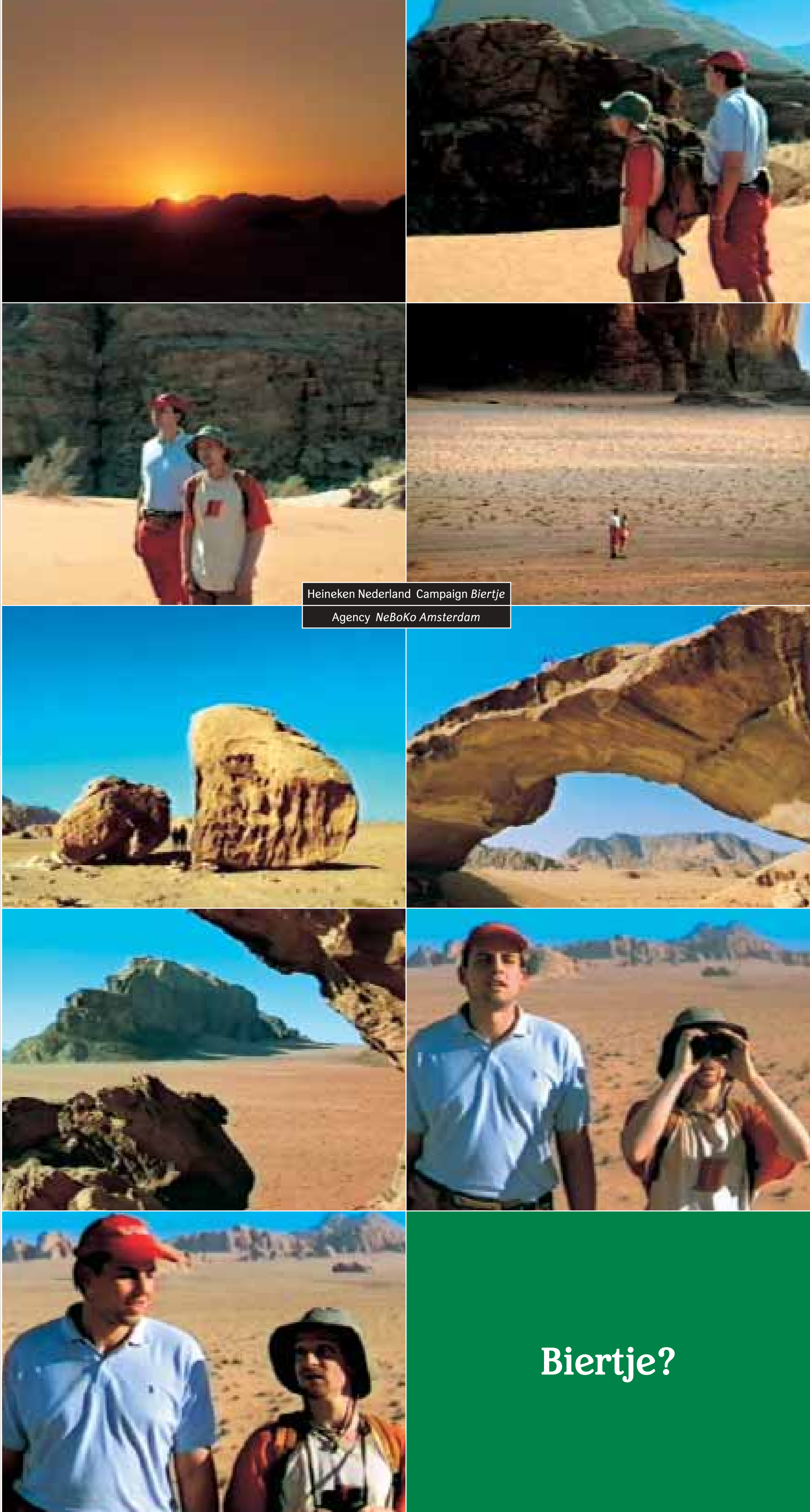
Department, telephone +31 20 523 9239
or via www.heinekencorp.com

Cover illustration
Heineken France
Campaign *Zipper*
Agency *Publicis Conseil Paris*
Awards *Best Marketing Campaign 2000*

Title page illustration
Heineken International
Campaign *Cannes Film Festival*
Agency *Bates Singapore*



Heineken Nederland Campaign *Biertje*
Agency *NeBoKo Amsterdam*

‘It starts with quality,

in the end it’s all about advertising’

Alfred H. Heineken

Heineken NV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