

Profile

Heineken is one of the world's leading brewers in terms of sales volume and profitability and we have the widest presence of all international brewers through a global network of distributors and breweries. In volume terms, we are the largest brewer and beverage distributor in Europe, where we realise more than half of our sales. We balance a strong position in stable and profitable markets such as Europe and North America with a growing presence in rapidly expanding beer markets such as China and Russia. We employ more than 60,000 people.

The Heineken brand, available in almost every country on the planet, is the world's most valuable international premium beer brand. In addition, we own and manage one of the world's leading portfolio of beer brands comprising other international premium, local and specialty brands.

Origins

The Heineken family entered the beer business in 1864, when Gerard Adriaan Heineken bought a brewery in the heart of Amsterdam. Over the past 140 years, four generations of the Heineken family have built and expanded the brand and the company in Europe and around the world. It is thanks to the leadership of Gerard, Henry, Alfred 'Freddy' Heineken and Charlene de Carvalho-Heineken, Chairman of the Board of Directors of Heineken Holding N.V., that Heineken is one of the world's leading brewing groups.

Goal and market strategy

Heineken's goal is to grow the business in a sustainable and consistent manner, while constantly improving profitability. The strategy to achieve this has four elements:

- Strive to reach a leading position in attractive markets.
- Focus on capturing an ever-growing share of the premium and specialty beer market segments.
- Work to improve efficiency and cut costs in operations.
- Grow through selective acquisitions, so long as they create shareholder value.

Brands

Heineken owns and manages one of the world's leading portfolios of beer brands. Our principal international brands are Heineken and Amstel. Heineken is positioned as a premium brand, except for our home market in the Netherlands, and its appeal is growing in many markets. Heineken is the leading beer brand in Europe and Amstel is the third largest. In Europe, Amstel is positioned in the mid-priced mainstream segment, the largest segment of the market, and is available in more than 90 countries around the world.

Heineken also owns and manages a strong portfolio of more than 120 top-selling brands that includes Cruzcampo, Żywiec, Birra Moretti, Murphy's and Star. We have a limited presence in the low-priced segment of the market and our international and local brands include lagers, specialty beers, light beers (low-calorie beers) and alcohol-free beers.

Distribution

Heineken is the largest beer and beverage distributor in Western Europe. In every market where we are active, we strive for comprehensive coverage through alliances with independent distributors or via our own beverage wholesalers. Often, our wholesalers also distribute wine, spirits and soft drinks to the on-trade. In some markets, we also produce soft drinks.

Innovation

Heineken works to continually meet consumers' changing needs. This can be seen in the area of marketing communication, packaging and dispense systems, where we are a recognised leader. We also work to further improve the quality, safety and cost structure of processes and products. This includes innovation in brewing technology and supply chain management, which reinforces the competitiveness of our global brand portfolio.

Sustainability

Heineken is committed to conducting business responsibly and ethically. We continuously take our initiatives to combat alcohol abuse, misuse and focused resources and energy on setting even higher standards in the social and environmental areas of our business.

Ownership structure and stock exchange listing

A 50.005% interest in Heineken N.V. is held by Heineken Holding N.V. The shares of both companies are listed on Euronext Amsterdam. Options of both shares are traded on the Euronext.Liffe options exchange. L'Arche Holding S.A., a Swiss company owned by the Heineken family in turn holds a 50.005% interest in Heineken Holding N.V.

Standing at the head of the Heineken group, Heineken Holding N.V. is not an ordinary holding company. Since its formation in 1952, Heineken Holding N.V.'s objective pursuant to its Articles of Association, has been to manage and/or supervise the Heineken group and to provide services to the Heineken group.

The role Heineken Holding N.V. has performed for the Heineken group since 1952 has been to safeguard its continuity, independence and stability and create conditions for controlled, steady growth of the Heineken group's activities. The stability provided by this structure has enabled the Heineken group to rise to its present position as the brewer with the widest international presence and one of the world's largest brewing groups.

Every Heineken N.V. share held by Heineken Holding N.V. is matched by one share issued by Heineken Holding N.V. The net asset value of one Heineken Holding N.V. share is therefore identical to the net asset value of one Heineken N.V. share. The dividend payable on the two shares is also identical. However, historically, Heineken Holding N.V. shares have traded at a lower price due to technical factors that are market-specific.

Key Figures 2004

	2004	2003	Change (%)
Results > in millions of euros			
Net turnover	10,005	9,255	8.1
Operating profit	1,248	1,222	2.1
Ebitda ²	2,021	1,866	8.3
Net profit	537	798	-32.7
Dividend	173	157	10.2
Cash flow from operating activities	1,520	1,637	-7.1
Balance sheet > in millions of euros			
Total assets	10,418	10,897	-4.4
Group equity	3,862	3,899	-0.9
Shareholders' equity	3,379	3,167	6.7
Issued capital	784	784	-
Per share of €1.60 ¹			
Number of shares issued	489,974,594	391,979,675	-
Cash flow from operating activities	3.10	3.34	-7.1
Net profit	1.10	1.63	-32.7
Ebitda ²	4.12	3.81	8.3
CEPS ³	1.26	1.69	-25.4
Dividend (proposed)	0.40	0.32	9.4
Shareholders' equity	6.90	6.46	6.8
Net turnover > in millions of euros (including interregional sales)			
Western Europe	6,348	6,560	-3.2
Central and Eastern Europe	1,894	1,145	65.4
The Americas	1,514	1,501	0.9
Africa and the Middle East	890	876	1.6
Asia Pacific	470	467	0.6
Tangible fixed assets > in millions of euros			
Investments less disposals	637	611	4.3
Depreciation and value adjustments	645	560	15.2
Staff > in numbers			
Average number of employees	61,732	61,271	0.8
of whom employed by Dutch operating companies	4,885	5,256	-7.1
Ratios			
Operating profit as % of net turnover	12.5	13.2	
Operating profit as % of total assets	12.0	11.2	
Net profit as % of shareholders' equity	15.9	25.2	
Dividend as % of net profit	32.2	19.7	
Group equity/other borrowed capital	0.59	0.56	
Group equity/fixed assets	0.51	0.54	
Current assets/current liabilities	1.05	1.25	
Interest coverage ratio	11.2	13.3	

¹ Restated for the 5:4 share split in 2004.

² Operating profit plus amortisation, depreciation and value adjustments.

³ Net profit per share before amortisation of goodwill.