

### **Heineken announces partnership for growth in India; Strengthens Asia-Pacific joint venture**

Amsterdam, 7 December 2009 – Heineken N.V. today announced it has signed a new shareholders' agreement with Dr. Vijay Mallya and United Breweries Limited ("UBL") and agreed the key terms for the brewing and distribution of the Heineken brand in India. The new agreement creates a strong partnership that will drive growth in one of the world's fastest growing and most exciting beer markets.

As part of the new agreement, Heineken will acquire APB India and in a subsequent transaction intends to transfer this into UBL during 2010.

Heineken also announced that it has strengthened and enlarged Asia Pacific Breweries Ltd ("APB"), its successful joint venture partnership with Fraser and Neave Ltd ("F&N") through the transfer of Heineken's controlling interest in PT Multi Bintang Indonesia ("MBI") and Grande Brasserie de Nouvelle-Calédonie S.A. ("GBNC"). This will create a more profitable business and a stronger platform for growth in South East Asia and the Pacific Islands.

Heineken expects that the effect of the transactions will be broadly neutral at net profit (beia) level. As a result of the transaction, an exceptional book gain of EUR 145 million before tax will be realised in 2010. Consolidated net debt is expected to be reduced by approximately EUR 175 million.

Commenting on today's announcement, Jean-François van Boxmeer, Chairman of Heineken's Executive Board and CEO said, "In the world of beer, there is no bigger or more exciting growth opportunity than India. We have long regarded a strong Indian presence as important in order to increase our exposure to and growth from developing markets. We are therefore extremely proud to announce our partnership with UBL, the strong market leader. Our partnership and the combination of the Kingfisher and Heineken brands will transform our ability to unlock the market's considerable potential and to shape the premium segment. We are now uniquely positioned to benefit from the highly favourable demographics and strong economic fundamentals in the Indian market.

"Alongside this, the integration of our Indonesian and New Caledonian businesses with our joint venture Asia Pacific Breweries, considerably strengthens our platform for growth and our leadership position in South East Asia and the Pacific. Taken together, the agreements announced today represent a powerful, positive development for our future growth and development in Asia."

Commenting on the agreement Dr Vijay Mallya said, "led by United Breweries and its flagship brand Kingfisher, the Indian beer market has been a strong and exciting growth over the last several years. Given the young demographics of the country, I foresee many decades of strong and profitable growth to come. With its emphasis on quality and the aspirational branding, United Breweries has led this growth from the front, and

will continue to do so in future, helped by our new alliance with Heineken. Heineken is among the most respected and recognized names among beers all over the world. The combination should help United Breweries to further its leadership position in the years to come.”

### **Strongly positioned to drive future growth in India**

- The new shareholders’ agreement gives Heineken a strong role in the governance of the business. Under the terms of the new agreement, Heineken has the right to nominate three members of the UBL Board, including the executive position of Chief Financial Officer;
- Following a UBL Board meeting in India earlier today, Heineken nominee Mr Guido de Boer has been appointed Chief Financial Officer, and Messrs René Hooft Graafland (Member of Heineken N.V.’s Executive Board and Chief Financial Officer) and Siep Hiemstra (Regional President, Heineken Asia Pacific) have been appointed as non-executive directors;
- Additionally, Heineken will acquire for an equity value of EUR 25 million APB’s existing Indian investments: Asia Pacific Breweries (Aurangabad) Pte Ltd (“APB Aurangabad”) and Asia Pacific Breweries-Pearl Pte Ltd (“APB Pearl”). Subject to the necessary approvals being granted, these acquisitions are expected to complete in the first quarter of 2010. Following completion, Heineken intends to transfer the underlying businesses into UBL during 2010;
- Heineken also intends to merge its interest in Millennium Alcobev Private Limited (MAPL) into UBL. Heineken holds an interest of 50% in MAPL with the other 50% held by UBL. This was the joint venture through which Scottish & Newcastle first invested in India and has been managed as part of the UBL’s business following the direct investment in UBL by Scottish & Newcastle in 2004.
- Heineken and UBL have agreed the key terms for the brewing and distribution of the Heineken brand in India. This will accelerate the development of the Heineken brand throughout India;

Heineken and Dr. Vijay Mallya and his associates jointly hold a majority interest of 75% in UBL, the number one brewer in India with a 48% market share. Heineken holds a 37.5% interest in UBL. Dr. Vijay Mallya and his associates also hold a 37.5% interest in UBL, with the remaining 25% held publicly.

UBL’s flagship brand, Kingfisher, is the number one beer brand in India and available in more than 50 countries. UBL’s leading brands include: Kingfisher Premium, Kingfisher Strong, UB Export Lager, London Pilsner and Kalyani Black Label.

Reported volumes over the period 1 April 2008 – 31 March 2009 are 6.4 million hectolitres, which is a volume growth of 9% that accelerated to a 16% volume growth in the half year ending September 2009 against an industry growth of 8%, resulting in a market share increase of 3%.

Based on local GAAP, the company reported net revenue for the accounting year ended March 2009 of EUR 302 million, EBIT of EUR 27 million and net profit of EUR 7 million.

APB Aurangabad is located in Maharashtra. The brewery has a technical capacity of 300,000 hl/year and brews Cannon 10000, Tiger and Barons. APB Pearl is located in Andhra Pradesh. This brewery has a technical capacity of 160,000 hl/year and brews Cannon 10000 and Tiger;

In 2009, the Indian beer market is expected to grow to 14.4 million hectolitres. The beer market has historically been experiencing double-digit volume growth and is expected to continue a strong growth driven by the rapidly developing middle class, favourable demographics, strong economic fundamentals and a shift from other alcoholic beverages. Beer consumption per capita is currently estimated at 1.3 litres per annum. Working together with UBL, Heineken will be in a strong position to accelerate growth of the Heineken brand in the growing premium beer segment, which is currently estimated at 6% of the total beer market.

### **Strengthened leadership in South East Asia and the Pacific**

Heineken has strengthened and enlarged its successful 78-year joint venture partnership with F&N in APB, one of Asia's leading brewers and Heineken's investment vehicle in the region. This move will create a stronger and more profitable joint venture partnership with an increased presence in South East Asia and the Pacific.

The Heineken brand remains Asia's number one international premium beer with a market share of 25% in the international premium beer segment in Asia Pacific.

- Heineken and APB have agreed that Heineken will transfer a controlling stake of 68.5% in PT Multi Bintang Indonesia to APB for a consideration of EUR 157 million, after payment of an interim dividend of EUR 13 million (pro rata for the stake of 68.5%). The final price at completion will be subject to customary closing adjustments. On completion of the transaction, APB will launch a mandatory tender offer for the free float shares and a private offer for the depositary receipts of shares in MBI. APB may request Heineken to sell MBI shares in the MTO to increase APB's shareholdings in MBI to 75.1%;
- Heineken will also transfer its 87.3% interest in Grande Brasserie de Nouvelle-Calédonie S.A. to APB for a consideration of EUR 57 million;

- Subject to regulatory and APB shareholder approvals, these transactions are expected to complete in the first quarter of 2010. The completion of each of these transactions is conditional upon the others being completed;
- Heineken will continue to hold a 42% stake in APB.

APB, with its portfolio of brands including Tiger Beer, Heineken, Anchor and ABC Stout, operates breweries in 12 Asian countries and has export operations to more than 60 countries. The company reported net revenue for the accounting year ended September 2009 of EUR 1,021 million and EBIT of EUR 154 million. Following the transaction, APB will not only be the leading brewer in Singapore, Malaysia, Cambodia and Papua New Guinea, but also in Indonesia and New Caledonia. In addition, APB is number two in New Zealand and the market leader in the premium segment in Vietnam and Thailand.

Heineken will continue its export operations in South Korea, Taiwan, and Hong Kong. Heineken's partnerships in Japan and in Australia with Kirin are unaffected by these announcements.

### **MBI**

MBI is a public company listed on the Jakarta stock exchange.

- The transfer of Heineken's controlling shareholding to APB will give rise to a mandatory cash tender offer by APB for the free float shares of MBI;
- The rights of the Bintang brand will be transferred to APB for a consideration of EUR 19 million;
- Following the transaction, Heineken will continue to hold a direct stake in MBI of up to 16.5%.

### **GBNC**

- Heineken will transfer its 87.3% interest in GBNC to APB;
- GBNC is the leading brewer in New Caledonia with a market share of 74% and its beer brands include Number One, the leading mainstream beer. Heineken, Desperados and Hinano complete GBNC's portfolio and together, have built a significant share within the premium segment;
- The company also produces and distributes a portfolio of soft drink brands.

**Press enquiries**

Véronique Schyns  
Tel: +31 20 5239 355 / +31 6 20300139  
[veronique.schyns@heineken.com](mailto:veronique.schyns@heineken.com)

**Investor and analyst enquiries**

Jan van de Merbel  
Tel: +31 20 5239 590  
[investors@heineken.com](mailto:investors@heineken.com)

*Heineken will host an analyst and investor conference in relation to this announcement today at 10:00am CET. The call will be audio cast live via the company website <http://www.heinekeninternational.com/webcast/investors>. The presentation can be monitored live and can be downloaded afterwards.*

*Analysts and investors can call in using the following telephone numbers:*

*The Netherlands*  
*Local number: +31 20 794 8504*  
*Toll free: 0800-265-8528*

*United Kingdom*  
*Local: +44-20-7190-1595*  
*Toll free: 0800-358-5256*

**Editorial information:**

Heineken N.V. is one of the world's great brewers and is committed to growth and remaining independent. The brand that bears the founder's family name - Heineken - is available in almost every country on the globe and is the world's most valuable international premium beer brand. The company's aim is to be a leading brewer in each of the markets in which we operate and to have the world's most prominent brand portfolio. In 2008, the Company operated 125 breweries in more than 70 countries and sold 162 million hectolitres of beer. Heineken is Europe's largest brewer and the world's third largest by volume. Heineken is committed to the responsible marketing and consumption of its more than 200 international premium, regional, local and specialty beers and ciders. These include Amstel, Birra Moretti, Cruzcampo, Foster's, Maes, Murphy's, Newcastle Brown Ale, Ochota, Primus, Sagres, Star, Strongbow, Tiger and Zywiec. In 2008, revenue totalled EUR14.3 billion and Net Profit before exceptional items and amortisation was EUR1.0 billion. In 2008, the average number of people employed was 56,208. Heineken N.V. and Heineken Holding N.V. shares are listed on the Amsterdam stock exchange. Prices for the ordinary shares may be accessed on Bloomberg under the symbols HEIA NA and HEIO NA and on the Reuter Equities 2000 Service under HEIN.AS and HEIO.AS. Additional information is available on Heineken's home page: <http://www.heinekeninternational.com>.