HEINEKEN HOLDING NV

MEDIA RELEASE

Heineken Holding N.V. reports 2015 half year results

Continued organic revenue and profit growth

Amsterdam, 3 August 2015 – Heineken Holding N.V. (EURONEXT: HEIO; OTCQX: HKHHY) today announces:

- The net result of Heineken Holding N.V.'s participating interest in Heineken N.V. for the first half year of 2015 amounts to €576 million
- Group revenue +2.0% organically with group revenue per hectolitre up 1.1%
- Group beer volume +1.0% driven by Americas, Asia Pacific and Africa Middle East
- Heineken® volume in premium segment +4.7% with growth across most regions
- Innovation rate of 8.6%, contributing €854 million of revenues
- Group operating profit (beia) +4.7% organically
- Consolidated operating profit (beia) +3.4% organically
- Net profit (beia) of €915 million, up 14% organically

FINANCIAL SUMMARY

Key financials[1] *(in mhl or € million unless otherwise stated)*	**HY15**	HY14	Total growth %	Organic growth %
Group revenue	**10,926**	10,196	7.2	2.0
Group revenue/ hl (in €)	**95**	90	5.7	1.1
Group operating profit (beia)	**1,690**	1,560	8.3	4.7
Group operating profit (beia) margin	**15.5%**	15.3%	20bps	
Consolidated revenue	**9,896**	9,274	6.7	1.9
Consolidated operating profit (beia)	**1,549**	1,454	6.5	3.4
Consolidated operating profit (beia) margin	**15.7%**	15.7%	0bps	
Net profit (beia)	**915**	772	19	14
Net profit of Heineken Holding N.V.	**576**	316	81	
EPS (in €)	**2.00**	1.10	81	
Free operating cash flow	**486**	571	-15	
Net debt/ EBITDA (beia)[2]	**2.4**	2.5		

[1] Refer to the Glossary section for an explanation of non-IFRS measures and other terms used throughout this report

[2] Includes acquisitions and excludes disposals on a 12 month pro-forma basis

Heineken Holding N.V. engages in no activities other than its participating interest in Heineken N.V. and the management or supervision of and provision of services to that company.

OUTLOOK STATEMENT

(Based on consolidated reporting)
Aside from an adjustment for capital expenditure guidance HEINEKEN reaffirms all elements of its 2015 outlook, as stated in its FY 2014 release dated 11 February 2015.

In 2015 HEINEKEN expects a continued challenging external environment, however, delivering on strategic priorities is expected to drive further organic revenue and profit growth.

Continued revenue growth: HEINEKEN expects positive organic revenue growth in 2015 with volume growth at a more moderate level than 2014, and weighted towards H2 (tougher comparatives in H1). Continued volume growth in developing markets will offset more subdued volume growth elsewhere. Revenue per hectolitre is expected to increase driven by revenue management. Pricing will be limited by deflationary and off premise pressure in some markets.

Increased commercial investment: HEINEKEN will continue its targeted higher commercial investments across the regions, and expects a slight increase in marketing and selling (beia) spend as a percentage of revenue in 2015 (2014: 12.7%).

Continued cost savings: HEINEKEN is committed to delivering further cost savings and will continue its focus on driving cost efficiencies across the Group. These are an important driver of the medium term margin guidance. As a result of ongoing productivity initiatives, HEINEKEN expects an organic decline in the total number of employees in 2015.
Input cost prices are expected to be slightly lower in 2015 (excluding a foreign currency transactional effect).

Further margin expansion: HEINEKEN continues to target a year on year improvement in consolidated operating profit (beia) margin of around 40bps in the medium term. This will continue to be supported by tight cost management, effective revenue management and the anticipated faster growth of higher margin developing markets. In 2015 consolidated operating profit (beia) margin will be adversely impacted by approximately 25bps from the disposal of EMPAQUE, the Mexican packaging business, which completed in February. HEINEKEN expects to partially but not fully offset this, such that in 2015 consolidated operating profit (beia) margin expansion will be somewhat below the 40bps medium term level.

Foreign currency movements: Assuming spot rates as of 29 July 2015 there is no material change in the calculated positive 2015 currency translational impact compared to prior guidance. As such consolidated operating profit (beia) impact is expected to be approximately €130 million, and €80 million at net profit (beia). However the foreign exchange markets remain very volatile.

Improved financial flexibility: HEINEKEN remains focused on cash flow generation and disciplined working capital management, with a commitment to a long-term target net debt/ EBITDA (beia) ratio of below 2.5x. In 2015, capital expenditure related to property, plant and equipment is now expected to be approximately €1.7 billion (2014: €1.5 billion), with the €100 million increase from the prior guidance due to foreign exchange. A cash conversion ratio of below 100% is expected in 2015 (2014: 79%).

Effective tax rate: HEINEKEN expects the effective tax rate (beia) for 2015 to be broadly in line with 2014 (29.7%).

Interest rate: HEINEKEN forecasts an average interest rate of c.3.7% in 2015.

INTERIM DIVIDEND

According to the articles of association of Heineken Holding N.V. both Heineken Holding N.V. and Heineken N.V. pay an identical dividend per share.

In accordance with the existing dividend policy, HEINEKEN fixes its interim dividend at 40% of the total dividend of the previous year. As a result, an interim dividend of €0.44 per share of €1.60 nominal value will be paid on 12 August 2015. Both the Heineken Holding N.V. ordinary shares and the Heineken N.V. shares will trade ex-dividend on 5 August 2015.

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Investor Calendar Heineken N.V.

(events also accessible for Heineken Holding N.V. shareholders)

What's Brewing Seminar, London	27 August 2015
Trading update for Q3 2015	28 October 2015
What's Brewing Seminar, New York	19 November 2015
Full Year 2015 Results	10 February 2016

Conference call details

Heineken N.V. will host an analyst and investor conference call in relation to this trading update today at 10:00 CET/ 9:00 BST. This call will also be accessible for Heineken Holding N.V. shareholders. The call will be audio cast live via the website: www.theheinekencompany.com/investors/webcasts. An audio replay service will also be made available after the conference call at the above web address. Analysts and investors can dial-in using the following telephone numbers:

Netherlands
Local line: +31(0)20 716 8256
National free phone: 0800 020 2577

United Kingdom
Local line: +44 (0) 20 3427 1900
National free phone: 0800 279 4841

United States of America
Local line: +1 646 254 3361
National free phone: 1 877 280 2296

Participation/ confirmation code for all countries: 2083527

Editorial information:
HEINEKEN is the world's most international brewer. It is the leading developer and marketer of premium beer and cider brands. Led by the Heineken® brand, the Group has a powerful portfolio of more than 250 international, regional, local and specialty beers and ciders. HEINEKEN is committed to innovation, long-term brand investment, disciplined sales execution and focused cost management. Through "Brewing a Better World", sustainability is embedded in the business and delivers value for all stakeholders. HEINEKEN has a well-balanced geographic footprint with leadership positions in both developed and developing markets. HEINEKEN employs 81,000 people and operates more than 160 breweries in 70 countries. Heineken N.V. and Heineken Holding N.V. shares trade on the Euronext in Amsterdam. Prices for the ordinary shares may be accessed on Bloomberg under the symbols HEIA NA and HEIO NA and on Reuters under HEIN.AS and HEIO.AS. HEINEKEN has two sponsored level 1 American Depositary Receipt (ADR) programmes: Heineken N.V. (OTCQX: HEINY) and Heineken Holding N.V. (OTCQX: HKHHY). Most recent information is available on the website: www.theHEINEKENcompany.com and follow HEINEKEN via @HEINEKENCorp.
Heineken Holding N.V. engages in no activities other than its participating interest in Heineken N.V. and the management or supervision of and provision of services to that company.

Disclaimer:
This press release contains forward-looking statements with regard to the financial position and results of HEINEKEN's activities. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond HEINEKEN's ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, changes in consumer preferences, the ability to successfully integrate acquired businesses and achieve anticipated synergies, costs of raw materials, interest-rate and exchange-rate fluctuations, changes in tax rates, changes in law, change in pension costs, the actions of government regulators and weather conditions. These and other risk factors are detailed in HEINEKEN's publicly filed annual reports. You are cautioned not to place undue reliance on these forward-looking statements, which speak only of the date of this press release. HEINEKEN does not undertake any obligation to update these forward-looking statements contained in this press release. Market share estimates contained in this press release are based on outside sources, such as specialised research institutes, in combination with management estimates

INTRODUCTION

This report contains the interim financial report of Heineken Holding N.V., headquartered in Amsterdam, the Netherlands.

The interim financial report for the six months ending 30 June 2015 consists of the report of the Board of Directors, the statement of the Board and the condensed consolidated interim financial statements.

REPORT OF THE BOARD OF DIRECTORS

Heineken Holding N.V. has a 50.005% interest in the issued share capital (being 50.321% of the outstanding share capital) of Heineken 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 object pursuant to its Articles of Association has been to manage or supervise the management of the HEINEKEN group and to provide services for Heineken N.V. Within the HEINEKEN group, the primary duties of Heineken N.V.'s Executive Board are to initiate and implement corporate strategy and to manage Heineken N.V. and its related enterprise. It is supervised in the performance of its duties by Heineken N.V.'s Supervisory Board. Because Heineken N.V. manages the HEINEKEN group companies, Heineken Holding N.V., unlike Heineken N.V., does not have an internal risk management and control system. Heineken Holding N.V. does not engage in any operational activities and employs no staff.

Further information regarding the developments during the financial half year 2015 of Heineken N.V. and its related companies, and the material risks Heineken N.V. is facing is given in Heineken N.V.'s half year report.

Pursuant to Article 5:25d Paragraph 4 Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht") we mention that Heineken Holding N.V.'s half year report has not been audited nor reviewed.

STATEMENT OF THE BOARD OF DIRECTORS

Statement ex Article 5:25d Paragraph 2 sub c Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

To our knowledge:

1. The condensed consolidated interim financial statements for the six-month period ended 30 June 2015, which have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, give a true and fair view of the assets, liabilities, financial position, and profit of Heineken Holding N.V. and the undertakings included in the consolidation as a whole;
2. The report of the Board of Directors for the six-month period ended 30 June 2015 includes a fair review of the information required pursuant to article 5:25d paragraphs 8 and 9 of the Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

Board of Directors

M. Das (non-executive chairman)
C.L. de Carvalho-Heineken (executive member)
M.R. de Carvalho (executive member)
J.A. Fernández Carbajal (non-executive member)
C.M. Kwist (non-executive member)
A.A.C. de Carvalho (non-executive member)

Amsterdam, 31 July 2015

Condensed consolidated interim financial statements for the six-month period ended 30 June 2015

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six-month period ended 30 June *In millions of EUR*	Note	2015	2014
Revenue	5	**9,896**	**9,274**
Other income	5	**398**	**20**
Raw materials, consumables and services		(6,201)	(5,795)
Personnel expenses		(1,660)	(1,563)
Amortisation, depreciation and impairments		(735)	(699)
Total expenses		**(8,596)**	**(8,057)**
Result from operating activities	5	**1,698**	**1,237**
Interest income		28	20
Interest expenses		(195)	(229)
Other net finance income/ (expenses)		(36)	(37)
Net finance expenses		**(203)**	**(246)**
Share of profit of associates and joint ventures and impairments thereof (net of income tax)	5	83	55
Profit before income tax		**1,578**	**1,046**
Income tax expenses		(328)	(325)
Profit		**1,250**	**721**
Attributable to:			
Equity holders of Heineken Holding N.V. (net profit)		576	316
Non-controlling interests in Heineken N.V.		568	315
Non-controlling interests in Heineken N.V. group companies		106	90
Profit		**1,250**	**721**
Weighted average number of ordinary shares - basic	9	288,030,168	288,030,168
Weighted average number of ordinary shares - diluted	9	288,030,168	288,030,168
Basic earnings per ordinary share (EUR)		2.00	1.10
Diluted earnings per ordinary share (EUR)		2.00	1.10

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June

In millions of EUR	Note	2015	2014
Profit		**1,250**	**721**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gains and losses		(97)	(81)
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		613	203
Effective portion of net investment hedges		(17)	(5)
Effective portion of changes in fair value of cash flow hedges		40	(16)
Effective portion of cash flow hedges transferred to profit or loss		5	(14)
Net change in fair value available-for-sale investments		23	(9)
Share of other comprehensive income of associates/joint ventures		8	—
Other comprehensive income, net of tax		**575**	**78**
Total comprehensive income		**1,825**	**799**
Attributable to:			
Equity holders of Heineken Holding N.V.		854	357
Non-controlling interests in Heineken N.V.		843	355
Non-controlling interests in Heineken N.V. group companies		128	87
Total comprehensive income		**1,825**	**799**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at *In millions of EUR*	Note	30 June 2015	31 December 2014
Assets			
Property, plant and equipment		8,950	8,718
Intangible assets		16,848	16,341
Investments in associates and joint ventures		1,979	2,033
Other investments and receivables		863	737
Advances to customers		268	254
Deferred tax assets		738	661
Total non-current assets		**29,646**	**28,744**
Inventories		1,823	1,634
Other investments		17	13
Trade and other receivables		3,083	2,743
Prepayments and accrued income		394	317
Income tax receivables		28	23
Cash and cash equivalents		832	668
Assets classified as held for sale		116	688
Total current assets		**6,293**	**6,086**
Total assets		**35,939**	**34,830**
Equity			
Share capital		461	461
Share premium		1,257	1,257
Reserves		142	(178)
Retained earnings		4,850	4,585
Equity attributable to equity holders of Heineken Holding N.V.	9	**6,710**	**6,125**
Non-controlling interests in Heineken N.V.		6,807	6,284
Non-controlling interests in Heineken N.V. group companies		1,000	1,043
Total equity		**14,517**	**13,452**
Liabilities			
Loans and borrowings	10	9,825	9,499
Tax liabilities		3	3
Employee benefits		1,600	1,443
Provisions		387	398
Deferred tax liabilities		1,462	1,503
Total non-current liabilities		**13,277**	**12,846**
Bank overdrafts	10	464	595
Loans and borrowings	10	1,172	1,671
Trade and other payables		5,887	5,533
Tax liabilities		425	390
Provisions		171	165
Liabilities classified as held for sale		26	178
Total current liabilities		**8,145**	**8,532**
Total liabilities		**21,422**	**21,378**
Total equity and liabilities		**35,939**	**34,830**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June

In millions of EUR	Note	2015	2014
Operating activities			
Profit		1,250	721
Adjustments for:			
Amortisation, depreciation and impairments		735	699
Net interest expenses		167	209
Gain on sale of property, plant and equipment, intangible assets and subsidiaries, joint ventures and associates		(398)	(20)
Investment income and share of profit and impairments of associates and joint ventures and dividend income on available-for-sale and held-for-trading investments		(85)	(62)
Income tax expenses		328	325
Other non-cash items		23	56
Cash flow from operations before changes		**2,020**	**1,928**
Change in inventories		(181)	(208)
Change in trade and other receivables		(495)	(644)
Change in trade and other payables		235	556
Total change in working capital		**(441)**	**(296)**
Change in provisions and employee benefits		(47)	(69)
Cash flow from operations		**1,532**	**1,563**
Interest paid		(212)	(276)
Interest received		46	30
Dividend received		109	64
Income taxes paid		(335)	(258)
Cash flow related to interest, dividend and income tax		**(392)**	**(440)**
Cash flow from operating activities		**1,140**	**1,123**
Investing activities			
Proceeds from sale of property, plant and equipment and intangible assets		35	46
Purchase of property, plant and equipment		(602)	(549)
Purchase of intangible assets		(30)	(18)
Loans issued to customers and other investments		(83)	(49)
Repayment on loans to customers		26	18
Cash flow (used in)/from operational investing activities		**(654)**	**(552)**
Free operating cash flow		**486**	**571**

For the six-month period ended 30 June

In millions of EUR	Note	2015	2014
Acquisition of subsidiaries, net of cash acquired	6	79	—
Acquisition of/additions to associates, joint ventures and other investments		(6)	(2)
Disposal of subsidiaries, net of cash disposed of		979	1
Disposal of associates, joint ventures and other investments		29	—
Cash flow (used in)/from acquisitions and disposals		**1,081**	**(1)**
Cash flow (used in)/from investing activities		**427**	**(553)**
Financing activities			
Proceeds from loans and borrowings		324	547
Repayment of loans and borrowings		(823)	(1,042)
Dividends paid		(554)	(433)
Purchase own shares by Heineken N.V.		(193)	—
Acquisition of non-controlling interests		(22)	(134)
Other		(2)	—
Cash flow (used in)/from financing activities		**(1,270)**	**(1,062)**
Net cash flow		**297**	**(492)**
Cash and cash equivalents (including bank overdrafts) as at 1 January		72	1,112
Effect of movements in exchange rates		(1)	2
Cash and cash equivalents (including bank overdrafts) as at 30 June		**368**	**622**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

In millions of EUR	Share capital	Share Premium	Translation reserve	Hedging reserve	Fair value reserve	Other legal reserves	Retained Earnings	Equity[1]	Non-controlling interests in Heineken N.V.	Non-controlling interests in Heineken N.V. group companies	Total equity
Balance as at 1 January 2015	**461**	**1,257**	**(549)**	**(49)**	**48**	**372**	**4,585**	**6,125**	**6,284**	**1,043**	**13,452**
Profit	—	—	—	—	—	44	532	576	568	106	1,250
Other comprehensive income	—	—	290	23	12	—	(47)	278	275	22	575
Total comprehensive income	**—**	**—**	**290**	**23**	**12**	**44**	**485**	**854**	**843**	**128**	**1,825**
Transfer to retained earnings	—	—	—	—	—	(44)	44	—	—	—	—
Dividends to shareholders	—	—	—	—	—	—	(213)	(213)	(213)	(172)	(598)
Shares issued	—	—	—	—	—	—	—	—	—		—
Purchase/reissuance own shares by Heineken N.V.	—	—	—	—	—	—	(73)	(73)	(122)	3	(192)
Own shares granted by Heineken N.V.	—	—	—	—	—	—	—	—	—	—	—
Share-based payments by Heineken N.V.	—	—	—	—	—	—	8	8	8	(1)	15
Acquisition of non-controlling interests without a change in control	—	—	—	—	—	—	1	1	1	(1)	1
Consolidation changes with a change in control	—	—	8	(9)	(4)	—	13	8	6	—	14
Balance as at 30 June 2015	**461**	**1,257**	**(251)**	**(35)**	**56**	**372**	**4,850**	**6,710**	**6,807**	**1,000**	**14,517**

[1] Equity attributable to equity holders of Heineken Holding N.V.

In millions of EUR	Share capital	Share Premium	Translation reserve	Hedging reserve	Fair value reserve	Other legal reserves	Retained Earnings	Equity[1]	Non-controlling interests in Heineken N.V.	Non-controlling interests in Heineken N.V. group companies	Total equity
Balance as at 1 January 2014	**461**	**1,257**	**(862)**	**2**	**49**	**403**	**4,310**	**5,620**	**5,782**	**954**	**12,356**
Profit	—	—	—	—	—	39	277	316	315	90	721
Other comprehensive income	—	—	101	(15)	(5)	—	(40)	41	40	(3)	78
Total comprehensive income	**—**	**—**	**101**	**(15)**	**(5)**	**39**	**237**	**357**	**355**	**87**	**799**
Transfer to retained earnings	—	—	—	—	—	(52)	52	—	—	—	—
Dividends to shareholders	—	—	—	—	—	—	(153)	(153)	(152)	(152)	(457)
Purchase/reissuance own shares by Heineken N.V.	—	—	—	—	—	—	—	—	—	4	4
Own shares granted by Heineken N.V.	—	—	—	—	—	—	—	—	—	—	—
Share-based payments by Heineken N.V.	—	—	—	—	—	—	2	2	2	—	4
Consolidation changes with a change in control	—	—	—	—	—	—	(78)	(78)	(77)	21	(134)
Balance as at 30 June 2014	**461**	**1,257**	**(761)**	**(13)**	**44**	**390**	**4,370**	**5,748**	**5,910**	**914**	**12,572**

[1] Equity attributable to equity holders of Heineken Holding N.V.

Notes to the condensed consolidated interim financial statements

1. REPORTING ENTITY

Heineken Holding N.V. (the 'Company') is a company domiciled in the Netherlands. The condensed consolidated interim financial statements of the Company as at and for the six-month period ended 30 June 2015 comprise Heineken Holding N.V., Heineken N.V., its subsidiaries (together referred to as 'HEINEKEN') and HEINEKEN's interest in jointly controlled entities and associates.

The consolidated financial statements of Heineken Holding N.V. as at and for the year ended 31 December 2014 are available upon request from the Company's registered office at Tweede Weteringplantsoen 5, Amsterdam or at www.heinekenholding.com.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of Heineken Holding N.V. as at and for the year ended 31 December 2014.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Company on 31 July 2015.

(b) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest million unless stated otherwise.

(c) Use of estimates and judgements

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying Heineken Holding N.V.'s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) General

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in Heineken Holding N.V.'s consolidated financial statements as at and for the year ended 31 December 2014.

(b) Income tax

Income tax expenses are recognised based on management's best estimate of the weighted average expected full year income tax rate per country.

4. SEASONALITY

The performance of HEINEKEN is subject to seasonal fluctuations as a result of weather conditions. HEINEKEN's full year results and volumes are dependent on the performance in the peak-selling seasons (May through to August and December), typically resulting in higher revenue and profitability in the second half year. The impact from this seasonality is also noticeable in several working capital related items such as inventory, trade receivables and payables.

Tweede Weteringplantsoen 5 - 1017 ZD Amsterdam

Registered Office at Amsterdam - Trade Register Amsterdam No. 33078624

5. OPERATING SEGMENTS

For the six-month period ended 30 June 2015 and 30 June 2014

	Western Europe		Central and Eastern Europe		The Americas		Africa and the Middle East		Asia Pacific		Heineken N.V. Head Office & Other/Eliminations		Consolidated	
In millions of EUR	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue														
Third party revenue	3,335	3,297	1,414	1,418	2,520	2,209	1,382	1,293	1,171	931	74	126	9,896	9,274
Interregional revenue	389	353	14	9	2	4	—	—	1	1	(406)	(367)	—	—
Total revenue	**3,724**	**3,650**	**1,428**	**1,427**	**2,522**	**2,213**	**1,382**	**1,293**	**1,172**	**932**	**(332)**	**(241)**	**9,896**	**9,274**
Other income	6	8	9	4	4	3	—	5	—	—	379	—	398	20
Result from operating activities	**346**	**310**	**134**	**102**	**369**	**336**	**289**	**315**	**218**	**163**	**342**	**11**	**1,698**	**1,237**
Net finance expenses													(203)	(246)
Share of profit of associates and joint ventures and impairments thereof	1	(1)	5	6	36	30	25	6	16	14	—	—	83	55
Income tax expenses													(328)	(325)
Profit													**1250**	**721**
EBIT reconciliation														
EBIT[1]	347	309	139	108	405	366	314	321	234	177	342	11	1,781	1,292
Eia[1]	26	62	7	14	44	40	25	23	86	73	(335)	7	(147)	219
EBIT (beia) [1]	**373**	**371**	**146**	**122**	**449**	**406**	**339**	**344**	**320**	**250**	**7**	**18**	**1.634**	**1.511**
As at 30 June 2015 and 31 December 2014														
Total segment assets	**10,523**	**9,862**	**4,340**	**4,213**	**7,977**	**7,842**	**4,009**	**3,942**	**8,458**	**8,254**	**(125)**	**43**	**35,182**	**34,156**
Unallocated assets													757	674
Total assets													**35,939**	**34,830**

[1] For definitions see 'Glossary'. Note that these are non-GAAP measures. For further detail please refer to note 8.

6. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS

Announced acquisition of Pivovarna Laško

On 13 April 2015, HEINEKEN announced that a binding agreement was signed to acquire a 51.11 per cent direct stake in Pivovarna Laško d.d. The acquisition is expected to close in the second half of 2015 and is subject to customary regulatory approvals. It will be followed by a mandatory takeover offer extended to all remaining shareholders.

Accounting for the acquisition of Zagorka

The dividend received in 2015 from Brewmaster Holdings in relation to the acquisition of Zagorka AD in 2014 is presented in the cash flow from investing activities in the cash flow statement.

Acquisitions of non-controlling interests

There were no individually material acquisitions of non-controlling interests during the period ended 30 June 2015.

Disposals

Disposal of EMPAQUE

On 18 February 2015, HEINEKEN sold its 100 per cent stake in EMPAQUE to Crown Holdings Inc. for an enterprise value of USD1,225 million. A post tax EUR379 million book gain on the disposal was recorded in other income.

7. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk management

The aspects of HEINEKEN’s financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2014.

Carrying amount versus fair value

The carrying amount of financial assets and liabilities shown in the statement of financial position and their fair values are as follows:

As at	30 June 2015		31 December 2014	
In millions of EUR	Carrying amount	Fair value	Carrying amount	Fair value
Bank loans	(574)	(574)	(540)	(540)
Unsecured bond issues	(8,527)	(8,877)	(8,769)	(9,296)
Finance lease liabilities	(14)	(14)	(15)	(15)
Other interest-bearing liabilities	(1,252)	(1,252)	(1,275)	(1,275)

For all other financial instruments carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

The tables below present the financial instruments accounted for or disclosed at fair value by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

As at 30 June 2015 *In millions of EUR*	Level 1	Level 2	Level 3	Total
Available-for-sale investments	130	86	74	290
Non-current derivative assets	—	192	—	192
Current derivative assets	—	56	—	56
Investments held for trading	17	—	—	17
	147	**334**	**74**	**555**
Non-current derivative liabilities	—	(20)	—	(20)
Loans and borrowings	(8,877)	(1,840)	—	(10,717)
Current derivative liabilities	—	(112)	—	(112)
	(8,877)	**(1,972)**	**—**	**(10,849)**

As at 31 December 2014 *In millions of EUR*	Level 1	Level 2	Level 3	Total
Available-for-sale investments	99	86	68	253
Non-current derivative assets	—	97	—	97
Current derivative assets	—	122	—	122
Investments held for trading	13	—	—	13
	112	**305**	**68**	**485**
Non-current derivative liabilities	—	(8)	—	(8)
Loans and borrowings	(9,296)	(1,829)	—	(11,125)
Current derivative liabilities	—	(104)	—	(104)
	(9,296)	**(1,941)**	**—**	**(11,237)**

There were no transfers between level 1 and level 2 of the fair value hierarchy during the six-month period ended 30 June 2015.

Level 2

HEINEKEN determines level 2 fair values for over-the-counter securities based on broker quotes. The fair values of simple over-the-counter derivative financial instruments are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where available.

The fair value of derivatives is calculated as the present value of the estimated future cash flows based on observable interest yield curves, basis spread and foreign exchange rates. These calculations are tested for reasonableness by comparing the outcome of the internal valuation with the valuation received from the counterparty. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of HEINEKEN and counterparty when appropriate.

Level 3

Details of the determination of level 3 fair value measurements are set out below.

As at	30 June 2015	31 December 2014
Available-for-sale-investments based on level 3		
Balance as at 1 January	**68**	**59**
Fair value adjustments recognised in other comprehensive income	6	10
Disposals	—	(1)
Transfers	—	—
Balance as at end of period	**74**	**68**

The fair values for the level 3 available-for-sale investments are based on the financial performance of the investments and the market multiples of comparable equity securities.

8. NON-GAAP MEASURES

In the internal management reports HEINEKEN measures its performance primarily based on EBIT and EBIT beia (before exceptional items and amortisation of acquisition-related intangible assets). Both are non-GAAP measures not calculated in accordance with IFRS. Exceptional items are defined as items of income and expense of such size, nature or incidence, that in the view of management their disclosure is relevant to explain the performance of HEINEKEN for the period. Beia adjustments are also applied on operating profit and net profit metrics.

The table below presents the relationship between IFRS measures, being results from operating activities and net profit of Heineken N.V., and HEINEKEN non-GAAP measures, being EBIT, EBIT (beia), Consolidated operating profit (beia), Group operating profit (beia) and Net profit (beia), for the six-month period ended 30 June.

In millions of EUR	2015	2014
Result from operating activities (or consolidated operating profit)	**1,698**	**1,237**
Share of profit of associates and joint ventures and impairments thereof (net of income tax)	83	55
EBIT	**1,781**	**1,292**
Exceptional items and amortisation of acquisition-related intangible assets included in EBIT	(147)	219
EBIT (beia)	**1,634**	**1,511**
Share of profit of associates and joint ventures and impairments thereof (beia) (net of income tax)	(85)	(57)
Consolidated operating profit (beia)	**1,549**	**1,454**
Attributable share of operating profit from joint ventures and associates and impairments thereof	141	106
Group operating profit (beia)	**1,690**	**1,560**
Profit attributable to equity holders of Heineken Holding N.V. (net profit)	576	316
Non-controlling interests in Heineken N.V.	568	315
Exceptional items and amortisation of acquisition-related intangible assets included in EBIT	(147)	219
Exceptional items included in finance costs	—	(1)
Exceptional items included in income tax expense	(62)	(55)
Exceptional items included in non-controlling interest	(20)	(22)
Net profit (beia)	**915**	**772**

Exceptional items and amortisation of acquisition-related intangible assets for the six-month period ended 30 June 2015 on EBIT level amounted to a gain of EUR147 million (six-month period ended 30 June 2014: loss of EUR219 million), mainly relating to the EMPAQUE gain on sale of EUR379 million, restructuring expenses at Heineken N.V. head office of EUR45 million and amortisation of acquisition-related intangible assets amounting to EUR150 million (six-month period ended 30 June 2014: EUR144 million). In addition, exceptional items for the six-month period ended 30 June 2015 on EBIT level include an asset write-down in Rwanda of EUR10 million.

The exceptional items in tax mainly relate to the tax impact of exceptional items in EBIT.

Reconciliation of reported to consolidated (beia) financial measures

	For the six-month period ended 30 June 2015			
		EIA*		
In millions of EUR, except per share data	Reported	Amortisation of acquisition-related intangible assets	Exceptional items	(beia)
Result from operating activities	1,698	148	(297)	1,549
Attributable share of net profit from associates and joint ventures	83	2	—	85
EBIT	**1,781**	**150**	**(297)**	**1,634**
Net profit of Heineken N.V.	1,144	98	(327)	915

	For the six-month period ended 30 June 2014			
		EIA*		
In millions of EUR, except per share data	Reported	Amortisation of acquisition-related intangible assets	Exceptional items	(beia)
Result from operating activities	1,237	142	75	1,454
Attributable share of net profit from associates and joint ventures	55	2	—	57
EBIT	**1,292**	**144**	**75**	**1,511**
Net profit of Heineken N.V.	631	108	33	772

9. EQUITY

Reserves

The reserves consist of translation reserve, hedging reserve, fair value reserve and other legal reserves. The main variance in comparison to prior year is driven by foreign currency translation in translation reserve.

Weighted average number of ordinary shares

For the six-month period ended 30 June *In shares*	2015	2014
Weighted average number of ordinary shares - basic	288,030,168	288,030,168
Weighted average number of ordinary shares - diluted	288,030,168	288,030,168

Treasury shares

Following the completion of the divestment of EMPAQUE, HEINEKEN announced to deploy a share buyback programme. During the six-month period ended 30 June 2015, HEINEKEN purchased 2,504,494 Heineken N.V. shares for a total consideration of EUR174 million. These shares have not been cancelled.

Dividends

The following dividends were declared and paid by Heineken Holding N.V.:

For the six-month period ended 30 June *In millions of EUR*	2015	2014
Prior year final dividend declared and paid in 2015 EUR0.74 (2014: EUR0.53)	213	153

After the balance sheet date the Board of Directors announced the following interim dividend that has not been provided for:

In millions of EUR	2015	2014
EUR0.44 per ordinary share (2014: EUR0.36)	127	104

10. NET INTEREST-BEARING DEBT POSITION

In millions of EUR	30 June 2015	31 December 2014
Non-current interest-bearing liabilities	9,804	9,491
Current portion of non-current interest-bearing liabilities	563	1,107
Deposits from third parties (mainly employee loans)	609	564
	10,976	**11,162**
Bank overdrafts	464	595
	11,440	**11,757**
Cash, cash equivalents and current other investments	(849)	(681)
Net interest-bearing debt position	**10,591**	**11,076**

New financing

HEINEKEN has launched a EUR1.0 billion Euro Commercial Paper programme to facilitate its cash management operations and to further diversify its funding sources. EUR218 million was in issue as per 30 June 2015.

Financing headroom

As at 30 June 2015, the committed financing headroom including cash balances available at Group level was approximately EUR2.5 billion.

Incurrence covenant

HEINEKEN has an incurrence covenant in some of its financing facilities. This incurrence covenant is calculated by dividing net debt by EBITDA (beia) (both based on proportional consolidation of joint ventures and including acquisitions and excluding disposals on a 12-month pro-forma basis). As at 30 June 2015 this ratio was 2.3 (as at 30 June 2014: 2.5). If the ratio would be beyond a level of 3.5, the incurrence covenant would prevent HEINEKEN from conducting further significant debt financed acquisitions.

11. CONTINGENCIES

Brazil

As part of the acquisition of the beer operations of FEMSA in 2010, HEINEKEN inherited existing legal proceedings with labour unions, tax authorities and other parties of its, now wholly-owned, subsidiaries Cervejarias Kaiser Brasil and Cervejarias Kaiser Nordeste (jointly, Heineken Brasil). The proceedings have arisen in the ordinary course of business and are common to the current economic and legal environment of Brazil. The proceedings have partly been provided for. The contingent amount being claimed against Heineken Brasil resulting from such proceedings as at 30 June 2015 is EUR591 million. Such contingencies were classified by legal counsel as less than probable but more than remote of being settled against Heineken Brasil. However, HEINEKEN believes that the ultimate resolution of such legal proceedings will not have a material adverse effect on its consolidated financial position or result of operations. HEINEKEN does not expect any significant liability to arise from these contingencies. A significant part of the aforementioned contingencies (EUR321 million) is tax-related and qualifies for indemnification by FEMSA.

As is customary in Brazil, Heineken Brasil has been requested by the tax authorities to collateralise tax contingencies currently in litigation amounting to EUR393 million by either pledging fixed assets or entering into available lines of credit which cover such contingencies.

No other material updates in comparison with 2014 year-end reporting were identified that need to be reported.

12. RELATED PARTY TRANSACTIONS

Heineken Holding N.V. has a related party relationship with its Board of Directors, the Executive Board and Supervisory Board of Heineken N.V., L'Arche Green N.V., Stichting Administratiekantoor Priores, Stichting Beheer Prioriteitsaandelen Heineken Holding N.V., Fomento Económico Mexicano, S.A.B. de C.V. (FEMSA), associates and joint ventures, HEINEKEN pension funds and employees. Transactions are conducted on terms comparable to transactions with third parties.

The related party transactions in the first six-month period ended 30 June 2015 do not significantly deviate from the transactions as reflected in the financial statements as at and for the year ended 31 December 2014.

13. SUBSEQUENT EVENTS

Increase in stake of joint venture

On 7 July 2015, HEINEKEN acquired a 3.2 per cent stake in United Breweries Limited from United Spirits Limited for Rs 872 crore (approximately EUR125 million), increasing the total shareholding to 42.1 per cent.

Disposal of wholesale operations in Poland

On 23 July 2015, Group Zywiec signed with Orbico Group a conditional agreement upon which Orbico Group will purchase 80 per cent of the shares in Distribev Sp. z o.o. The enterprise value for an 80 per cent stake amounted to PLN96 million (EUR23 million), and is subject to customary price adjustments. Closing is subject to regulatory approval and is expected in the second half of this year.

Restructuring of South African and Namibian operations

On 27 July 2015, HEINEKEN announced that along with Diageo plc and The Ohlthaver & List (O&L) Group of Companies, the majority shareholder of Namibia Breweries Limited ('NBL'), that they have agreed to restructure their respective joint venture operations in South Africa and Namibia. The agreement will result in HEINEKEN, Diageo and NBL closing their distribution joint venture, brandhouse Beverages (Pty) Ltd. HEINEKEN will pay a total net cash consideration of c.ZAR1.9 billion (c. EUR136 million) to Diageo. Completion of the transaction is expected in the fourth quarter of 2015 and is subject to customary regulatory approvals.

Board of Directors

M. Das (non-executive chairman)
C.L. de Carvalho-Heineken (executive member)
M.R. de Carvalho (executive member)
J.A. Fernández Carbajal (non-executive member)
C.M. Kwist (non-executive member)
A.A.C. de Carvalho (non-executive member)

Amsterdam, 31 July 2015

GLOSSARY

Acquisition-related intangible assets

Acquisition-related intangible assets are assets that HEINEKEN only recognises as part of a purchase price allocation following an acquisition. This includes amongst others brands, customer-related and certain contract-based intangibles.

Beia

Before exceptional items and amortisation of acquisition-related intangible assets.

Cash conversion ratio

Free operating cash flow/net profit (beia) before deduction of non-controlling interests.

Depletions

Sales by distributors to the retail trade.

Dividend payout

Proposed dividend as percentage of net profit (beia).

Earnings per share

Basic

Net profit divided by the weighted average number of ordinary shares - basic - during the year.

Diluted

Net profit divided by the weighted average number of ordinary shares - diluted - during the year.

EBIT

Earnings before interest, taxes and net finance expenses. EBIT includes HEINEKEN's share in net profit of joint ventures and associates.

EBITDA

Earnings before interest, taxes, net finance expenses, depreciation and amortisation. EBITDA includes HEINEKEN's share in net profit of joint ventures and associates.

Effective tax rate

Income tax expenses expressed as a percentage of the profit before income tax, adjusted for share of profit of associates and joint ventures and impairments thereof (net of income tax).

Eia

Exceptional items and amortisation of acquisition-related intangible assets.

Free operating cash flow

This represents the total of cash flow from operating activities, and cash flow from operational investing activities.

HEINEKEN or "the Group"

Heineken Holding N.V., Heineken N.V., its subsidiaries and interest in joint ventures and associates.

Innovation rate

The innovation rate is calculated as revenues generated from innovations (introduced in the past 40 quarters for a new category, 20 quarters for a new brand and 12 quarters for all other innovations, excluding packaging renovations) divided by total revenue.

Net debt

Non-current and current interest-bearing loans and borrowings and bank overdrafts less investments held for trading and cash.

Net debt/EBITDA (beia) ratio

The ratio is based on a 12 month rolling calculation for EBITDA (beia).

Net profit

Profit after deduction of non-controlling interests (profit attributable to equity holders of Heineken Holding N.V.).

Organic growth

Organic growth excludes the impact of foreign currency translation, consolidation changes, accounting policy changes, exceptional items and amortisation of acquisition-related intangible assets.

Organic volume growth

Growth in volume, excluding the effect of consolidation changes.

Operating profit

Consolidated operating profit

Result from operating activities.

Group operating profit (beia)

Consolidated operating profit (beia) plus attributable share of operating profit (beia) from joint ventures and associates.

Profit

Total profit of the Group before deduction of non-controlling interests.

®

All brand names mentioned in this report, including those brand names not marked by an ®, represent registered trademarks and are legally protected.

Region

A region is defined as HEINEKEN's managerial classification of countries into geographical units.

Revenue

Consolidated revenue

Net realised sales proceeds.

Group revenue (beia)

Consolidated revenue plus attributable share of revenue from joint ventures and associates.

Volume

Consolidated beer volume

100 per cent of beer volume produced and sold by consolidated companies.

Group beer volume

Consolidated beer volume plus attributable share of beer volume from joint ventures and associates.

Group total volume

Total consolidated volume plus attributable share of volume from joint ventures and associates.

Heineken® volume

100 per cent of beer volume sold of the Heineken® brand by consolidated companies, joint ventures and associates and produced and sold under license by third parties.

Heineken® volume in premium segment

Heineken® volume excluding Heineken® volume in the Netherlands.

Licensed beer & non-beer volume

Cider, soft drink and non-beer volume sold in consolidated companies, joint ventures and associates, as well as HEINEKEN's brands produced and sold under license by third parties.

Third party products volume

Volume of third party products sold through consolidated companies, joint ventures and associates.

Total consolidated volume

100 per cent of volume produced and sold by consolidated companies (including beer, cider, soft drinks and other beverages), volume of third party products and volume of HEINEKEN's brands produced and sold under license by third parties.

Weighted average number of shares

Basic

Weighted average number of outstanding ordinary shares.

Diluted

Weighted average number of outstanding ordinary shares.