Heineken NV

Press release

Heineken N.V. Trading Update – First Quarter 2011

Amsterdam, 20 April 2011 – Heineken N.V. today announced its trading update for the first quarter of 2011.

- Consolidated beer volume grew 44% to 33.8 million hectolitres, due to the first time consolidation of the beer operations of FEMSA and an organic volume increase of 5.5%. All regions contributed to the organic growth;
- Volume of the Heineken® brand in the international premium segment grew 5.7%, reaching 6 million hectolitres;
- Revenue increased 22% reflecting organic growth of 3.6%, the benefit of consolidation scope changes and favourable exchange rate movements;
- EBIT (beia) grew by over 20% on an organic basis, driven by higher volume and the realisation of ongoing cost savings;
- Organically, net profit (beia) increased substantially due to higher EBIT and lower interest expenses.

The first quarter is seasonally less significant in terms of volume and profit contribution. In 2010, the first quarter represented 19% of consolidated beer volume and considerably less in terms of profit contribution.

Financial results

Revenue increased by 22% to €3,591 million. Organically, revenue grew 3.6%, as a result of higher volumes, whilst price and sales mix was stable. The net impact from consolidation scope changes contributed €518 million, with favourable exchange rate movements contributing a further €32 million.

Organically, EBIT (beia) grew by over 20%, reflecting higher volume and the realisation of ongoing TCM cost savings. The marketing spend ratio (marketing expenditure as a percentage of revenues) was lower compared with the prior year quarter. For the full year 2011, Heineken expects the marketing spend ratio to be above last year. Input costs per hectolitre were in line with the comparable prior year period. Net changes in consolidation scope and favourable currency movements increased EBIT (beia) by 24%. Heineken's share of net profit of associates and joint ventures was substantially higher. We do not expect the organic EBIT (beia) growth achieved in the first quarter to be indicative of our full year performance.

Organically, net profit (beia) increased substantially due to higher EBIT (beia) and lower interest costs.
Reported net profit in the quarter was €151 million.

Change in consolidation scope in the first quarter

The main consolidation scope changes having an effect on consolidated volume, revenue and profit include:

- The beer operations of FEMSA in Mexico and Brazil: consolidated as of 1 May 2010
- Waverley TBS in the UK: deconsolidated as of 1 July 2010
- Multi Bintang Indonesia and GBNC: transferred to the Asia Pacific Breweries (APB) joint venture as of 1 February 2010

The five breweries of the Sona Group acquired in January 2011 have not yet been consolidated.

Group beer volume

mhl	2011 Q1	2010 Q1	Change	Organic change
Western Europe	9.4	9.3	+0.4%	+0.6%
Central and Eastern Europe	9.8	9.2	+6.2%	+6.2%
Africa and Middle East	6.3	5.6	+12%	+12%
The Americas	13.9	4.5	+209%	+8.3%
Asia Pacific	6.5	5.5	+18%	+11%
Group beer volume	**45.9**	**34.2**	**+34%**	**+6.7%**
Heineken® premium volume	**6.0**	**5.7**	**+5.7%**	**+5.7%**

Consolidated beer volume

mhl	2011 Q1	2010 Q1	Change	Organic change
Western Europe	9.3	9.3	+0.4%	+0.6%
Central and Eastern Europe	8.4	7.8	+7.3%	+7.3%
Africa and Middle East	4.7	4.2	+13%	+13%
The Americas	11.2	1.9	+483%	+5.8%
Asia Pacific	0.2	0.4	-31%	+7.0%
Consolidated beer volume	**33.8**	**23.6**	**+44%**	**+5.5%**

Group beer volume development: first quarter 2011

Group beer volume grew 6.7% on an organic basis, led by solid volume performances in Africa, the Americas and Asia Pacific regions and benefiting from a weak comparative period in Central and Eastern Europe.

Volume of the **Heineken**® brand in the international premium segment grew 5.7%, with particularly strong performances in Africa (+15%) and Asia (+12%). The largest contributors to this growth were Vietnam, Brazil, France, Russia, South Africa and Chile, which more than offset lower Heineken brand volumes in the United States and Greece.

Volume in **Western Europe** grew on an organic basis, supported by higher volumes in the UK, France and The Netherlands. Volume in Spain, Italy, Ireland and Portugal declined as these markets continue to be adversely impacted by difficult economic conditions.

Organic volume growth in **Central and Eastern Europe** was driven by strong volume gains in Russia compared to the first quarter of 2010, when volumes were impacted by higher pricing following the significant increase in excise duties. Volume also grew in Belarus, Austria, Romania, Germany and Serbia whilst volumes were lower in Poland and Greece.

Double digit volume growth continued in **Africa and Middle East**, reflecting solid trading performances in the Sub-Sahara region, partly offset by volume declines in Egypt following political unrest in the country. In January, Heineken announced the acquisition of five breweries of the Sona Group in Nigeria, alleviating capacity constraints. The Ethiopian government recently confirmed that Heineken has submitted the highest bids for two state-owned breweries in the country and the Company is now awaiting the outcome of this privatisation process.

The strong performance in the **Americas** was driven by first time consolidation of the beer operations of FEMSA and strong organic volume growth in Compania Cerveceria Unidas (CCU). Depletions in the USA during the quarter were lower. Volumes, on a pro-forma basis, increased in both Mexico and Brazil.

In **Asia Pacific**, volume increased 11% organically, driven by solid volume performances in all our key markets, including Vietnam, India and Taiwan. In March, Heineken-APB China (HAPBC) announced the strategic divestiture of its 21% stake in Kingway Brewery. As a result, Heineken will recognise a net gain of around €20 million in ‘Share of net profit of associates and joint ventures’ later in 2011.

2011 Outlook Update

Heineken remains confident in continued positive volume development in Latin America, Africa and Asia. Whilst we are witnessing gradually improving economic conditions in a number of countries in Europe and in the USA, consumers remain cautious with their spending behaviour, particularly in on-trade channels.

Heineken is focusing on increasing value and volume share in its key markets, supported by higher marketing investment and innovation. The Company targets an expansion of its high margin product portfolio, including the Strongbow Gold cider and Desperados brands. The new global multi-media campaign for the Heineken® brand will be launched in 30 markets in the first half of the year, including the key markets of USA, UK, Spain, Greece, Poland and Canada. The higher planned marketing spend in 2011 is expected to affect profit development in the near term, particularly across our European region. However, we expect this investment to support our focus on long-term brand equity building and further strengthen our leadership position in key markets.

Heineken continues to realise synergies from the acquired beer operations of FEMSA and confirms its previously stated cost saving target of €150 million by the end of 2013. As part of Cuauhtémoc Moctezuma’s brand portfolio strategy, the Heineken® brand was launched in Mexico from 15 March 2011.

For the full year 2011, Heineken confirms its forecast of a low single digit increase in input costs on a per hectolitre basis.

Financial structure

The Company’s Hunt for Cash 2 programme continues to deliver results and is expected to contribute to the further reduction in the overall level of net debt and Net Debt/ EBITDA (beia) ratio in 2011. Heineken reaffirms its earlier expectation for a cash conversion ratio of approximately 100% for the full year 2011.

As of 15 April 2011, Heineken had purchased a cumulative amount of 13,117,233 shares in the open market and delivered 12,284,841 of these shares to FEMSA in relation to the Allotted Share Delivery Instrument (ASDI). On March 21st, Heineken N.V. announced that it has doubled the maximum value of the third phase of its existing share buyback programme to €300 million, running up to and including 16 June 2011.

Accounting adjustments

On 1 January 2011, Heineken changed its accounting policy with respect to employee benefits, consistent with industry practice and in accordance with the updated standard, IAS 19 Employee Benefits, as published by the International Accounting Standards Board. After the policy change, Heineken recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income.

This change was applied retroactively to the full year 2010, resulting in a €15 million and €11 million positive impact on 'Results from operating activities' and 'Net profit', respectively. The pro-forma adjustment results in a €298 million decline in 'Total Equity' for the full year 2010.

€ million	FY10 reported	Policy change	FY10 adjusted
Personnel expenses	-2,680	15	-2,665
Result from operating activities	2,283	15	2,298
Income tax expenses	-399	-4	-403
Net profit	1,568	11	1,579

Investor calendar Heineken N.V.

Annual General Meeting of Shareholders	21 April 2011
Quotation ex-final dividend date 2010	27 April 2011
Final dividend 2010 payable	5 May 2011
Half-year 2011 results announcement	24 August 2011
Trading update for the third quarter 2011	26 October 2011

Heineken will host an analyst and investor conference call in relation to this trading update today at 10:00 am CET/ 9:00 am BST. The call will be audio cast live via the Company's website http://www.heinekeninternational.com/webcast/investors. An audio replay service will also be made available after the conference call at the above web address. Analyst and investors can dial-in using the following telephone numbers:

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Local line: 31-20-796-5332
Toll Free: 0800-265-8591

United Kingdom
Local line: 44-20-8515-2302
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Editorial information:
Heineken is one of the world's great brewers and is committed to growth and remaining independent. The brand that bears the founder's family name – Heineken - is available in almost every country on the globe and is the world's most valuable international premium beer brand. The Company's aim is to be a leading brewer in each of the markets in which it operates and to have the world's most valuable brand portfolio. The Company operates 140 breweries in more than 70 countries and sold 205 million hectolitres of beer on a 2010 pro-forma basis. 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, Dos Equis, Foster's, Kingfisher, Newcastle Brown Ale, Ochota, Primus, Sagres, Sol, Star, Strongbow, Tecate, Tiger and Zywiec. On a 2010 pro-forma basis, including FEMSA Cerveza, revenue totalled €17 billion and EBIT (beia) was €2.7 billion.
The average number of people employed is more than 70,000. Heineken N.V. and Heineken Holding N.V. shares are listed on the Amsterdam stock exchange. Prices for the ordinary shares may be accessed on Bloomberg under the symbols HEIA NA and HEIO NA and on the Reuter Equities 2000 Service under HEIN.AS and HEIO.AS. Most recent information is available on Heineken's website: http://www.heinekeninternational.com.