

Heineken N.V. Trading Update – First Quarter 2013

Amsterdam, 24 April 2013 – Heineken N.V. today announced its trading update for the first quarter of 2013. In the quarter:

- **Group beer volume** declined 2.7% organically, following strong growth of 4.7% in the comparative prior year period and one less selling day in the quarter. This performance also reflects volatile global economic conditions, unfavourable weather conditions and destocking in France and the USA;
- **Revenue** grew 8.1% mainly reflecting the first time consolidation of Asia Pacific Breweries (APB) and Asia Pacific Investment Pte Ltd (APIPL). Revenue declined 2.7% organically with lower volume only partly offset by revenue per hectolitre growth of 1.8%;
- Strong performance of **APB** with low-double digit volume and revenue growth. The integration of APB is progressing well and is expected to complete by June 2013;
- **Heineken®** volume in the international premium segment was 4.7% lower (declined in the low single digits after adjusting for one less selling day and destocking);
- **EBIT (beia)**¹ increased in the mid-teens and declined organically by mid-single digits.

The first quarter is seasonally less significant in terms of volume and profit contribution. In 2012, the first quarter represented 21% of consolidated beer volume and considerably less in terms of profit contribution.

Financial results

Revenue increased 8.1% to €4,145 million in the first quarter of 2013. First time consolidations added €449 million (+11.7%) with unfavourable currency translation movements reducing revenues by €34 million (-0.9%). On an organic basis, revenue declined 2.7% reflecting lower total consolidated volume of 4.5%, partly offset by revenue per hectolitre growth of 1.8%. Planned price increases contributed to revenue per hectolitre growth across all regions.

EBIT (beia) grew in the mid-teens including a net positive consolidation and negative foreign currency impact. On an organic basis, **EBIT (beia)** declined in the mid-single digits reflecting lower revenue only partly offset by the lower phasing of marketing expense and the realisation of TCM2 cost savings.

Reported **net profit** in the quarter was €227 million compared with €166 million² in the first quarter of 2012.

¹ The calculation of EBIT (beia) organic growth assumes HEINEKEN's joint venture share of 41.9% of APB and 50% of APIPL prior to consolidation is maintained through to 15 November 2013.

² Restated for revised accounting standard IAS19

IAS19 Impact on financials

The implementation of the revised accounting standard IAS19 is expected to result in an increase in pre-tax pension expense of €98 million in 2013, spread equally over each quarter. This comprises an increase of €41 million in personnel expense (which will reduce EBIT (beia)) and an increase of €57 million in other net finance costs. For the full year 2013, the impact of IAS19 is expected to reduce net profit (beia) by €75 million and EPS (beia) by €0.13. In 2013, the first time impact on EBIT (beia), net profit (beia) and EPS (beia) will be treated as a non-organic item.

Further assessment of the impact of IAS19 on 2012 (for restatement purposes) resulted in an increase in pre-tax pension expense of €45 million and a reclassification from personnel expense to other net finance costs of €51 million. This results in a restated 2012 EBIT (beia) of €2,918 million, net profit (beia) of €1,661 million and EPS (beia) of €2.89.

Changes in consolidation

The main consolidation scope changes impacting financial results include:

- The acquisition of a controlling stake (58.1%) in APB and APIPL (50%), both consolidated from 15 November 2012;
- The acquisition of Efes Breweries International's 28% stake in Central Europe Beverages, Serbia, now a wholly owned subsidiary, and disposal of a 28% stake in Efes Kazakhstan on 8 January 2013;
- The divestment of Pago International, a wholly owned subsidiary, on 15 February 2013;

Full year outlook

Global market conditions remain volatile, contributing to a weaker than expected first quarter. Challenging trading conditions in austerity affected markets in Europe and inflationary pressures in Nigeria are expected to continue to impact volume development for the balance of year, leading to a moderation in organic growth expectations for the full year. Overall, HEINEKEN still anticipates organic volume and revenue growth for the full year 2013, with higher growth regions offsetting volume weakness in certain developed countries. HEINEKEN reaffirms all other elements of its full year outlook for 2013 as stated in its full year 2012 earnings release dated 13 February 2013.

Total Consolidated Volume³

Regions	Q1 2013 (mhl)	Q1 2012 (mhl)	Change (%)	Organic Change (%)
Africa & the Middle East	7.0	7.2	-3.4	-3.4
Americas	11.9	11.8	0.5	-2.0
Asia Pacific	4.1	0.3	>100	-1.4
Central & Eastern Europe	9.2	9.6	-4.3	-3.5
Western Europe	12.0	13.1	-8.0	-8.3
Total	44.2	42.0	5.2	-4.5

Total consolidated volume declined organically by 4.5% in the first quarter. This reflects lower consolidated beer, third party product and cider volume and growth in soft drinks volume.

Consolidated Beer Volume³

Regions	Q1 2013 (mhl)	Q1 2012 (mhl)	Change (%)	Organic Change (%)
Africa & the Middle East	5.5	5.7	-4.6	-4.6
Americas	11.5	11.8	-1.7	-2.4
Asia Pacific	4.0	0.3	>100	-1.4
Central & Eastern Europe	8.7	9.0	-3.7	-3.7
Western Europe	8.3	9.1	-8.6	-8.8
Total	38.0	35.9	5.8	-4.7

Group Beer Volume (mhl)⁴

Regions	Q1 2013 (mhl)	Q1 2012 (mhl)	Change (%)	Organic Change (%)
Africa & the Middle East	6.9	7.3	-4.3	-4.3
Americas	14.3	14.6	-1.7	-2.4
Asia Pacific	6.9	7.0	-2.1	8.0
Central & Eastern Europe	10.1	10.4	-3.0	-3.0
Western Europe	8.5	9.2	-8.6	-8.7
Total	46.7	48.5	-3.8	-2.7

³ Total consolidated volume and consolidated beer volume in the Asia Pacific region includes the first time consolidation of APB / APIPL acquired on 15 November 2012. Accordingly, APB / APIPL are excluded from the consolidated beer volume organic growth calculation until 15 November 2013.

⁴ Group beer volume organic growth calculation in the Asia Pacific region is adjusted for the previous 3-month delay reported by APB / APIPL, without a restatement to Q1 2012 volume.

Group beer volume development in the first quarter 2013

In **Africa & the Middle East**, group beer volume declined by 4.3%, against strong growth in the comparable prior year period, continued soft consumer demand in Nigeria and the effect of a significant excise duty increase in the Democratic Republic of Congo in the fourth quarter of 2012. Volume in Nigeria declined in the mid-single digits as high inflation places pressure on household disposable incomes and continues to inhibit consumer spending. Volume in South Africa grew in the mid-single digits, led by growth of the Amstel and Heineken® brands, with a resulting gain in market share. Volume in Ethiopia grew strongly in the double digits.

In the **Americas**, group beer volume declined by 2.4%. In Mexico, domestic volumes grew marginally, primarily reflecting softer beer category consumption from unfavourable weather. In the US, sales to retailers declined in the low-single digits, outperforming the overall market and leading to further market share gains. Volume in Brazil declined in the mid-single digits, in line with the beer market.

In **Asia Pacific**, group beer volume grew 8% organically, driven by a low-double digit growth of APB, led by accelerated volume gains in Vietnam, China, Malaysia and Indonesia. Volume of United Breweries Limited (UBL), our joint venture operation in India, increased in the low-single digits. Following the consolidation of APB from 15 November 2012, the business has been successfully integrated within HEINEKEN.

In **Central & Eastern Europe**, group beer volume declined by 3% organically. The implementation of recent price increases contributed to solid revenue per hectolitre and slight revenue growth in the quarter. Volume in Russia declined in the mid-single digits following new legislation banning the sale of alcoholic products in kiosks and a further excise duty increase. Volume in Poland declined in the mid-single digits, impacted by adverse weather and low consumer confidence. Volume in the Czech Republic grew in the low-single digits, whilst volumes in Austria and Romania were in line with the prior year quarter. In Greece, despite the ongoing difficult economic conditions, domestic beer volume was stable supported by the launch of Amstel Radler and growth of the Alfa brand.

In **Western Europe**, group beer volume declined by 8.7% organically. Severe cold and wet weather conditions across key markets were compounded by the difficult economic conditions and government-imposed austerity measures which continued to impede consumer spending. Volume in the UK, Italy, Netherlands and Spain all declined in the mid-to high-single digits. In France, volume declined as expected following destocking related to the significant excise duty increase announced in December 2012. In the first quarter, new 'Radler' brand extensions were launched under the Amstel (Spain and the Netherlands), Foster's (UK and Finland), Dreher (Italy), Sagres (Portugal) and Maes (Belgium) and Calanda (Switzerland) brands.

Heineken® volume in the international premium segment⁵

Regions	Q1 2013 (mhl)	Organic Change (%)
Africa & the Middle East	0.8	0.9
Americas	1.8	-5.8
Asia Pacific	1.5	1.9
Central & Eastern Europe	0.4	0.0
Western Europe	1.3	-13.6
Total	5.8	-4.7

Volume of the **Heineken®** brand in the international premium segment declined 4.7% in the first quarter. As part of the Heineken® 'Open Your World' global marketing campaign, 'The Final' went on-air in over 35 markets, with the brand's sponsorship of the UEFA Champions League being activated in around 100 markets.

Financial structure

The issuance of 8-year Notes for a principal amount of €500 million with a coupon of 2.0% on 4 April 2013 was followed by the private placement of various Notes with a weighted average yield of 2.75%. On 15 April 2013, HEINEKEN issued 20-year Notes for a principal amount of €180 million. On 16 April 2013, 2-year Notes were issued for a principal amount of SGD75 million. On 18 April 2013, HEINEKEN issued 5-year Notes for a principal amount of €100 million. On 19 April 2013, HEINEKEN issued 20-year Notes for a principal amount of €100 million. The proceeds of the Notes will be used for general corporate purposes. The Notes have been issued under the Company's Euro Medium Term Note Programme and the euro denominated Notes have been listed on the Luxembourg Stock Exchange.

Investor calendar Heineken N.V.

Annual General Meeting of Shareholders (AGM)	25 April 2013
What's Brewing Seminar (Sustainability), Paris	28 June 2013
Half Year 2013 Results	21 August 2013
What's Brewing Seminar (USA), New York	6 September 2013
Trading update for Q3 2013	23 October 2013
Financial Markets Conference, Mexico	5-6 December 2013

HEINEKEN will host an analyst and investor conference call in relation to this trading update today at 9:00 CET/ 8:00 BST. The call will be audio cast live via the Company's website: www.heinekeninternational.com/webcasts/investors. 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:

⁵ Heineken® premium volume organic growth calculation in the Asia Pacific region is adjusted for the previous 3-month delay reported by APB / APIPL, without a restatement to Q1 2012 volume.

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Definitions:

Organic growth excludes the effect of foreign currency translational effects, consolidation changes, accounting policy changes, exceptional items and amortisation of acquisition related intangibles. Beia refers to financials before exceptional items and amortisation of acquisition related intangibles. Group beer volume includes 100 percent of beer volume produced and sold by fully consolidated companies and joint venture companies, as well as the volume of HEINEKEN's brands produced and sold under license by third parties. Consolidated beer volume includes 100 percent of beer volume produced and sold by fully consolidated companies (excluding the beer volume brewed and sold by joint venture companies). Total consolidated volume includes volume produced and sold by fully 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.

Editorial information:

HEINEKEN is a proud, independent global brewer committed to surprise and excite consumers with its brands and products everywhere. 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. HEINEKEN wants to win in all markets with Heineken® and with a full brand portfolio in markets of choice. The Company is present in over 70 countries and operates more than 165 breweries with volume of 221 million hectoliters of group beer sold. 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 250 international premium, regional, local and specialty beers and ciders. These include Heineken®, Amstel, Anchor, Biere Larue, Bintang, Birra Moretti, Cruzcampo, Desperados, Dos Equis, Foster's, Newcastle Brown Ale, Ochota, Primus, Sagres, Sol, Star, Strongbow, Tecate, Tiger and Zywiec. Our leading joint venture brands include Cristal and Kingfisher. Pro forma 2012 revenue totaled €19,765 million and EBIT (beia) €3,151 million. The number of people employed is over 85,000. 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: www.theHEINEKENcompany.com.

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, 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 are only relevant as of the date of this press release. HEINEKEN does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of these statements. Market share estimates contained in this press release are based on outside sources, such as specialised research institutes, in combination with management estimates.