

Heineken N.V. reports 2015 first quarter results

Amsterdam, 22 April 2015 – Heineken N.V. (EURONEXT: HEIA; OTCQX: HEINY) today announced its trading update for the first quarter of 2015.

HIGHLIGHTS

- Group revenue grew 2.2% organically with group revenue per hectolitre up 0.3%
- Group beer volume grew 2.2% organically, with positive growth momentum in Asia Pacific and the Americas regions, more subdued growth in Africa Middle East and slightly lower volumes in Europe
- Heineken® volume in the premium segment grew 6.2%, with growth across most markets
- Full year 2015 outlook and medium term guidance unchanged

The first quarter is seasonally less significant in terms of volume and profit contribution to full year HEINEKEN group results.

CEO STATEMENT

Jean-François van Boxmeer, Chairman of the Executive Board & CEO, commented:

“We have made solid progress through the first quarter, with top-line growth reflecting the benefits of HEINEKEN’s geographic diversity and our continued focus on marketing and innovation. Volumes were once again strong in Asia Pacific and Americas, offset by slightly lower volumes in Europe and more subdued volume growth in Africa Middle East. Heineken premium volume growth continued, especially in developing markets. Whilst pricing continues to be limited by deflationary and off premise pressures, and markets including Nigeria and Indonesia are challenging, we remain confident of delivering on expectations for the full year.”

OPERATIONAL OVERVIEW

Key figures¹ (in mhl or € million)	Consolidated			Group		
	1Q15	Total growth %	Organic growth %	1Q15	Total growth %	Organic growth %
Revenue						
Heineken N.V. ²	4,338	7.4	2.0	4,827	8.1	2.2
Africa Middle East	665	5.9	-1.1	785	8.9	
Americas	1,150	16	6.8	1,387	18	
Asia Pacific	567	28	9.9	634	21	
Central & Eastern Europe	535	-4.8	-0.6	600	-5.4	
Western Europe	1,557	2.5	-0.1	1,557	2.5	
Beer volume						
Heineken N.V.	39.3	2.9	2.2	43.1	2.4	2.2
Africa Middle East	6.1	1.7	0.9	7.0	1.4	1.8
Americas	12.4	6.0	5.9	13.5	6.3	5.9
Asia Pacific	4.4	10	11	5.6	7.7	8.4
Central & Eastern Europe	8.2	-	-2.5	8.8	-2.2	-2.6
Western Europe	8.2	-1.2	-1.7	8.2	-1.2	-1.7

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

² Net of head-office & eliminations

Group revenue increased 2.2%, organically, with a total group volume increase of 1.9% and group revenue per hectolitre up 0.3%. Adjusting for negative country mix, revenue per hectolitre would have increased by 0.9%. **Consolidated revenue** increased 7.4% to €4,338 million. This includes a foreign currency benefit of €227 million, and a small negative consolidation impact of €8m. Organically, consolidated revenue grew 2.0%.

Group beer volume grew by 2.2% organically, led primarily by positive growth momentum in Asia Pacific and the Americas. Volume growth in Africa Middle East although positive was subdued by lower volume in Nigeria given weaker market conditions. In Western Europe despite the Easter timing benefit volume was down slightly against tough comparatives. In Central and Eastern Europe volume was down 2.6% impacted mainly by beer market weakness in Russia.

Heineken® <i>(in mhl or %)</i>	1Q15	Organic growth %
Heineken® in premium segment	6.7	6.2
Africa Middle East	1.0	9.2
Americas	2.2	8.1
Asia Pacific	1.5	9.8
Central & Eastern Europe	0.4	-5.8
Western Europe	1.6	2.6

Heineken® volume in the international premium segment grew by 6.2%. Key markets contributing to growth in both developed and developing markets in the quarter included Vietnam, Brazil, China, South Africa, Spain, Taiwan, Canada and the UK. Weaker Heineken® brand performance in Central and Eastern Europe was in line with lower volume in markets adversely impacted by softer economic conditions.

Volume of the global brands continued to deliver positive growth, with **Desperados** and **Sol Premium** volume up double digit, and **Affligem** up in the high single digit. **Strongbow** volume was up slightly.

Reported net profit in the quarter was €579 million, materially higher than last year (2014: €143 million) as it includes the post tax book gain of €375 million from the EMPAQUE sale, which is recorded as an exceptional item.

OUTLOOK STATEMENT

(Based on consolidated reporting)

HEINEKEN reaffirms all elements of its full year outlook for 2015 as stated in its full year 2014 earnings release dated 11 February 2015.

REGIONAL REVIEW

Africa Middle East

Consolidated revenue declined 1.1% organically with total volume growth of 1.1% offset by lower revenue per hectolitre of 2.1%, primarily reflecting the impact of product mix and higher volume growth in the lower revenue per hectolitre countries. Half of the decline in revenue per hectolitre was due to faster growth of volume licensed to third parties. Group beer volume increased 1.8% organically led by particularly strong volume growth in Ethiopia and South Africa. The successful introduction of Amstel Lite in South Africa led to strong Amstel volume growth. Burundi, Rwanda and Tunisia also saw volume growth in the quarter. In Nigeria weaker consumer confidence due to falling global oil prices continued to contribute to a challenging trading environment. This combined with strong comparatives and some slight market share loss led to a high single digit volume decline. This followed an all time high level of market share at the end of last year.

Americas

Consolidated revenue grew 6.8% organically, driven by 5.4% total volume growth and higher revenue per hectolitre growth of 2.2% from continued effective revenue management. Group beer volume grew by 5.9% organically in the quarter, led by continued growth in Mexico and Brazil, positive volume in the US, and a double digit volume increase in the Caribbean. In Mexico Tecate Light and Dos Equis continue to be key growth drivers. In Brazil volumes grew double digit, with continued strong Heineken® volume performance. In the U.S., both sales and depletions were positive, outperforming the overall market. This reflects continued solid growth of the Mexican beer portfolio, with growth of Heineken® lager positive and continuing to improve.

Asia Pacific

Consolidated revenue grew 9.9% organically, with total volume growth of 11% and revenue per hectolitre down 0.7%. Excluding the impact of adverse country mix, revenue per hectolitre would have shown a single digit increase. Group beer volume was up 8.4% organically, with double digit volume growth in Vietnam, Cambodia, and export markets such as Taiwan, Korea and Hong Kong. Strong trading during the Vietnamese New Year boosted volumes resulting in further market share gains. Volume in Indonesia was down double digit on the back of destocking ahead of the implementation of new regulations banning the sale of alcohol in minimarts (convenience stores). Heineken® brand volume was up double digit in Vietnam, China and Laos. Volume of the Tiger brand grew double digit in the region led by strong growth in Vietnam, Malaysia and Cambodia.

Central & Eastern Europe

Consolidated revenue declined by 0.6% organically, with a total volume decline of 3.1% partly offset by higher revenue per hectolitre of 1.9%. Group beer volume declined by 2.6% organically, reflecting continued challenging trading conditions in Russia, Belarus and Czech Republic, and partially offset by the earlier timing of Easter across the region. The beer market in Russia continued to be adversely impacted by a soft economic environment combined with stock depletion leading to a double digit volume decline. Excluding Russia, regional volume would have been up 1%. Poland returned to volume growth, benefiting both from Easter timing and relisting by an important modern trade customer. In Austria, volume grew slightly due to Easter, with positive volume growth also in Serbia and Hungary. We continue to execute against our value growth strategy in the region with a focus on pricing initiatives, investment in premium brands and innovation and ongoing cost efficiencies.

Western Europe

Consolidated revenue declined by 0.1% organically, reflecting slight volume decline of 1.1%, and revenue per hectolitre down 0.6%. Group beer volume was 1.7% lower organically, partly reflecting challenging market conditions in some countries alongside a tough prior year comparison. The loss of export volume from Portugal to Angola also adversely impacted the regional volume. Volumes in Spain and the Netherlands remain strong, growing by low single digit. Volume in Italy was adversely impacted by the excise duty increase at the start of the year, declining by mid-single digit. The UK and Belgium saw weaker volumes given challenging market conditions. Volume in France was marginally positive. Importantly, the Global Brands: Heineken®, Desperados, Affligem and Sol have all grown by mid-single digit versus last year. Effective commercial execution and focused innovation continue to underpin the growth of our brands in these markets.

BUSINESS DEVELOPMENT & FINANCING UPDATE

Below is an update of business development and financing activity since the release of HEINEKEN's full year 2014 results on 12 February 2015:

- The disposal of the Mexican packaging business, EMPAQUE completed on 18 February 2015 for the value of USD1.225bn (€956 million based on hedged rate). HEINEKEN will deploy up to €750 million of the proceeds for a share buyback programme.
- HEINEKEN has launched a €1bn Euro Commercial Paper programme to facilitate its cash management operations and to further diversify its funding sources. The first three issues under this ECP programme took place on 17 March 2015.
- On 31 March 2015 HEINEKEN announced organisational changes to accelerate strategy delivery, including the regrouping of the business around 4 regions. The new structure will be operational from 1 July 2015, with restated figures for the prior year and 2015 first half performance based on the new regional structure to be provided in the second half of the year.
- The acquisition of 51.11 percent of the share capital of Pivovarna Lasko, the leading Slovenian brewer for €114.3 million was announced on 13 April 2015. Completion of the acquisition is subject to customary regulatory approvals and will be followed by a mandatory takeover offer extended to all remaining shareholders.

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 figures include HEINEKEN's attributable share of joint ventures and associates. Revenue per hectolitre has been restated to include only third party revenue and to exclude interregional revenues.

ENQUIRIES

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HEINEKEN INVESTOR CALENDAR

Annual General Meeting (AGM)	23 April 2015
What's Brewing Seminar (London)	18 June 2015
Half Year 2015 Results	3 August 2015
Trading update for Q3 2015	28 October 2015
What's Brewing Seminar (US)	19 November 2015

CONFERENCE CALL DETAILS

HEINEKEN will host an analyst and investor conference call in relation to this trading update today at 9:30 CET/ 8:30 BST. The call will be audio cast live via the Company's 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)20 721 9158

National free phone: 0800 020 2576

United Kingdom

Local line: +44(0)20 7136 2051

National free phone: 0800 279 4992

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Local line: +1718 354 1158

National free phone: 1877 280 1254

Participation/ confirmation code for all countries: 3368960

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. We are 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. We employ 81,000 people and operate 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 HEINEKEN's website: www.theHEINEKENcompany.com and follow us via @HEINEKENCorp.

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.

Consolidated & Group metrics: First Quarter 2015

	Consolidated (A)						Attributable share of joint ventures/assoc (B)		Group (C) = A + B		
(in mhl or €million unless otherwise stated)	1Q14	Currency Translation	Consolidation Impact	Organic Growth	1Q15	Organic Growth %	1Q14	1Q15	1Q14	1Q15	Organic Growth %
Africa and Middle East											
Revenue	628	44	-	-7	665	-1.1	93	120	721	785	
Revenue per HI (in €)*	84			-2	88	-2.1	61	72	81	86	
Total volume*	7.5		-	0.1	7.6	1.1	1.3	1.3	8.8	8.9	1.7
Beer volume	6.0		-	0.1	6.1	0.9	0.9	0.9	6.9	7.0	1.8
Licensed & non-beer volume	1.5		-	-	1.5	1.8	0.4	0.4	1.9	1.9	1.8
Third party products volume	-		-	-	-	-	-	-	-	-	-
Americas											
Revenue	989	95	-1	67	1,150	6.8	183	237	1,172	1,387	
Revenue per HI (in €)*	82			2	91	2.2	89	106	83	93	
Total volume*	12.0		-	0.7	12.7	5.4	2.1	2.2	14.1	14.9	5.5
Beer volume	11.7		-	0.7	12.4	5.9	1.0	1.1	12.7	13.5	5.9
Licensed & non-beer volume	0.3		-	-	0.3	-10	1.1	1.1	1.4	1.4	2.2
Third party products volume	-		-	-	-	-	-	-	-	-	-
Asia Pacific											
Revenue	444	79	-	44	567	9.9	80	67	524	634	
Revenue per HI (in €)*	108			1	125	-0.7	64	54	98	110	
Total volume*	4.1		-	0.4	4.5	11	1.2	1.3	5.3	5.8	8.2
Beer volume	4.0		-	0.4	4.4	11	1.2	1.2	5.2	5.6	8.4
Licensed & non-beer volume	-		-	-	-	-0.3	-	0.1	-	0.1	3.2
Third party products volume	0.1		-	-	0.1	-0.5	-	-	0.1	0.1	-0.5
Central & Eastern Europe											
Revenue	562	-36	13	-4	535	-0.6	72	65	634	600	
Revenue per HI (in €)*	65			2	62	1.9	73	78	66	63	
Total volume*	8.6		0.2	-0.3	8.5	-3.1	1.0	0.8	9.6	9.3	-3.0
Beer volume	8.2		0.2	-0.2	8.2	-2.5	0.8	0.6	9.0	8.8	-2.6
Licensed & non-beer volume	0.1		-	-	0.1	-1.5	0.1	0.1	0.2	0.2	-0.7
Third party products volume	0.3		-	-0.1	0.2	-23	0.1	0.1	0.4	0.3	-16

* Revenue per HI and volume calculation includes third party but excludes interregional revenue and volume

	Consolidated (A)						Attributable share of joint ventures/assoc (B)		Group (C) = A + B		
(in mhl or €million unless otherwise stated)	1Q14	Currency Translation	Consolidation Impact	Organic Growth	1Q15	Organic Growth %	1Q14	1Q15	1Q14	1Q15	Organic Growth %
Western Europe											
Revenue	1,519	40	-1	-1	1,557	-0.1			1,519	1,557	
Revenue per HI (in €)*	117			-1	119	-0.6			117	119	
Total volume*	11.7		-	-0.1	11.6	-1.1			11.7	11.6	-1.1
Beer volume	8.3		-	-0.1	8.2	-1.7			8.3	8.2	-1.7
Licensed & non-beer volume	1.9		-	-	1.9	1.9			1.9	1.9	1.9
Third party products volume	1.5		-	-	1.5	-1.0			1.5	1.5	-1.0
Head Office & Eliminations											
Revenue	-104	5	-19	-18	-136	-19			-104	-136	
Heineken N.V.											
Revenue	4,038	227	-8	81	4,338	2.0	428	489	4,466	4,827	2.2
Revenue per HI (in €)*	92			0.2	97	0.2	77	87	90	96	0.3
Total volume*	43.9		0.3	0.8	45.0	1.8	5.5	5.6	49.4	50.6	1.9
Beer volume	38.2		0.3	0.8	39.3	2.2	3.9	3.8	42.1	43.1	2.2
Licensed & non-beer volume	3.8		-	0.1	3.9	0.7	1.5	1.7	5.3	5.6	1.8
Third party products volume	1.9		-	-0.1	1.8	-4.1	0.1	0.1	2.0	1.9	-4.0

* Revenue per HI and volume calculation includes third party but excludes interregional revenue and volume