

## Heineken Holding N.V. reports 2015 third quarter results

Amsterdam, 28 October 2015 – Heineken Holding N.V. (EURONEXT: HEIO; OTCQX: HKHHY) has today announced its trading update for the third quarter of 2015.

### HIGHLIGHTS

- Consolidated revenue +7.5% organically, with revenue per hectolitre +1.8%
- Consolidated beer volume +5.4% organically, with positive growth in Europe, Americas and Asia Pacific and flat volume in Africa, Middle East & Eastern Europe
- Heineken® volume in premium segment +3.9% driven by Americas and Europe
- 2015 FY operating margin expansion guidance unchanged
- Revised FY guidance on foreign currency, tax and interest rate

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.

### KEY FIGURES<sup>1,3</sup>

	Consolidated 3Q15			Consolidated YTD 3Q15		
	3Q15	Total growth %	Organic growth %	YTD 3Q15	Total growth %	Organic growth %
<i>(in mhl or € million)</i>						
<b>Revenue<sup>2</sup></b>	<b>5,509</b>	8.0	7.5	<b>15,405</b>	7.2	3.9
<b>Beer volume</b>	<b>51.2</b>	6.7	5.4	<b>141.2</b>	3.6	2.5

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

<sup>2</sup> Net of Heineken N.V. head office & eliminations

<sup>3</sup> Financials reflect revised regional segmentation as disclosed on 28 September 2015

### OUTLOOK STATEMENT

*(Based on consolidated reporting)*

HEINEKEN\* reaffirms the margin expansion guidance and most items as stated in the half year 2015 earnings release dated 3 August 2015. The only amendments are as follows:

**Foreign currency movements:** Assuming spot rates as of 23 October 2015, the calculated positive translational impact on consolidated operating profit (beia) would be approximately €75 million, and €50 million at net profit (beia). Foreign exchange markets remain very volatile.

**Interest rate:** HEINEKEN now forecasts an average interest rate of c. 3.2% in 2015 (2014:3.7%).

**Effective tax rate:** HEINEKEN now expects the effective tax rate (beia) for 2015 to be around 28% (2014: 29.7%).

**Share buyback update:** Following the completion of the divestment of EMPAQUE in February 2015, Heineken N.V. announced that it would deploy up to €750 million of the proceeds for a share buyback program in 2015. As of 26 October 2015, Heineken N.V. had purchased 5,229,279 shares for a total consideration of €365 million. In light of the recently announced acquisitions, Heineken N.V. has decided to discontinue the share buyback. Heineken N.V.

remains committed to maintaining its full financial flexibility with a long-term target net debt/EBITDA (beia) ratio of below 2.5x.

\*HEINEKEN means Heineken Holding N.V., Heineken N.V., its subsidiaries and interests in joint ventures and associates

## OPERATIONAL REVIEW

**Consolidated revenue** increased 7.5% organically in the quarter, reflecting a total organic volume increase of 5.7% and revenue per hectolitre up 1.8%. Consolidated revenue increased 8.0% to €5,509 million after a favourable currency impact of €41m and despite a negative consolidation impact of €17 million (mainly from the EMPAQUE disposal completed 18 February 2015).

**Consolidated beer** volume grew by 5.4% organically in the quarter, led by strong volume in Europe supported by favourable summer weather and continued growth in Americas and Asia Pacific regions. In Africa Middle East & Eastern Europe volume was flat.

Heineken® (in mhl or %)	3Q15	Organic growth %	YTD 2015	Organic growth %
Heineken® in premium segment	8.1	3.9	23.0	4.4

**Heineken®** volume in premium segment grew organically by 3.9% in the third quarter and by 4.4% in the first nine months of 2015. In the third quarter Heineken® brand growth was particularly strong in Brazil, the Compañía Cervecerías Unidas S.A. (CCU) markets, the UK, Italy and Spain. Heineken® was positive in the US supporting early indications of the brand turnaround. Volume in Africa, Middle East & Eastern Europe was subdued given lower volume in Nigeria, and volume in Asia Pacific adversely impacted by lower volume in China, Korea and Taiwan.

Overall volume growth was supported by the successful extension of the Cities campaign as well as sponsorship of the Rugby World Cup. The latest James Bond sponsorship, on which activation has recently stepped up, should enhance Heineken® brand equity as well as provide an exciting platform to leverage the brand globally.

Global brands continued to deliver positive volume growth in the third quarter, with **Desperados**, **Sol Premium** and **Affligem** volume all up double digit. Cider volume was also up double digit, with **Strongbow** performance particularly impressive in Europe and Americas.

**Reported net profit of Heineken N.V.** for the nine months was €1,776 million compared with €1,091 million for the same period last year. This includes the net exceptional gain on EMPAQUE.

## BUSINESS DEVELOPMENT & FINANCING UPDATE

Below is an update of business development and financing activity since the release of HEINEKEN's half year 2015 results on 3 August 2015:

- The acquisition of 53.43% of the share capital of Pivovarna Lasko, the leading Slovenian brewer for €119.5 million completed on 15 October 2015. A mandatory takeover offer to all remaining shareholders was initiated on 16 October 2015.

- The acquisition of a 50% shareholding in the Lagunitas Brewing Company closed on 15 October 2015 and will be accounted for as a Joint Venture.
- On 25 September 2015 HEINEKEN and CFAO announced the formation of a joint venture in Ivory Coast under the name of "BRASSIVOIRE" to produce and market beer in the country. This new entity is owned 51% by HEINEKEN and 49% by CFAO. The new brewery is expected to be operational in 2017.
- On 7 October 2015 HEINEKEN and Diageo plc ("Diageo") completed a transaction to bring increased focus to their respective beer businesses.
  - HEINEKEN acquired Diageo's 57.9% stake in Desnoes & Geddes ("D&G") taking its shareholding to 73.3%. HEINEKEN will in due course make a mandatory takeover offer to all remaining shareholders.
  - HEINEKEN now has full ownership of GAPL Pte Ltd ("GAPL"), having acquired Diageo's shareholding, which was slightly lower than 50%. GAPL owns 51% of the issued share capital of Guinness Anchor Berhad ("GAB"), which is listed on the Malaysian Stock Exchange.
  - HEINEKEN sold its 20% stake in Guinness Ghana Breweries Limited ("GGBL") to Diageo. The total net cash consideration payable by HEINEKEN to Diageo for the transaction was c. €696 million.
- On 10 September 2015, HEINEKEN issued 6-year Notes for a principal amount of €500 million with a coupon of 1.25%. In October HEINEKEN privately placed €540 million of 7 year USD Notes, 8-year and 10-year EUR Notes, with a weighted average yield of approximately 2.4 percent. All these Notes have been issued under HEINEKEN's Euro Medium Term Note Programme.

## AVERAGE NUMBER OF ORDINARY SHARES

Heineken Holding N.V. has 288,030,168 ordinary shares in issue. For the calculation of basic EPS, the weighted average number of ordinary shares outstanding in 2015 is forecast to be 288,030,168.

## 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 HEINEKEN's attributable share of joint ventures and associates.

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**HEINEKEN N.V. INVESTOR CALENDAR***(events also accessible for Heineken Holding N.V. shareholders)*

What's Brewing Seminar, Americas, 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](http://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)20 713 2998

National free phone: 0800 020 2577

United Kingdom

Local line: +44(0)20 7136 2050

National free phone: 0800 279 5004

United States of America

Local line: +1646 254 3364

National free phone: 1 877 280 2296

Participation/ confirmation code for all countries: 1639440

## 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 over 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](http://www.theHEINEKENcompany.com) and follow HEINEKEN via @HEINEKENCorp.

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**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.