

Heineken N.V. reports on 2018 third quarter trading

Amsterdam, 24 October 2018 – Heineken N.V. (EURONEXT: HEIA; OTCQX: HEINY) today publishes its trading update for the third quarter of 2018.

KEY HIGHLIGHTS

- Consolidated beer volume +4.6% organically, with growth in all regions.
- Heineken® volume +9.2% with double digit growth in Africa, Middle East & Eastern Europe and the Americas.

CEO STATEMENT

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

"Volume growth continued in the third quarter, benefiting from good weather in Europe and strong growth in Brazil, Mexico, Vietnam and South Africa. The Heineken® brand continued to outperform, driven by Brazil, South Africa, France and Russia. In August, we announced the signing of non-binding agreements with China Resources to join forces to win in China. Our expectations for the full year 2018 remain unchanged."

THIRD QUARTER AND NINE MONTHS VOLUME BREAKDOWN

Consolidated beer volume¹ <i>(in mhl or %)</i>	3Q18	Total growth %	Organic growth %	YTD 3Q18	Total growth %	Organic growth %
Heineken N.V.	62.6	4.4	4.6	175.3	8.7	4.5
Africa, Middle East & Eastern Europe	10.4	2.3	3.1	30.5	3.3	4.7
Americas	21.6	8.1	8.1	61.2	21.5	6.9
Asia Pacific	7.1	3.7	4.8	21.2	9.0	10.1
Europe	23.5	2.2	2.2	62.4	0.7	0.7

Heineken® <i>(in mhl or %)</i>	3Q18	Organic growth %	YTD 3Q18	Organic growth %
Heineken®	10.3	9.2	28.8	8.1
Africa, Middle East & Eastern Europe	1.6	17.1	4.5	26.0
Americas	3.0	14.7	8.5	10.7
Asia Pacific	1.5	-6.4	4.6	-1.5
Europe	4.1	9.0	11.2	4.3

Heineken® volume grew by 9.2%. Key markets contributing with double digit growth included Brazil, South Africa, France, Russia, the UK, Poland, Canada and Mexico. Volume in Asia Pacific declined mainly due to Vietnam, Thailand and Taiwan.

¹ Refer to the Definitions section for an explanation of organic growth.

REGIONAL REVIEW

Africa, Middle East & Eastern Europe

- Consolidated beer volume grew organically by 3.1%.
- In **Nigeria** beer volume declined high-single digit, driven by increased competitive pressure.
- In **Russia** beer volume was up mid-single digit, driven by the continued strong growth of our economy brands portfolio and Heineken®.
- In **South Africa** total volume showed strong double digit growth, driven by Heineken® and Strongbow brand momentum and an increase in promotional activity.
- **Ethiopia** delivered high-single digit beer volume growth despite increased competitive pressure and some social unrest in parts of the country.
- In **Egypt** beer volume was up double digit, driven by increased tourism and a more stable economic environment.
- In the **DRC** the decline in beer volume moderated to mid-single digit as the business laps prior year price increases.

Americas

- Consolidated beer volume grew organically by 8.1%.
- In **Mexico** beer volume was up high-single digit, driven by increased promotional activity. Heineken® and Dos Equis continued to grow double digit.
- **Brazil** sustained its double digit beer volume growth, driven by the premium portfolio led by Heineken®, and the mainstream portfolio with both Amstel and Devassa.
- Beer volume in the **USA** was broadly flat, with Heineken® and Lagunitas growing low-single digit. Heineken® benefited from shipments phasing between June and July.

Asia Pacific

- Consolidated beer volume was up organically by 4.8%.
- In **Vietnam** beer volume continued to grow double digit, driven by Tiger and Larue.
- In **Indonesia** beer volume was up high-single digit driven by sustained economic growth.
- In **Cambodia** beer volume declined mid-single digit due to intensified market competition through price promotion.

Europe

- Consolidated beer volume grew organically by 2.2%.
- In the **UK** total volumes were up mid-single digit driven by Heineken® and our international brands portfolio.
- In **France** and **the Netherlands** beer volumes were up double digit, benefiting from warmer temperatures.
- Performance in **Italy** continued to be strong with beer volume up high-single digit, led by Heineken® and Ichnusa.
- In **Poland** and **Spain** beer volumes declined low-single digit.

REPORTED NET PROFIT

Reported net profit for the nine months was €1,606 million (2017: €1,486 million).

TRANSLATIONAL CURRENCY UPDATE

Using spot rates as at 16 October 2018 for the remainder of this year, the calculated negative currency translational impact would be approximately €175 million (vs €179m on 24 July) at consolidated operating profit level (beia), and negative €110 million (vs €112m on 24 July) at net profit level (beia).

PROPOSED STRATEGIC PARTNERSHIP WITH CHINA RESOURCES

On 3 August 2018, HEINEKEN announced that it had signed non-binding agreements with China Resources Enterprise, Limited ('CRE') and China Resources Beer (Holdings) Co. Ltd. ('CR Beer') to create a long-term strategic partnership for Mainland China, Hong Kong and Macau. All parties continue to work towards signing definitive agreements and will share further updates as they develop.

FINANCING UPDATE

On 3 September 2018, HEINEKEN placed €600 million of 8.5-year Notes with a coupon of 1.25% and €650 million of 12.5-year Notes with a coupon of 1.75%. The Notes have been issued under the Company's Euro Medium Term Note Programme and are listed on the Luxembourg Stock Exchange.

The proceeds from the Notes issuance are to be used for general corporate purposes, which may include repayment of debt and/or acquisitions.

DEFINITIONS

Organic growth in volume excludes the effect of consolidation changes. For a full list of definitions see the Heineken N.V. HY2018 results published on 30 July 2018.

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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 portfolio of more than 300 international, regional, local and speciality 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 over 80,000 employees and operate breweries, malteries, cider plants and other production facilities in more than 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 on Twitter via @HEINEKENCorp.

Market Abuse Regulation

This press release may contain inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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 Metrics: Third Quarter 2018

	3Q18				
<i>In mhl or €million unless otherwise stated & consolidated figures unless otherwise stated</i>	3Q17	Consolidation Impact	Organic Growth	3Q18	Organic Growth %
Africa, Middle East & Eastern Europe					
Total volume	12.2	-0.1	0.4	12.5	3.5
Beer volume	10.2	-0.1	0.3	10.4	3.1
Licensed & non-beer volume	2.0	—	0.1	2.1	5.4
Third party products volume	—	—	—	—	8.2
<i>Group beer volume</i>	<i>10.6</i>			<i>10.7</i>	
Americas					
Total volume	22.5	—	1.7	24.2	7.5
Beer volume	20.0	—	1.6	21.6	8.1
Licensed & non-beer volume	2.3	—	0.2	2.5	6.7
Third party products volume	0.2	—	-0.1	0.1	-51.7
<i>Group beer volume</i>	<i>21.0</i>			<i>22.7</i>	
Asia Pacific					
Total volume	7.0	-0.1	0.4	7.3	5.2
Beer volume	6.8	-0.1	0.3	7.1	4.8
Licensed & non-beer volume	0.2	—	0.1	0.2	39.0
Third party products volume	—	—	—	—	-46.0
<i>Group beer volume</i>	<i>8.4</i>			<i>8.9</i>	
Europe					
Total volume	28.4	0.1	0.8	29.3	2.9
Beer volume	23.0	—	0.5	23.5	2.2
Licensed & non-beer volume	3.1	—	0.3	3.4	9.0
Third party products volume	2.3	0.1	—	2.4	2.0
<i>Group beer volume</i>	<i>23.6</i>			<i>24.7</i>	
Heineken N.V.					
Total volume	70.1	-0.1	3.3	73.3	4.7
Beer volume	60.0	-0.2	2.8	62.6	4.6
Licensed & non-beer volume	7.6	—	0.6	8.2	7.8
Third party products volume	2.5	0.1	-0.1	2.5	-2.4
<i>Group beer volume</i>	<i>63.5</i>			<i>67.0</i>	

Note: due to rounding, this table will not always cast

Consolidated Metrics: First nine months 2018

	3Q18				
<i>In mhl or €million unless otherwise stated & consolidated figures unless otherwise stated</i>	3Q17	Consolidation Impact	Organic Growth	3Q18	Organic Growth %
Africa, Middle East & Eastern Europe					
Total volume	34.7	-0.5	1.9	36.1	5.6
Beer volume	29.5	-0.4	1.4	30.5	4.7
Licensed & non-beer volume	5.1	-0.1	0.5	5.5	10.7
Third party products volume	0.1	—	—	0.1	8.2
<i>Group beer volume</i>	<i>30.5</i>			<i>31.4</i>	
Americas					
Total volume	54.3	10.7	3.8	68.9	7.0
Beer volume	50.4	7.3	3.5	61.2	6.9
Licensed & non-beer volume	3.7	3.4	0.1	7.3	5.0
Third party products volume	0.2	—	0.2	0.4	69.1
<i>Group beer volume</i>	<i>53.7</i>			<i>64.7</i>	
Asia Pacific					
Total volume	19.9	-0.1	2.0	21.8	10.3
Beer volume	19.4	-0.2	2.0	21.2	10.1
Licensed & non-beer volume	0.4	0.1	—	0.6	28.6
Third party products volume	0.1	—	—	—	-29.9
<i>Group beer volume</i>	<i>24.4</i>			<i>26.7</i>	
Europe					
Total volume	76.7	0.2	0.6	77.5	0.8
Beer volume	62.0	—	0.4	62.4	0.7
Licensed & non-beer volume	8.5	—	0.4	8.9	4.2
Third party products volume	6.2	0.2	-0.2	6.2	-3.2
<i>Group beer volume</i>	<i>64.0</i>			<i>64.0</i>	
Heineken N.V.					
Total volume	185.5	10.3	8.4	204.3	4.5
Beer volume	161.3	6.7	7.3	175.3	4.5
Licensed & non-beer volume	17.6	3.4	1.2	22.3	6.8
Third party products volume	6.6	0.2	-0.1	6.7	-0.9
<i>Group beer volume</i>	<i>172.6</i>			<i>186.9</i>	

Note: due to rounding, this table will not always cast