HEINEKEN

MEDIA RELEASE

# Heineken N.V. reports 2015 half year results

## Continued organic revenue and profit growth

Amsterdam, 3 August 2015 – Heineken N.V. (EURONEXT: HEIA; OTCQX: HEINY) today announced:

- Group revenue +2.0% organically with group revenue per hectolitre up 1.1%
- Group beer volume +1.0% driven by Americas, Asia Pacific and Africa Middle East
- Heineken® volume in premium segment +4.7% with growth across most regions
- Innovation rate of 8.6%, contributing €854 million of revenues
- Group operating profit (beia) +4.7% organically
- Consolidated operating profit (beia) +3.4% organically
- Net profit (beia) of €915 million, up 14% organically
- Diluted EPS (beia) of €1.59 (2014:€1.34)

## CEO STATEMENT

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

"These solid results are in line with our expectations and demonstrate the further progress we have made in delivering on our strategy. Despite strong prior year comparatives and challenging conditions in a number of markets, we saw positive top line and profit growth. Heineken® volume in the premium segment grew a further 4.7%, outperforming the total beer market. This continued positive momentum reflects the benefit from our exposure to high growth markets, a sustained focus on marketing and innovation, and the ability to drive efficiencies throughout the business. Our emphasis on innovation delivered €854 million in revenues. Whilst economic conditions and the pricing environment in certain key markets remain challenging, we are confident of continued progress and our full year expectations are unchanged."

## FINANCIAL SUMMARY

| **Key financials**[1] *(in mhl or € million unless otherwise stated)* | **HY15** | HY14 | Total growth % | Organic growth % |
|---|---|---|---|---|
| Group revenue | **10,926** | 10,196 | 7.2 | 2.0 |
| Group revenue/ hl (in €) | **95** | 90 | 5.7 | 1.1 |
| Group operating profit (beia) | **1,690** | 1,560 | 8.3 | 4.7 |
| Group operating profit (beia) margin | **15.5%** | 15.3% | 20bps | |
| Consolidated revenue | **9,896** | 9,274 | 6.7 | 1.9 |
| Consolidated operating profit (beia) | **1,549** | 1,454 | 6.5 | 3.4 |
| Consolidated operating profit (beia) margin | **15.7%** | 15.7% | 0bps | |
| Net profit (beia) | **915** | 772 | 19 | 14 |
| Net profit | **1,144** | 631 | 81 | |
| Diluted EPS (beia) (in €) | **1.59** | 1.34 | 19 | |
| Free operating cash flow | **486** | 571 | | |
| Net debt/ EBITDA (beia)[2] | **2.4** | 2.5 | | |

[1] Refer to the Glossary section for an explanation of non-IFRS measures and other terms used throughout this report
[2] Includes acquisitions and excludes disposals on a 12 month pro-forma basis

## OUTLOOK STATEMENT

(Based on consolidated reporting)
Aside from an adjustment for capital expenditure guidance HEINEKEN reaffirms all elements of its 2015 outlook, as stated in its FY 2014 release dated 11 February 2015.

In 2015 HEINEKEN expects a continued challenging external environment, however, delivering on strategic priorities is expected to drive further organic revenue and profit growth.

**Continued revenue growth**: HEINEKEN expects positive organic revenue growth in 2015 with volume growth at a more moderate level than 2014, and weighted towards H2 (tougher comparatives in H1). Continued volume growth in developing markets will offset more subdued volume growth elsewhere. Revenue per hectolitre is expected to increase driven by revenue management. Pricing will be limited by deflationary and off premise pressure in some markets.

**Increased commercial investment:** HEINEKEN will continue its targeted higher commercial investments across the regions, and expects a slight increase in marketing and selling (beia) spend as a percentage of revenue in 2015 (2014: 12.7%).

**Continued cost savings**: HEINEKEN is committed to delivering further cost savings and will continue its focus on driving cost efficiencies across the company. These are an important driver of the medium term margin guidance. As a result of ongoing productivity initiatives, HEINEKEN expects an organic decline in the total number of employees in 2015.
Input cost prices are expected to be slightly lower in 2015 (excluding a foreign currency transactional effect).

**Further margin expansion:** HEINEKEN continues to target a year on year improvement in consolidated operating profit (beia) margin of around 40bps in the medium term. This will continue to be supported by tight cost management, effective revenue management and the anticipated faster growth of higher margin developing markets. In 2015 consolidated operating profit (beia) margin will be adversely impacted by approximately 25bps from the disposal of EMPAQUE, the Mexican packaging business, which completed in February. HEINEKEN expects to partially but not fully offset this, such that in 2015 consolidated operating profit (beia) margin expansion will be somewhat below the 40bps medium term level.

**Foreign currency movements**: Assuming spot rates as of 29 July 2015 there is no material change in the calculated positive 2015 currency translational impact compared to prior guidance. As such consolidated operating profit (beia) impact is expected to be approximately €130 million, and €80 million at net profit (beia). However the foreign exchange markets remain very volatile.

**Improved financial flexibility**: HEINEKEN remains focused on cash flow generation and disciplined working capital management, with a commitment to a long-term target net debt/EBITDA (beia) ratio of below 2.5x. In 2015, capital expenditure related to property, plant and equipment is now expected to be approximately €1.7 billion (2014: €1.5 billion), with the €100 million increase from the prior guidance due to foreign exchange. A cash conversion ratio of below 100% is expected in 2015 (2014: 79%).

**Effective tax rate:** HEINEKEN expects the effective tax rate (beia) for 2015 to be broadly in line with 2014 (29.7%).

**Interest rate**: HEINEKEN forecasts an average interest rate of c.3.7% in 2015.

## GROUP OPERATIONAL REVIEW

The second quarter saw volume growth, although more moderate than in the prior year. This was in line with our expectations given the particularly strong comparatives in the same period last year. Revenue per hectolitre improved despite limited pricing particularly in Western Europe, and driven by a strong focus on revenue management. Innovation continued to play an important role in HEINEKEN's progress contributing revenues of €854 million in the first half. The organisational changes announced on 31 March 2015 will allow HEINEKEN to better focus on growth opportunities, to be more agile in responding to consumer needs in the marketplace, and to be more cost effective in doing so.

HEINEKEN continues to invest in key developing growth markets. During the first half of the year the company announced capacity expansion plans in Mexico and Ethiopia, and opened a new brewery in Myanmar in July.

**Group revenue** increased 2.0% organically, comprising of a 0.9% increase in group total volume and a 1.1% increase in group revenue per hectolitre. Adjusting for negative country mix, revenue per hectolitre would have been up 1.7%. In the second quarter group revenue grew 1.8% on an organic basis with revenue per hectolitre up 1.6%, and up 2.1% adjusting for negative country mix.

| **Group beer volumes** *(in mhl)* | **2Q15** | 2Q14 | Organic growth % | **HY15** | HY14 | Organic growth % |
|---|---|---|---|---|---|---|
| Heineken N.V. | **55.0** | 54.6 | 0.1 | **98.2** | 96.6 | 1.0 |
| Africa Middle East | **7.8** | 7.5 | 3.7 | **14.8** | 14.3 | 2.8 |
| Americas | **14.9** | 14.8 | 1.7 | **28.5** | 27.6 | 3.6 |
| Asia Pacific | **6.4** | 6.1 | 4.2 | **12.0** | 11.3 | 6.1 |
| Central & Eastern Europe | **13.9** | 13.7 | -1.7 | **22.7** | 22.7 | -2.0 |
| Western Europe | **12.0** | 12.4 | -3.9 | **20.2** | 20.8 | -3.0 |

**Group beer volume** grew 1.0% organically in the first half of the year. As expected group beer volume growth was more moderate in the second quarter, up 0.1%. Comparatives in the prior year period benefited from favourable weather, particularly in Western Europe, and the football World Cup. Volume in the second quarter also included a negative impact from the earlier timing of Easter. HEINEKEN saw market share gains in several of its key markets including Vietnam, the Netherlands, Poland, the US, and Brazil.

| **Heineken® volume** *(in mhl)* | **2Q15** | Organic growth % | **HY15** | Organic growth % |
|---|---|---|---|---|
| **Heineken® volume in premium segment** | **8.2** | 3.4 | **14.9** | 4.7 |
| Africa Middle East | **0.9** | 7.9 | **1.9** | 8.6 |
| Americas | **2.3** | 2.6 | **4.5** | 5.1 |
| Asia Pacific | **1.6** | 5.3 | **3.1** | 7.4 |
| Central & Eastern Europe | **0.8** | 0.1 | **1.2** | -2.1 |
| Western Europe | **2.6** | 2.6 | **4.2** | 2.6 |

**Heineken®** volume in the premium segment grew 4.7%, with positive performances in almost all regions. In particular, Heineken® volume saw double-digit volume growth in China, Brazil, Vietnam, Spain and Compañía Cervecerías Unidas S.A. (CCU) markets. The brand was also strong in key markets such as France, South Africa, the UK and Taiwan. These results more than offset weaker volume in Central and Eastern Europe driven by economic uncertainties in Greece and Russia. Heineken® benefited from the successful campaign to support the UEFA Champions League football sponsorship. This campaign was activated in 109 markets globally through digital innovation, special edition bottles, and the Global TV campaign combined with local winning top spins, both awarded at Cannes. The second half of the year has an exciting pipeline of campaigns to come including partnering the James Bond movie, sponsorship of the Rugby World Cup, the continuation of the Cities campaign, and Festive programmes.

The first half of the year saw double digit volume growth of the global brands **Desperados, Affligem** and **Sol Premium**, reflecting the continued focus and success of the broader premium portfolio strategy. Desperados, the high margin tequila-flavoured beer, saw particularly strong performance in Poland, France and Spain. Affligem, the Belgian abbey beer brand, saw strong growth in Western Europe. CCU markets and Brazil were the key drivers of Sol Premium, the Mexican beer, volume growth.

**Cider** volume declined slightly, with the positive volume growth seen in the first quarter offset by weaker volumes in the second quarter in mainstream cider in the UK. However, the second quarter saw particularly strong double digit volume growth in Americas, and positive encouraging volume growth in Ireland and 10 new markets in Central and Eastern Europe. In Americas, the US, Canada and Mexico were the key drivers of growth. Innovations in the UK including Strongbow Cloudy Apple and Bulmers Zesty Blood Orange underpinned our leading position in the home base of cider.

HEINEKEN's focus on **innovation** delivered €854 million in revenue and the innovation rate increased to 8.6% (2014: 7.4%). The company continues to introduce both global and local brand and packaging innovations across multiple markets leveraging its worldwide scale. Key themes which remain a focus are addressing moderation, and improving the quality of the draft offer. 'Radler' beers continued their strong performance, and the 0.0% variant combined with new flavours continues to gain momentum with consumers. THE SUB®, the draught beer appliance, is showing positive signs and will be launched in China, its fifth market, this month. Brewlock, the on premise dispense system, is showing positive signs in the US. With a solid pipeline for the remainder of the year, further strong innovation momentum is expected.

**Group operating profit (beia)** grew 4.7% organically, primarily reflecting higher revenues and improved cost efficiencies partly offset by higher planned marketing and selling expenses.

## INTERIM DIVIDEND

In accordance with the existing dividend policy, HEINEKEN fixes its interim dividend at 40% of the total dividend of the previous year. As a result, an interim dividend of €0.44 per share of €1.60 nominal value will be paid on 12 August 2015. The shares will trade ex-dividend on 5 August 2015.

## Enquiries

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## Investor Calendar Heineken N.V.

| | |
|---|---|
| What's Brewing Seminar, London | 27 August 2015 |
| Trading update for Q3 2015 | 28 October 2015 |
| What's Brewing Seminar, New York | 19 November 2015 |
| Full Year 2015 Results | 10 February 2016 |

## Conference call details

HEINEKEN will host an analyst and investor conference call in relation to this trading update today at 10:00 CET/ 9:00 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)20 716 8256
National free phone: 0800 020 2577

United Kingdom
Local line: +44 (0) 20 3427 1900
National free phone: 0800 279 4841

United States of America
Local line: +1 646 254 3361
National free phone: 1 877 280 2296

Participation/ confirmation code for all countries: 2083527

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

# REGIONAL OVERVIEW

| **Revenue** *(in € million)* | Consolidated HY15 | Consolidated HY14 | Consolidated Organic growth % | Group HY15 | Group HY14 | Group Organic growth % |
|---|---|---|---|---|---|---|
| Heineken N.V. | **9,896** | 9,274 | 1.9 | **10,926** | 10,196 | 2.0 |
| Africa Middle East | **1,382** | 1,293 | 1.4 | **1,621** | 1,496 | |
| Americas | **2,522** | 2,213 | 5.8 | **2,980** | 2,578 | |
| Asia Pacific | **1,172** | 932 | 7.4 | **1,353** | 1,112 | |
| Central & Eastern Europe | **1,428** | 1,427 | 1.0 | **1,580** | 1,601 | |
| Western Europe | **3,724** | 3,650 | -0.8 | **3,724** | 3,650 | |
| Head Office & Eliminations | **-332** | -241 | na | **-332** | -241 | |

| **Operating Profit (beia)** *(in € million)* | Consolidated HY15 | Consolidated HY14 | Consolidated Organic growth % | Group HY15 | Group HY14 | Group Organic growth % |
|---|---|---|---|---|---|---|
| Heineken N.V. | **1,549** | 1,454 | 3.4 | **1,690** | 1,560 | 4.7 |
| Africa Middle East | **314** | 338 | -7.2 | **352** | 358 | |
| Americas | **413** | 375 | 8.6 | **479** | 427 | |
| Asia Pacific | **302** | 235 | 9.3 | **328** | 259 | |
| Central & Eastern Europe | **140** | 115 | 15 | **151** | 126 | |
| Western Europe | **372** | 372 | 0.2 | **372** | 372 | |
| Head Office & Eliminations | **8** | 19 | na | **8** | 19 | |

| **Developing markets** *(in mhl or € million unless otherwise stated)* | HY15 Group beer volume | HY15 Group Revenue[1] | HY15 Group operating profit (beia)[2] |
|---|---|---|---|
| **Developing markets in:** | **63.0** | **5,572** | **1,082** |
| Africa Middle East | 13.5 | 1,510 | |
| Latin America & the Caribbean | 23.0 | 2,128 | |
| Asia Pacific | 10.4 | 1,023 | |
| Europe | 16.1 | 884 | |
| % of Group | 64% | 51% | 64% |
| Organic growth % | 3.0% | 5.0% | 9.7% |

[1] Head Office & Eliminations Group Revenue amounted to €27m

[2] Excludes Head Office & Eliminations

On 31 March 2015 HEINEKEN announced organisational changes to accelerate strategy delivery, including the regrouping of the business around 4 regions. The new structure is operational from 1 July 2015. The Trading update for Q3 2015, scheduled on 28 October, will reflect the new regional structure. Restated figures for the prior year and 2015 first half performance will be provided ahead of this in September.

## Africa Middle East

| **Key Financials** *(in mhl or € million unless otherwise stated)* | Consolidated | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|
| | **HY15** | HY14 | Total growth % | Organic growth % | **HY15** | HY14 | Total growth % | Organic growth % |
| Revenue | **1,382** | 1,293 | 6.9 | 1.4 | **1,621** | 1,496 | 8.4 | |
| Revenue/ hl (in €)* | **86** | 83 | 4.4 | -1.1 | **86** | 82 | 5.9 | |
| Operating profit (beia) | **314** | 338 | -7.0 | -7.2 | **352** | 358 | -1.5 | |
| Operating profit (beia) margin | **22.7%** | 26.1% | -340bps | | **21.7%** | 23.9% | -220bps | |
| Total volume | **16.0** | 15.6 | 2.5 | 2.5 | **18.8** | 18.3 | 2.4 | 2.4 |
| Beer volume | **12.8** | 12.4 | 2.6 | 2.6 | **14.8** | 14.3 | 2.8 | 2.8 |
| Licensed & non-beer volume | **3.2** | 3.2 | 2.0 | 2.0 | **3.9** | 3.9 | 1.3 | 1.3 |

* Revenue per hectolitre of attributable share of joint ventures & associates in Africa Middle East has been corrected versus release on 22 April 2015

**Consolidated revenue** grew 1.4% organically driven by positive total volume growth of 2.5%. This was partly offset by lower revenue per hectolitre of 1.1%, primarily reflecting the impact of higher volume growth in the lower revenue per hectolitre countries. Consolidated operating profit (beia) declined by 7.2%, on an organic basis, driven by margin pressure in Nigeria from negative mix as a result of the continued volume growth in the value for money segment, currency devaluation and increased inflation. Weaker performance in the Democratic Republic of Congo and Egypt also weighed on the region's profit.

**Group beer volume** increased 2.8% for the half year organically driven by strong volume growth in Ethiopia, in Exports and in South Africa. Elsewhere growth varied, with solid volume performance in Cameroon, Rwanda and Tunisia, partially offset by declining volumes in Nigeria, the Democratic Republic of Congo and Egypt.

**Nigeria** saw a continued challenging trading environment largely a result of weaker consumer confidence due to falling global oil prices. However, after a high single digit volume decline in the first quarter trends improved in the second quarter, where they were up in the low single digit. For the half year volumes were down in the low single digit with some slight market share loss. Results were also adversely impacted by the further devaluation of the Naira, high inflation and fuel scarcity. The performances of the 33 Export and Goldberg brands remain very strong, with the value for money volume growth continuing to outpace the mainstream and premium beer segments.

Volume more than doubled in **Ethiopia**, with the key brands Bedele and Walia driving growth. HEINEKEN opened its third brewery in Addis Ababa last July 2014, and intends to add additional production capacity to capture increased beer demand in the market.

Volume in **Egypt** declined double digit in the first half of the year, with Q2 trading adversely impacted by last year's excise duties increase and the timing of Ramadan.

Despite a challenging beer market, volume of the brandhouse joint venture in **South Africa** grew in the mid single digit supported by healthy growth of the Heineken® and Amstel brands.

## Americas

| **Key Financials** *(in mhl or € million unless otherwise stated)* | Consolidated | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|
| | **HY15** | HY14 | Total growth % | Organic growth % | **HY15** | HY14 | Total growth % | Organic growth % |
| Revenue | **2,522** | 2,213 | 14 | 5.8 | **2,980** | 2,578 | 16 | |
| Revenue/ hl (in €) | **93** | 84 | 11 | 2.8 | **95** | 85 | 12 | |
| Operating profit (beia) | **413** | 375 | 10 | 8.6 | **479** | 427 | 12 | |
| Operating profit (beia) margin | **16.4%** | 16.9% | -50bps | | **16.1%** | 16.6% | -50bps | |
| Total volume | **27.2** | 26.4 | 3.0 | 3.1 | **31.1** | 30.1 | 3.5 | 3.7 |
| Beer volume | **26.5** | 25.8 | 3.0 | 3.2 | **28.5** | 27.6 | 3.5 | 3.6 |
| Licensed & non-beer volume | **0.6** | 0.5 | 1.4 | 1.4 | **2.5** | 2.4 | 4.7 | 4.7 |

**Consolidated revenue** grew 5.8% organically driven by total volume growth of 3.1% and higher revenue per hectolitre of 2.8% reflecting positive brand mix and improved pricing. Currency movements favourably impacted revenues, mainly due to US dollar appreciation and the Mexican peso.
Consolidated operating profit (beia) grew 8.6% organically driven by continued strong growth primarily in Mexico and Brazil.

**Group beer volume** grew 3.6% organically despite cycling the football World Cup, and with all key markets contributing.

Volumes in **Mexico** were up in in the low single digit in the first half, benefitting from effective marketing programmes, strong sales execution and successful activation in all key channels. Easter timing combined with increased competitor price promotion resulted in more subdued volumes in the second quarter. Dos Equis continues to be a key growth driver, with volume up double digit, and Tecate brand volume growth in the mid-single digit. Higher pricing, continued cost savings, and mix all contributed to profit growth and further margin expansion.

In the **US** sales to retailers grew by 0.2% and sales to wholesalers were up 1.1%, outperforming the overall market. The portfolio strategy continues to be successful and drive overall performance. Dos Equis and Tecate Light remain important growth drivers, despite the adverse impact of weather in key markets in the second quarter. Heineken® continues to show positive share momentum.

In **Brazil** beer volume grew in mid-single digit, despite flat volumes in the second quarter largely driven by the football World Cup comparatives. Revenue per hectolitre was up double digit reflecting the continued mix benefit from a growing premium portfolio. Heineken® brand grew double digit, with other global brands such as Sol Premium and Desperados also growing strongly.

## Asia Pacific

| **Key Financials** *(in mhl or € million unless otherwise stated)* | **Consolidated** | | | | **Group** | | | |
|---|---|---|---|---|---|---|---|---|
| | **HY15** | HY14 | Total growth % | Organic growth % | **HY15** | HY14 | Total growth % | Organic growth % |
| Revenue | **1,172** | 932 | 26 | 7.4 | **1,353** | 1,112 | 22 | |
| Revenue/ hl (in €) | **126** | 108 | 16 | -1.1 | **110** | 96 | 14 | |
| Operating profit (beia) | **302** | 235 | 28 | 9.3 | **328** | 259 | 26 | |
| Operating profit (beia) margin | **25.8%** | 25.2% | 60bps | | **24.2%** | 23.3% | 90bps | |
| Total volume | **9.3** | 8.5 | 8.5 | 8.5 | **12.3** | 11.5 | 6.2 | 6.2 |
| Beer volume | **9.1** | 8.3 | 8.5 | 8.5 | **12.0** | 11.3 | 6.2 | 6.1 |

**Consolidated revenue** in the Asia Pacific region grew 7.4% organically, with higher total volume growth of 8.5% organically and revenue per hectolitre down 1.1% negatively impacted by country mix. Excluding adverse country mix, revenue per hectolitre would have been up 3.4%.
Consolidated operating profit (beia) increased 9.3% organically reflecting increased profitability in Vietnam, China, New Zealand, Mongolia and Sri Lanka.

**Group beer volume** grew 6.1% in the first half of the year, with strong volume growth in Vietnam, Cambodia, China and Export markets (notably Korea and Taiwan). Indonesia continued to adversely impact the overall regional volume.

Double digit volume growth in **Vietnam** was maintained through the second quarter, particularly driven by the strong performance of the Tiger brand. Improved consumer confidence, combined with the success of the portfolio strategy and successful commercial execution were the key drivers of this growth.

In **China**, volume grew by mid-single digit, with double digit Heineken® volume growth supported by both expanded outlet coverage and successful commercial initiatives.

**Indonesian** volumes were down double digit, and these remain under pressure. Volume trends in the second quarter were similar to those in the first quarter, as a consequence of the implementation in April of the new regulation banning the sale of alcoholic beverages in minimarts (convenience stores). High inflation and a softer consumer backdrop were additional factors which negatively impacted volumes.

Volume in **Cambodia** was up double digit for the first half, boosted by successful portfolio strategy implementation.

Volume in **India** in the second quarter was slightly down across all major states, with stable market share.

## Central & Eastern Europe

| **Key Financials** *(in mhl or € million unless otherwise stated)* | Consolidated | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|
| | **HY15** | HY14 | Total growth % | Organic growth % | **HY15** | HY14 | Total growth % | Organic growth % |
| Revenue | **1,428** | 1,427 | 0.1 | 1.0 | **1,580** | 1,601 | -1.3 | |
| Revenue/ hl (in €) | **63** | 65 | -2.2 | 2.7 | **65** | 66 | -1.6 | |
| Operating profit (beia) | **140** | 115 | 21 | 15 | **151** | 126 | 20 | |
| Operating profit (beia) margin | **9.8%** | 8.1% | 170bps | | **9.6%** | 7.9% | 170bps | |
| Total volume | **22.4** | 22.0 | 1.8 | -2.2 | **24.4** | 24.4 | -0.1 | -2.1 |
| Beer volume | **21.3** | 20.8 | 2.2 | -2.0 | **22.7** | 22.7 | 0.1 | -2.0 |

**Consolidated revenue** increased by 1.0% organically, with revenue per hectolitre growth of 2.7%. This was only partially offset by lower consolidated total volume of 2.2%. Adverse foreign currency movements, mainly the Russian rouble, negatively impacted reported revenues by €69 million. Consolidated operating profit (beia) increased by 15% organically, as the value growth strategy focused on improving revenue per hectolitre and profitability across the region delivered results. Improved profitability in Russia, Poland and Romania was more than offset by weaker performance in Greece, Slovakia and Croatia.

**Group beer volume** declined by 2.0% in the first half of the year, with slightly improved volume in the second quarter, a result of improved weather conditions despite a continued challenging economic backdrop. Higher volume in Poland, Serbia and Romania was more than offset by lower volume in Russia, Belarus, Germany and Greece. Excluding Russia group beer volume would have been up 0.4%.

In **Russia** continued challenging macro-economic conditions and low consumer confidence continue to weigh on the overall beer market. Volume in Russia declined double digit in the first half of the year. Nonetheless, innovation, improved product mix and revenue management activities contributed positively to revenue development and results. Premium brands Heineken®, Amstel Premium Pilsner and Krusovice continue to outperform the overall market.

Volume in **Poland** increased in the high single digit, continuing to benefit from the relisting by an important modern trade customer, resulting in market share gains. The underlying market remains difficult and continues to be impacted adversely by negative channel mix. Premium brands including Zywiec, Heineken® and Desperados were key drivers of volume growth.

Volume in **Austria** was down in the low single digit because of favourable weather conditions and higher promotional intensity in the off trade in the second quarter last year.

Volume in **Greece** declined in the mid-single digit in the context of both a challenging market and soft consumer backdrop. The Alfa brand continues to grow strongly.

## Western Europe

| **Key Financials** *(in mhl or € million unless otherwise stated)* | **Consolidated & Group** | | | |
|---|---|---|---|---|
| | **HY15** | HY14 | Total growth % | Organic growth % |
| Revenue | **3,724** | 3,650 | 2.0 | -0.8 |
| Revenue/ hl (in €) | **119** | 115 | 3.4 | 0.5 |
| Operating profit (beia) | **372** | 372 | -0.1 | 0.2 |
| Operating profit (beia) margin | **10.0%** | 10.2% | -20bps | |
| Total volume | **28.1** | 28.7 | -2.2 | -2.4 |
| Beer volume | **20.2** | 20.8 | -2.9 | -3.0 |
| Licensed & non-beer volume | **4.4** | 4.3 | -1.0 | -1.0 |
| Third party products volume | **3.5** | 3.6 | -0.2 | -0.3 |

**Consolidated revenue** declined by 0.8% organically driven by a total volume decline of 2.4%, which was only partly offset by higher revenue per hectoliter of 0.5%. Positive growth in revenue per hectolitre was achieved despite the deflationary pressure in some key markets and off trade pricing pressure.
On an organic basis, consolidated operating profit (beia) grew by 0.2% led by higher profit in Spain, Portugal and the Netherlands, and offset by lower profitability in the UK.

**Group beer volume** declined by 3.0% in the first half of the year, reflecting challenging market conditions in some countries, and tough prior year comparables. Results in the same period in the prior year benefited from favourable weather conditions and a positive impact from the football World Cup. The loss of export volume from Portugal to Angola and the volume decline in the UK adversely impacted regional volume. Positive volume growth was seen in Spain, France and the Netherlands.

Volume in the **UK** declined in the high-single digit due to challenging market conditions, and promotional pressures. Prior year comparatives were particularly demanding given favourable weather and the football World Cup. During the period the successful launches of new flavour variants under the Strongbow and Bulmers brands performed well. Within the beer portfolio Heineken® and Amstel saw solid volume growth.

Volume in **France** grew in the low single digit, with similar trends seen across both quarters. The pricing environment remains challenging given pressure from collective buying groups. Despite this, premium brands Heineken®, Desperados and Affligem saw positive volume growth.

Volume in **Spain** increased in the low single digit supported by an improvement in the underlying economic environment conditions, and improved consumer confidence. Volumes were supported by on trade growth, underpinned by new outlet openings. Double digit Heineken® brand growth, was complemented by successful innovations.

In the **Netherlands** volumes were up in the low single digit ahead of the overall market. This reflected continued strengthened commercial execution, combined with slightly better market conditions. Growth in the Heineken® brand and Brand® performance resulted in strong portfolio performance.

HEINEKEN



## Head office costs, other items and eliminations

| **Key Financials** *(in mhl or € million unless otherwise stated)* | **Consolidated & Group** **HY15** | HY14 |
|---|---|---|
| Revenue | **-332** | -241 |
| Operating profit (beia) | **8** | 19 |

Consolidated operating profit (beia) decreased in the first half of the year. This is primarily related to the disposal of the Mexican packaging business EMPAQUE. The sale of EMPAQUE completed on 18 February 2015.

# CONSOLIDATED FINANCIAL REVIEW

| **Key figures** *(in mhl or € million unless otherwise stated)* | **Consolidated** | | | | | |
|---|---|---|---|---|---|---|
| | **HY14** | Currency translation | Consolidation impact | Organic growth | **HY15** | Organic growth % |
| Revenue (beia) | **9,274** | 469 | -20 | 173 | **9,896** | 1.9 |
| Total expenses (beia) | **-7,820** | -395 | -9 | -123 | **-8,347** | -1.6 |
| Operating profit (beia) | **1,454** | 74 | -29 | 50 | **1,549** | 3.4 |
| Share of net profit of assoc./ JVs (beia) | **57** | 9 | -4 | 23 | **85** | 40 |
| EBIT (beia) | **1,511** | 83 | -33 | 73 | **1,634** | 4.8 |
| Net interest income/(expenses) (beia) | **-209** | -3 | 1 | 44 | **-167** | 21 |
| Other net finance income/(expenses) (beia) | **-38** | -1 | - | 3 | **-36** | 8.4 |
| Income tax expense (beia) | **-380** | -17 | 8 | -1 | **-390** | -0.2 |
| Minority interests (beia) | **-112** | -10 | 4 | -8 | **-126** | -7.0 |
| Net profit (beia) | **772** | 52 | -20 | 111 | **915** | 14 |
| Eia | -141 | | | | 229 | |
| Net profit | **631** | | | | **1,144** | |

## Changes in consolidation

The main items included as consolidation changes are:

- The divestiture of an 80% shareholding in Brasserie Lorraine in Martinique on 10 September 2014. HEINEKEN retains a 20% shareholding in the business.
- The acquisition of the indirect shareholding of Coca-Cola HBC in Zagorka AD, the Bulgarian brewer, which increased HEINEKEN's ownership to a controlling stake of 98.86%. The transaction completed on 27 October 2014.
- The disposal of the Mexican packaging business EMPAQUE completed on 18 February 2015 for the value of USD1.225 billion (€956 million).

In the second half of the year the following items will impact consolidation changes and HEINEKEN reported results:

- The acquisition of 51.11% 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.

- On 23 July 2015, Group Żywiec signed with Orbico Group a conditional agreement upon which Orbico Group will purchase 80% of the shares in Distribev Sp. z o.o (Group Żywiec's recently established sales and distribution company serving the traditional trade and horeca market). The enterprise value for an 80% stake amounted to PLN 96 million (€23 million), and is subject to customary price adjustments. Closing is subject to regulatory approval and is expected in the second half of this year.

- On 27 July 2015 HEINEKEN announced that along with Diageo plc and The Ohlthaver & List (O&L) Group of Companies, the majority shareholder of Namibia Breweries Limited ('NBL'), that they have agreed to restructure their respective joint venture operations in South Africa and Namibia. The agreement will result in HEINEKEN, Diageo and NBL closing their distribution joint venture, brandhouse Beverages (Pty) Ltd. HEINEKEN will pay a total net cash consideration of c.ZAR 1.9 billion (c. €136 million) to Diageo. Completion of the transaction is expected in Q4 2015 and is subject to customary regulatory approvals.

## Revenue

Revenue increased by 6.7% to €9,896 million and benefitting from a favourable currency impact of 5.0% (€469 million), largely driven by movements in the Mexican peso, US dollar, Vietnamese dong and the British pound.  This combined with organic growth more than offset the negative consolidation impact (-€20 million), primarily from the sale of EMPAQUE. An organic revenue increase of 1.9% comprised of total consolidated volume growth of 0.8%, and a 1.1% increase in revenue per hectolitre (net of an adverse country mix effect of 0.6%).

## Total expenses (beia)

Total expenses (beia) were €8,347 million, up by 1.6% organically. Currency increased reported total expenses beia by €395 million.  On an organic basis, input costs increased by 0.5% and decreased by 0.3% on a per hectolitre basis. On an organic basis, energy and water expenses declined by 4.9 %. Marketing and selling (beia) expenses increased organically by 2.8% to €1,373 million, representing 13.9% of revenues (2014: 13.4%). Personnel expenses increased organically by 3.4% to €1,601 million.

## Operating profit (beia)

Operating profit (beia) grew by 6.5% to €1,549 million, with a €74 million benefit from favourable foreign currency, largely due to the appreciation of the Vietnamese dong (+20%), the Mexican Peso (+6%), and the British pound (+12%). This combined with organic growth more than offset a negative net consolidation impact of 2.0% (-€29 million). On an organic basis, operating profit (beia) grew by 3.4% as higher revenue and the benefit of realised cost savings was only partially offset by higher marketing and selling expenses.

## Share of net profit of associates and joint ventures (beia)

Share of net profit of associates and joint ventures (beia) increased from €57 million to €85 million. On an organic basis, an increase of €23 million reflected a higher share of net profit mainly from the joint venture operations in South Africa.

## Net finance expenses (beia)

Net interest expenses (beia) decreased by €42 million to €167 million, reflecting a lower average effective interest rate on outstanding debts. The average interest rate in the first half of 2015 was 3.2% (2014: 4.0%).
Other net finance expenses (beia) amounted to €36 million, which includes €22 million interest expense on the net pension liability. On an organic basis, other net finance expenses decreased by €3 million.

## Income tax expense (beia)

The effective tax rate (beia) in the first half of 2015 was 28.9% (2014: 31.5%). The decrease of the effective rate last year is explained by a number of one-off tax benefits reported in the first half of 2015.

## Net profit and net profit (beia)

Net profit increased by €513 million to €1,144 million. This included a benefit from the combination of a net exceptional gain (EMPAQUE), which combined with amortisation added €229 million (2014: -€141 million). Further details on exceptional items and amortisation is provided in note 8 of the 'Condensed consolidated interim financial statements'.

Net profit (beia) grew by €143 million to €915 million, an organic increase of 14%. Favourable currency increased this by €52 million, and there was a negative impact from consolidation of €20 million.

## US dollar Transactional Hedging

HEINEKEN delays the impact of the US dollar fluctuations versus the Euro by hedging the net cash inflow of US dollars from Dutch exports for up to 18 months.

The average EUR/USD exchange rate inclusive of hedging was 1.32 in the first half of 2015, versus 1.30 last year in the same period. For the full year 2015, the net dollar inflow is forecasted at USD527 million, of which 96% has been hedged at EUR/USD 1.33 (2014: 1.31). For 2016, the net dollar inflow is forecasted at approximately USD495 million of which 79% is hedged at EUR/USD 1.17 as of 29 July 2015.

## Capital expenditure and cash flow

Capital expenditure related to property, plant and equipment amounted to €602 million in the first half of 2015 (2014: €549 million) representing 6.1% of revenues.

Free operating cash flow amounted to €486 million (2014: €571 million), this was lower than last year partly due to a higher level of capital expenditure in the period.

## Financial structure

Total gross debt amounts to €11,440 million (from €11,757 million at 31 December 2014). Net debt decreased to €10,591 million (from €11,076 million at 31 December 2014) as the positive FOCF and proceeds of the EMPAQUE divestment exceeded dividends paid, share buyback and foreign currency movements.

The pro forma net debt/EBITDA (beia) ratio was 2.4 times on 30 June 2015 (2014: 2.5x). Including the effect of cross-currency swaps, 54% of net debt is Euro-denominated and 33% is US dollar-denominated.

## Average number of shares

HEINEKEN has 576,002,613 shares in issue. In the calculation of basic EPS, the weighted average number of shares outstanding in the first half of 2015 was 574,510,552. In the calculation of diluted EPS, shares to be delivered under the employee incentive programme are added to the weighted average shares outstanding. The weighted average diluted number of shares outstanding in the first half of 2015 was 575,697,335 (576,002,613 at 31 December 2014).

## Share buyback update

Following the completion of the divestment of EMPAQUE in February 2015, HEINEKEN announced that it would deploy up to €750 million of the proceeds for a share buyback program in 2015. As of 24 July 2015, HEINEKEN had purchased 4,001,253 shares for a total consideration of €279 million. The program is executed periodically by intermediaries via open market purchases and weekly updates are published on the HEINEKEN website.

## RISK PARAGRAPH

The Annual Report 2014 outlines HEINEKEN's main risks and mitigation activities at the time of closing the 2014 financial year. In the Company's view, the nature and potential impact of these risks have not materially changed in the first half of 2015. Reference is made to pages 22 to 27 of the Annual Report 2014 for a detailed description of HEINEKEN's risks and risk control systems.

In the first half of 2015, increased competition in several key markets, pressure from retailers and further diversification of consumers' preferences have sharpened the need for ongoing innovation in order to deliver value growth. Additionally, the persistent pressure on the alcoholic beverage industry and a volatile economic situation across many of its markets could impact HEINEKEN's results and profitability.

In view of the Company's wide geographical spread, ongoing geopolitical uncertainty, together with risks related to social unrest, natural disaster, regulatory changes, credit risk and foreign exchange volatility may also adversely impact its results and remain high on HEINEKEN's risk management agenda.

There may also be current risks the Company is not aware of or currently deems immaterial but which could, at a later stage, have a material impact on the Company's business. The Company's risk management systems are focused on timely discovery of such risks.

# Consolidated & Group Metrics: Half year 2015

| | Consolidated (A) | | | | | | Attributable share of joint ventures/assoc (B) | | Group (C) = A + B | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| (in mhl or €million unless otherwise stated) | HY14 | Currency Translation | Consolidation Impact | Organic Growth | HY15 | Organic Growth % | HY14 | HY15 | HY14 | HY15 | Organic Growth % |
| **Africa and Middle East** | | | | | | | | | | | |
| Revenue | 1,293 | 71 | - | 19 | 1,382 | 1.4 | 203 | 239 | 1,496 | 1,621 | |
| Revenue per Hl (in €) [1] | 83 | | | -1 | 86 | -1.1 | 75 | 86 | 82 | 86 | |
| Operating profit (beia) | 338 | 8 | -7 | -24 | 314 | -7.2 | 20 | 38 | 358 | 352 | |
| Operating profit (beia) margin | 26.1% | | | | 22.7% | | 9.9% | 15.9% | 23.9% | 21.7% | |
| Total volume | 15.6 | | - | 0.4 | 16.0 | 2.5 | 2.7 | 2.8 | 18.3 | 18.8 | 2.4 |
| Beer volume | 12.4 | | - | 0.3 | 12.8 | 2.6 | 1.9 | 2.0 | 14.3 | 14.8 | 2.8 |
| Licensed & non-beer volume | 3.2 | | - | 0.1 | 3.2 | 2.0 | 0.7 | 0.7 | 3.9 | 3.9 | 1.3 |
| Third party products volume | - | | - | - | - | - | 0.1 | 0.1 | 0.1 | 0.1 | -12 |
| **Americas** | | | | | | | | | | | |
| Revenue | 2,213 | 185 | -4 | 128 | 2,522 | 5.8 | 365 | 458 | 2,578 | 2,980 | |
| Revenue per Hl (in €) [1] | 84 | | | 2 | 93 | 2.8 | 98 | 115 | 85 | 95 | |
| Operating profit (beia) | 375 | 13 | -8 | 32 | 413 | 8.6 | 52 | 66 | 427 | 479 | |
| Operating profit (beia) margin | 16.9% | | | | 16.4% | | 14.2% | 14.4% | 16.6% | 16.1% | |
| Total volume | 26.4 | | - | 0.8 | 27.2 | 3.1 | 3.7 | 3.9 | 30.1 | 31.1 | 3.7 |
| Beer volume | 25.8 | | - | 0.8 | 26.5 | 3.2 | 1.8 | 2.0 | 27.6 | 28.5 | 3.6 |
| Licensed & non-beer volume | 0.5 | | - | - | 0.6 | 1.4 | 1.9 | 1.9 | 2.4 | 2.5 | 4.7 |
| Third party products volume | 0.1 | | - | - | 0.1 | -7.6 | - | - | 0.1 | 0.1 | -7.6 |
| **Asia Pacific** | | | | | | | | | | | |
| Revenue | 932 | 171 | - | 69 | 1,172 | 7.4 | 180 | 181 | 1,112 | 1,353 | |
| Revenue per Hl (in €) [1] | 108 | | | -1 | 126 | -1.1 | 61 | 61 | 96 | 110 | |
| Operating profit (beia) | 235 | 44 | - | 22 | 302 | 9.3 | 24 | 26 | 259 | 328 | |
| Operating profit (beia) margin | 25.2% | | | | 25.8% | | 13.3% | 14.4% | 23.3% | 24.2% | |
| Total volume | 8.5 | | - | 0.7 | 9.3 | 8.5 | 3.0 | 3.0 | 11.5 | 12.3 | 6.2 |
| Beer volume | 8.3 | | - | 0.7 | 9.1 | 8.5 | 3.0 | 2.9 | 11.3 | 12.0 | 6.1 |
| Licensed & non-beer volume | 0.2 | | - | - | 0.2 | 15 | - | 0.1 | 0.2 | 0.3 | 17 |
| Third party products volume | - | | - | - | - | - | - | - | - | - | - |
| **Central & Eastern Europe** | | | | | | | | | | | |
| Revenue | 1,427 | -69 | 55 | 14 | 1,428 | 1.0 | 174 | 152 | 1,601 | 1,580 | |
| Revenue per Hl (in €) [1] | 65 | | | 2 | 63 | 2.7 | 73 | 78 | 66 | 65 | |
| Operating profit (beia) | 115 | -2 | 9 | 18 | 140 | 15 | 11 | 11 | 126 | 151 | |
| Operating profit (beia) margin | 8.1% | | | | 9.8% | | 6.3% | 7.2% | 7.9% | 9.6% | |
| Total volume | 22.0 | | 0.9 | -0.5 | 22.4 | -2.2 | 2.4 | 2.0 | 24.4 | 24.4 | -2.1 |
| Beer volume | 20.8 | | 0.9 | -0.4 | 21.3 | -2.0 | 1.9 | 1.4 | 22.7 | 22.7 | -2.0 |
| Licensed & non-beer volume | 0.6 | | - | - | 0.6 | 7.6 | 0.3 | 0.4 | 0.9 | 1.0 | 6.2 |
| Third party products volume | 0.6 | | - | -0.1 | 0.5 | -18 | 0.2 | 0.2 | 0.8 | 0.7 | -12 |

[1] Revenue per Hl calculation excludes interregional revenue

| (in mhl or €million unless otherwise stated) | Consolidated (A) | | | | | | Attributable share of joint ventures/assoc (B) | | Group (C) = A + B | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | HY14 | Currency Translation | Consolidation Impact | Organic Growth | HY15 | Organic Growth % | HY14 | HY15 | HY14 | HY15 | Organic Growth % |
| **Western Europe** | | | | | | | | | | | |
| Revenue | 3,650 | 100 | 2 | -28 | 3,724 | -0.8 | | | 3,650 | 3,724 | |
| Revenue per Hl (in €) [1] | 115 | | | 1 | 119 | 0.5 | | | 115 | 119 | |
| Operating profit (beia) | 372 | 8 | -9 | 1 | 372 | 0.2 | | | 372 | 372 | |
| Operating profit (beia) margin | 10.2% | | | | 10.0% | | | | 10.2% | 10.0% | |
| Total volume | 28.7 | | - | -0.7 | 28.1 | -2.4 | | | 28.7 | 28.1 | -2.4 |
| Beer volume | 20.8 | | - | -0.6 | 20.2 | -3.0 | | | 20.8 | 20.2 | -3.0 |
| Licensed & non-beer volume | 4.3 | | - | -0.1 | 4.4 | -1.0 | | | 4.3 | 4.4 | -1.0 |
| Third party products volume | 3.6 | | - | - | 3.5 | -0.3 | | | 3.6 | 3.5 | -0.3 |
| **Head Office & Eliminations** | | | | | | | | | | | |
| Revenue | -241 | 11 | -73 | -29 | -332 | n.a. | | | -241 | -332 | |
| Operating profit (beia) | 19 | 3 | -14 | 1 | 8 | n.a. | | | 19 | 8 | |
| **Heineken N.V.** | | | | | | | | | | | |
| Revenue | 9,274 | 469 | -20 | 173 | 9,896 | 1.9 | 922 | 1,030 | 10,196 | 10,926 | 2.0 |
| Revenue per Hl (in €) [1] | 92 | | | 1 | 96 | 1.1 | 78 | 88 | 90 | 95 | 1.1 |
| Total expenses (beia) | -7,820 | -395 | -9 | -123 | -8,347 | -1.6 | -816 | -889 | -8,636 | -9,236 | -1.5 |
| Operating profit (beia) | 1,454 | 74 | -29 | 50 | 1,549 | 3.4 | 106 | 141 | 1,560 | 1,690 | 4.7 |
| Operating profit (beia) margin | 15.7% | | | | 15.7% | | 11.5% | 13.7% | 15.3% | 15.5% | |
| Share of net profit of associates / JVs (beia) | 57 | 9 | -4 | 23 | 85 | 40 | | | | | |
| Net Interest income / (expenses) (beia) | -209 | -3 | 1 | 44 | -167 | 21 | | | | | |
| Other net finance income/(expenses) (beia) | -38 | -1 | - | 3 | -36 | 8.4 | | | | | |
| Income tax expense (beia) | -380 | -17 | 8 | -1 | -390 | -0.2 | | | | | |
| Minority Interests | -112 | -10 | 4 | -8 | -126 | -7.0 | | | | | |
| Net profit (beia) | 772 | 52 | -20 | 111 | 915 | 14 | | | | | |
| Total volume | 101.3 | | 0.9 | 0.8 | 103.0 | 0.8 | 11.8 | 11.7 | 113.1 | 114.7 | 0.9 |
| Beer volume | 88.1 | | 0.9 | 0.8 | 89.9 | 0.9 | 8.5 | 8.3 | 96.6 | 98.2 | 1.0 |
| Licensed & non-beer volume | 8.9 | | - | 0.1 | 9.0 | 1.0 | 3.0 | 3.1 | 11.9 | 12.1 | 1.7 |
| Third party products volume | 4.3 | | - | -0.1 | 4.1 | -2.8 | 0.3 | 0.3 | 4.6 | 4.4 | -2.9 |

[1] Revenue per Hl calculation excludes interregional revenue

# 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 Hl (in €) [1, 2] | 84 | | | -2 | 88 | -2.1 | 74 | 90 | 83 | 88 | |
| 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 Hl (in €) [1] | 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 Hl (in €) [1] | 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 Hl (in €) [1] | 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 |

[1] Revenue per Hl calculation excludes interregional revenue

[2] Revenue per hectolitre of attributable share of joint ventures & associates in Africa Middle East has been corrected versus release on 22 April 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 % |
| **Western Europe** | | | | | | | | | | | |
| Revenue | 1,519 | 40 | -1 | -1 | 1,557 | -0.1 | | | 1,519 | 1,557 | |
| Revenue per Hl (in €) [1] | 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 | n.a. | | | -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 Hl (in €) [1] | 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 |

[1] Revenue per Hl calculation excludes interregional revenue

## Consolidated & Group Metrics: Second Quarter 2015

| | Consolidated (A) | | | | | | Attributable share of joint ventures/assoc (B) | | Group (C) = A + B | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| (in mhl or €million unless otherwise stated) | 2Q14 | Currency Translation | Consolidation Impact | Organic Growth | 2Q15 | Organic Growth % | 2Q14 | 2Q15 | 2Q14 | 2Q15 | Organic Growth % |
| **Africa and Middle East** | | | | | | | | | | | |
| Revenue | 666 | 27 | - | 25 | 718 | 3.8 | 110 | 118 | 776 | 836 | |
| Revenue per Hl (in €) [1] | 82 | | | - | 85 | 0.1 | 76 | 83 | 81 | 85 | |
| Total volume | 8.1 | | - | 0.3 | 8.5 | 3.7 | 1.5 | 1.4 | 9.6 | 9.9 | 2.9 |
| Beer volume | 6.5 | | - | 0.3 | 6.7 | 4.1 | 1.0 | 1.1 | 7.5 | 7.8 | 3.7 |
| Licensed & non-beer volume | 1.6 | | - | - | 1.8 | 2.2 | 0.4 | 0.2 | 2.0 | 2.0 | 1.0 |
| Third party products volume | - | | - | - | - | - | 0.1 | 0.1 | 0.1 | 0.1 | -14 |
| **Americas** | | | | | | | | | | | |
| Revenue | 1,223 | 89 | -3 | 61 | 1,371 | 5.0 | 182 | 221 | 1,405 | 1,592 | |
| Revenue per Hl (in €) [1] | 85 | | | 3 | 94 | 3.2 | 110 | 126 | 87 | 97 | |
| Total volume | 14.4 | | - | 0.2 | 14.5 | 1.2 | 1.7 | 1.8 | 16.1 | 16.3 | 2.1 |
| Beer volume | 14.0 | | - | 0.1 | 14.1 | 1.0 | 0.8 | 0.8 | 14.8 | 14.9 | 1.7 |
| Licensed & non-beer volume | 0.4 | | - | 0.1 | 0.4 | 13 | 0.9 | 1.0 | 1.3 | 1.4 | 7.4 |
| Third party products volume | - | | - | - | - | - | - | - | - | - | - |
| **Asia Pacific** | | | | | | | | | | | |
| Revenue | 490 | 92 | - | 25 | 605 | 5.1 | 100 | 114 | 590 | 719 | |
| Revenue per Hl (in €) [1] | 109 | | | -1 | 126 | -1.5 | 58 | 67 | 95 | 110 | |
| Total volume | 4.4 | | - | 0.3 | 4.8 | 6.6 | 1.7 | 1.7 | 6.1 | 6.5 | 4.4 |
| Beer volume | 4.4 | | - | 0.3 | 4.7 | 6.3 | 1.7 | 1.7 | 6.1 | 6.4 | 4.2 |
| Licensed & non-beer volume | 0.1 | | - | - | 0.1 | 38 | - | - | 0.1 | 0.1 | 38 |
| Third party products volume | -0.1 | | - | - | - | -47 | - | - | -0.1 | - | -48 |
| **Central & Eastern Europe** | | | | | | | | | | | |
| Revenue | 864 | -33 | 42 | 18 | 892 | 2.1 | 102 | 87 | 966 | 979 | |
| Revenue per Hl (in €) [1] | 65 | | | 2 | 65 | 3.2 | 72 | 77 | 66 | 66 | |
| Total volume | 13.2 | | 0.6 | -0.2 | 13.7 | -1.6 | 1.4 | 1.1 | 14.6 | 14.8 | -1.5 |
| Beer volume | 12.6 | | 0.6 | -0.2 | 13.1 | -1.7 | 1.1 | 0.8 | 13.7 | 13.9 | -1.7 |
| Licensed & non-beer volume | 0.3 | | - | - | 0.4 | 13 | 0.2 | 0.2 | 0.5 | 0.6 | 10 |
| Third party products volume | 0.3 | | - | - | 0.2 | -12 | 0.1 | 0.1 | 0.4 | 0.3 | -8.4 |

[1] Revenue per Hl calculation excludes interregional revenue

| (in mhl or €million unless otherwise stated) | Consolidated (A) | | | | | | Attributable share of joint ventures/assoc (B) | | Group (C) = A + B | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2Q14 | Currency Translation | Consolidation Impact | Organic Growth | 2Q15 | Organic Growth % | 2Q14 | 2Q15 | 2Q14 | 2Q15 | Organic Growth % |
| **Western Europe** | | | | | | | | | | | |
| Revenue | 2,131 | 60 | 3 | -27 | 2,168 | -1.3 | | | 2,131 | 2,168 | |
| Revenue per Hl (in €) [1] | 113 | | | 1 | 118 | 1.2 | | | 113 | 118 | |
| Total volume | 17.2 | | - | -0.6 | 16.6 | -3.3 | | | 17.2 | 16.6 | -3.3 |
| Beer volume | 12.4 | | - | -0.5 | 12.0 | -3.9 | | | 12.4 | 12.0 | -3.9 |
| Licensed & non-beer volume | 2.8 | | - | -0.1 | 2.5 | -3.0 | | | 2.8 | 2.5 | -3.0 |
| Third party products volume | 2.0 | | - | - | 2.1 | 0.2 | | | 2.0 | 2.1 | 0.2 |
| **Head Office & Eliminations** | | | | | | | | | | | |
| Revenue | -137 | 7 | -54 | -10 | -196 | n.a. | | | -137 | -196 | |
| **Heineken N.V.** | | | | | | | | | | | |
| Revenue | 5,236 | 242 | -12 | 92 | 5,558 | 1.8 | 494 | 540 | 5,730 | 6,098 | 1.8 |
| Revenue per Hl (in €) [1] | 91 | | | 2 | 96 | 1.8 | 79 | 90 | 90 | 95 | 1.6 |
| Total volume | 57.4 | | 0.7 | - | 58.1 | - | 6.2 | 6.0 | 63.6 | 64.1 | 0.2 |
| Beer volume | 50.0 | | 0.6 | - | 50.6 | - | 4.6 | 4.4 | 54.6 | 55.0 | 0.1 |
| Licensed & non-beer volume | 5.1 | | - | - | 5.2 | 1.2 | 1.4 | 1.4 | 6.5 | 6.6 | 1.6 |
| Third party products volume | 2.3 | | - | - | 2.3 | -1.8 | 0.2 | 0.2 | 2.5 | 2.5 | -2.0 |

[1] Revenue per Hl calculation excludes interregional revenue

## Condensed consolidated interim financial statements for the six-month period ended 30 June 2015

# CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

| *For the six-month period ended 30 June*<br>*In millions of EUR* | Note | 2015 | 2014 |
|---|---|---|---|
| **Revenue** | 5 | **9,896** | **9,274** |
| **Other income** | 5 | **398** | **20** |
| Raw materials, consumables and services | | (6,201) | (5,795) |
| Personnel expenses | | (1,660) | (1,563) |
| Amortisation, depreciation and impairments | | (735) | (699) |
| **Total expenses** | | **(8,596)** | **(8,057)** |
| **Result from operating activities** | 5 | **1,698** | **1,237** |
| Interest income | | 28 | 20 |
| Interest expenses | | (195) | (229) |
| Other net finance income/ (expenses) | | (36) | (37) |
| **Net finance expenses** | | **(203)** | **(246)** |
| Share of profit of associates and joint ventures and impairments thereof (net of income tax) | 5 | 83 | 55 |
| **Profit before income tax** | | **1,578** | **1,046** |
| Income tax expenses | | (328) | (325) |
| **Profit** | | **1,250** | **721** |
| Attributable to: | | | |
| Equity holders of the Company (net profit) | | 1,144 | 631 |
| Non-controlling interests | | 106 | 90 |
| **Profit** | | **1,250** | **721** |
| | | | |
| Weighted average number of shares – basic | 9 | 574,510,552 | 575,071,363 |
| Weighted average number of shares – diluted | 9 | 575,697,335 | 576,002,613 |
| Basic earnings per share (EUR) | | 1.99 | 1.10 |
| Diluted earnings per share (EUR) | | 1.99 | 1.10 |

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

| *For the six-month period ended 30 June*<br>*In millions of EUR* | Note | 2015 | 2014 |
|---|---|---|---|
| **Profit** | | **1,250** | **721** |
| **Other comprehensive income:** | | | |
| **Items that will not be reclassified to profit or loss:** | | | |
| Actuarial gains and losses | | (97) | (81) |
| **Items that may be subsequently reclassified to profit or loss:** | | | |
| Currency translation differences | | 613 | 203 |
| Effective portion of net investment hedges | | (17) | (5) |
| Effective portion of changes in fair value of cash flow hedges | | 40 | (16) |
| Effective portion of cash flow hedges transferred to profit or loss | | 5 | (14) |
| Net change in fair value available-for-sale investments | | 23 | (9) |
| Share of other comprehensive income of associates/joint ventures | | 8 | — |
| **Other comprehensive income, net of tax** | | **575** | **78** |
| **Total comprehensive income** | | **1,825** | **799** |
| | | | |
| Attributable to: | | | |
| Equity holders of the Company | | 1,697 | 712 |
| Non-controlling interests | | 128 | 87 |
| **Total comprehensive income** | | **1,825** | **799** |

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

| *As at* <br> *In millions of EUR* | Note | 30 June 2015 | 31 December 2014 |
|---|---|---|---|
| **Assets** | | | |
| Property, plant and equipment | | 8,950 | 8,718 |
| Intangible assets | | 16,848 | 16,341 |
| Investments in associates and joint ventures | | 1,979 | 2,033 |
| Other investments and receivables | | 863 | 737 |
| Advances to customers | | 268 | 254 |
| Deferred tax assets | | 738 | 661 |
| **Total non-current assets** | | **29,646** | **28,744** |
| Inventories | | 1,823 | 1,634 |
| Other investments | | 17 | 13 |
| Trade and other receivables | | 3,083 | 2,743 |
| Prepayments and accrued income | | 394 | 317 |
| Income tax receivables | | 28 | 23 |
| Cash and cash equivalents | | 832 | 668 |
| Assets classified as held for sale | | 116 | 688 |
| **Total current assets** | | **6,293** | **6,086** |
| **Total assets** | | **35,939** | **34,830** |
| **Equity** | | | |
| Share capital | | 922 | 922 |
| Share premium | | 2,701 | 2,701 |
| Reserves | | 36 | (427) |
| Retained earnings | | 9,858 | 9,213 |
| **Equity attributable to equity holders of the Company** | 9 | **13,517** | **12,409** |
| Non-controlling interests | | 1,000 | 1,043 |
| **Total equity** | | **14,517** | **13,452** |
| **Liabilities** | | | |
| Loans and borrowings | 10 | 9,825 | 9,499 |
| Tax liabilities | | 3 | 3 |
| Employee benefits | | 1,600 | 1,443 |
| Provisions | | 387 | 398 |
| Deferred tax liabilities | | 1,462 | 1,503 |
| **Total non-current liabilities** | | **13,277** | **12,846** |
| Bank overdrafts | 10 | 464 | 595 |
| Loans and borrowings | 10 | 1,172 | 1,671 |
| Trade and other payables | | 5,887 | 5,533 |
| Tax liabilities | | 425 | 390 |
| Provisions | | 171 | 165 |
| Liabilities classified as held for sale | | 26 | 178 |
| **Total current liabilities** | | **8,145** | **8,532** |
| **Total liabilities** | | **21,422** | **21,378** |
| **Total equity and liabilities** | | **35,939** | **34,830** |

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

| *For the six-month period ended 30 June* | | | |
|---|---|---|---|
| *In millions of EUR* | **Note** | **2015** | **2014** |
| **Operating activities** | | | |
| Profit | | 1,250 | 721 |
| Adjustments for: | | | |
| Amortisation, depreciation and impairments | | 735 | 699 |
| Net interest expenses | | 167 | 209 |
| Gain on sale of property, plant and equipment, intangible assets and subsidiaries, joint ventures and associates | | (398) | (20) |
| Investment income and share of profit and impairments of associates and joint ventures and dividend income on available-for-sale and held-for-trading investments | | (85) | (62) |
| Income tax expenses | | 328 | 325 |
| Other non-cash items | | 23 | 56 |
| **Cash flow from operations before changes** | | **2,020** | **1,928** |
| Change in inventories | | (181) | (208) |
| Change in trade and other receivables | | (495) | (644) |
| Change in trade and other payables | | 235 | 556 |
| **Total change in working capital** | | **(441)** | **(296)** |
| Change in provisions and employee benefits | | (47) | (69) |
| **Cash flow from operations** | | **1,532** | **1,563** |
| Interest paid | | (212) | (276) |
| Interest received | | 46 | 30 |
| Dividend received | | 109 | 64 |
| Income taxes paid | | (335) | (258) |
| **Cash flow related to interest, dividend and income tax** | | **(392)** | **(440)** |
| **Cash flow from operating activities** | | **1,140** | **1,123** |
| **Investing activities** | | | |
| Proceeds from sale of property, plant and equipment and intangible assets | | 35 | 46 |
| Purchase of property, plant and equipment | | (602) | (549) |
| Purchase of intangible assets | | (30) | (18) |
| Loans issued to customers and other investments | | (83) | (49) |
| Repayment on loans to customers | | 26 | 18 |
| **Cash flow (used in)/from operational investing activities** | | **(654)** | **(552)** |
| **Free operating cash flow*** | | **486** | **571** |
| Acquisition of subsidiaries, net of cash acquired | 6 | 79 | — |
| Acquisition of/additions to associates, joint ventures and other investments | | (6) | (2) |
| Disposal of subsidiaries, net of cash disposed of | | 979 | 1 |
| Disposal of associates, joint ventures and other investments | | 29 | — |
| **Cash flow (used in)/from acquisitions and disposals** | | **1,081** | **(1)** |

| *For the six-month period ended 30 June*<br>*In millions of EUR* | Note | 2015 | 2014 |
|---|---|---|---|
| **Cash flow (used in)/from investing activities** | | **427** | **(553)** |
| | | | |
| **Financing activities** | | | |
| Proceeds from loans and borrowings | | 324 | 547 |
| Repayment of loans and borrowings | | (823) | (1,042) |
| Dividends paid | | (554) | (433) |
| Purchase own shares | | (193) | — |
| Acquisition of non-controlling interests | | (22) | (134) |
| Other | | (2) | — |
| **Cash flow (used in)/from financing activities** | | **(1,270)** | **(1,062)** |
| | | | |
| **Net cash flow** | | **297** | **(492)** |
| | | | |
| Cash and cash equivalents (including bank overdrafts) as at 1 January | | 72 | 1,112 |
| Effect of movements in exchange rates | | (1) | 2 |
| **Cash and cash equivalents (including bank overdrafts) as at 30 June** | | **368** | **622** |

* Not subject to review by external auditor

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

| *In millions of EUR* | Share capital | Share Premium | Translation reserve | Hedging reserve | Fair value reserve | Other legal reserves | Reserve for own shares | Retained earnings | Equity attributable to equity holders of the Company | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 January 2015** | **922** | **2,701** | **(1,097)** | **(99)** | **96** | **743** | **(70)** | **9,213** | **12,409** | **1,043** | **13,452** |
| Profit | — | — | — | — | — | 87 | — | 1,057 | 1,144 | 106 | 1,250 |
| Other comprehensive income | — | — | 578 | 45 | 23 | — | — | (93) | 553 | 22 | 575 |
| **Total comprehensive income** | **—** | **—** | **578** | **45** | **23** | **87** | **—** | **964** | **1,697** | **128** | **1,825** |
| Transfer to retained earnings | — | — | — | — | — | (88) | — | 88 | — | — | — |
| Dividends to shareholders | — | — | — | — | — | — | — | (426) | (426) | (172) | (598) |
| Purchase/ reissuance own/ non-controlling shares | — | — | — | — | — | — | (193) | (2) | (195) | 3 | (192) |
| Own shares delivered | — | — | — | — | — | — | 21 | (21) | — | — | — |
| Share-based payments | — | — | — | — | — | — | — | 16 | 16 | (1) | 15 |
| Acquisition of non-controlling interests without a change in control | — | — | — | — | — | — | — | 2 | 2 | (1) | 1 |
| Changes in consolidation | — | — | 14 | (17) | — | (7) | — | 24 | 14 | — | 14 |
| **Balance as at 30 June 2015** | **922** | **2,701** | **(505)** | **(71)** | **119** | **735** | **(242)** | **9,858** | **13,517** | **1,000** | **14,517** |

| *In millions of EUR* | Share capital | Share Premium | Translation reserve | Hedging reserve | Fair value reserve | Other legal reserves | Reserve for own shares | Retained earnings | Equity attributable to equity holders of the Company | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 January 2014** | **922** | **2,701** | **(1,721)** | **2** | **97** | **805** | **(41)** | **8,637** | **11,402** | **954** | **12,356** |
| Profit | — | — | — | — | — | 78 | — | 553 | 631 | 90 | 721 |
| Other comprehensive income | — | — | 201 | (30) | (9) | — | — | (81) | 81 | (3) | 78 |
| **Total comprehensive income** | **—** | **—** | **201** | **(30)** | **(9)** | **78** | **—** | **472** | **712** | **87** | **799** |
| Transfer to retained earnings | — | — | — | — | — | (104) | — | 104 | — | — | — |
| Dividends to shareholders | — | — | — | — | — | — | — | (305) | (305) | (152) | (457) |
| Purchase/ reissuance own/ non-controlling shares | — | — | — | — | — | — | — | — | — | 4 | 4 |
| Own shares delivered | — | — | — | — | — | — | 3 | (3) | — | — | — |
| Share-based payments | — | — | — | — | — | — | — | 4 | 4 | — | 4 |
| Acquisition of non-controlling interests without a change in control | — | — | — | — | — | — | — | (155) | (155) | 21 | (134) |
| **Balance as at 30 June 2014** | **922** | **2,701** | **(1,520)** | **(28)** | **88** | **779** | **(38)** | **8,754** | **11,658** | **914** | **12,572** |

## Notes to the condensed consolidated interim financial statements

### 1. REPORTING ENTITY

Heineken N.V. (the 'Company') is a company domiciled in the Netherlands. The condensed consolidated interim financial statements of the Company as at and for the six-month period ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as 'HEINEKEN') and HEINEKEN's interest in jointly controlled entities and associates.

The consolidated financial statements of HEINEKEN as at and for the year ended 31 December 2014 are available upon request from the Company's registered office at Tweede Weteringplantsoen 21, Amsterdam or at www.theheinekencompany.com.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of HEINEKEN as at and for the year ended 31 December 2014.

These condensed consolidated interim financial statements were approved by the Executive Board of the Company on 31 July 2015. Deloitte Accountants B.V. has reviewed the condensed consolidated interim financial statements. Their report is included on page 44.

#### (b) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest million unless stated otherwise.

#### (c) Use of estimates and judgements

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying HEINEKEN's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### (a) General

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in HEINEKEN's consolidated financial statements as at and for the year ended 31 December 2014.

### (b) Income tax

Income tax expenses are recognised based on management's best estimate of the weighted average expected full year income tax rate per country.

## 4. SEASONALITY

The performance of HEINEKEN is subject to seasonal fluctuations as a result of weather conditions. HEINEKEN's full year results and volumes are dependent on the performance in the peak-selling seasons (May through to August and December), typically resulting in higher revenue and profitability in the second half year. The impact from this seasonality is also noticeable in several working capital related items such as inventory, trade receivables and payables.

## 5. OPERATING SEGMENTS

### For the six-month period ended 30 June 2015 and 30 June 2014

| | Western Europe | | Central and Eastern Europe | | The Americas | | Africa and the Middle East | | Asia Pacific | | Head Office & Other/Eliminations | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *In millions of EUR* | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| **Revenue** | | | | | | | | | | | | | | |
| Third party revenue | 3,335 | 3,297 | 1,414 | 1,418 | 2,520 | 2,209 | 1,382 | 1,293 | 1,171 | 931 | 74 | 126 | 9,896 | 9,274 |
| Interregional revenue | 389 | 353 | 14 | 9 | 2 | 4 | — | — | 1 | 1 | (406) | (367) | — | — |
| **Total revenue** | **3,724** | **3,650** | **1,428** | **1,427** | **2,522** | **2,213** | **1,382** | **1,293** | **1,172** | **932** | **(332)** | **(241)** | **9,896** | **9,274** |
| Other income | 6 | 8 | 9 | 4 | 4 | 3 | — | 5 | — | — | 379 | — | 398 | 20 |
| **Result from operating activities** | **346** | **310** | **134** | **102** | **369** | **336** | **289** | **315** | **218** | **163** | **342** | **11** | **1,698** | **1,237** |
| Net finance expenses | | | | | | | | | | | | | (203) | (246) |
| Share of profit of associates and joint ventures and impairments thereof | 1 | (1) | 5 | 6 | 36 | 30 | 25 | 6 | 16 | 14 | — | — | 83 | 55 |
| Income tax expenses | | | | | | | | | | | | | (328) | (325) |
| **Profit** | | | | | | | | | | | | | **1,250** | **721** |
| **EBIT reconciliation** | | | | | | | | | | | | | | |
| EBIT[1] | 347 | 309 | 139 | 108 | 405 | 366 | 314 | 321 | 234 | 177 | 342 | 11 | 1,781 | 1,292 |
| Eia[1] | 26 | 62 | 7 | 14 | 44 | 40 | 25 | 23 | 86 | 73 | (335) | 7 | (147) | 219 |
| **EBIT (beia)** [1] | **373** | **371** | **146** | **122** | **449** | **406** | **339** | **344** | **320** | **250** | **7** | **18** | **1,634** | **1,511** |
| **As at 30 June 2015 and 31 December 2014** | | | | | | | | | | | | | | |
| **Total segment assets** | **10,523** | **9,862** | **4,340** | **4,213** | **7,977** | **7,842** | **4,009** | **3,942** | **8,458** | **8,254** | **(125)** | **43** | **35,182** | **34,156** |
| Unallocated assets | | | | | | | | | | | | | 757 | 674 |
| **Total assets** | | | | | | | | | | | | | **35,939** | **34,830** |

[1] For definitions see 'Glossary'. Note that these are non-GAAP measures and therefore not subject to review by external auditor. For further detail please refer to note 8.

## 6. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS

### Announced acquisition of Pivovarna Laško

On 13 April 2015, HEINEKEN announced that a binding agreement was signed to acquire a 51.11 per cent direct stake in Pivovarna Laško d.d. The acquisition is expected to close in the second half of 2015 and is subject to customary regulatory approvals. It will be followed by a mandatory takeover offer extended to all remaining shareholders.

### Accounting for the acquisition of Zagorka

The dividend received in 2015 from Brewmaster Holdings in relation to the acquisition of Zagorka AD in 2014 is presented in the cash flow from investing activities in the cash flow statement.

### Acquisitions of non-controlling interests

There were no individually material acquisitions of non-controlling interests during the period ended 30 June 2015.

### Disposals

### Disposal of EMPAQUE

On 18 February 2015, HEINEKEN sold its 100 per cent stake in EMPAQUE to Crown Holdings Inc. for an enterprise value of USD1,225 million. A post tax EUR379 million book gain on the disposal was recorded in other income.

## 7. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### Financial risk management

The aspects of the Company's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2014.

### Carrying amount versus fair value

The carrying amount of financial assets and liabilities shown in the statement of financial position and their fair values are as follows:

| *As at* | 30 June 2015 | | 31 December 2014 | |
|---|---|---|---|---|
| *In millions of EUR* | Carrying amount | Fair value | Carrying amount | Fair value |
| Bank loans | (574) | (574) | (540) | (540) |
| Unsecured bond issues | (8,527) | (8,877) | (8,769) | (9,296) |
| Finance lease liabilities | (14) | (14) | (15) | (15) |
| Other interest-bearing liabilities | (1,252) | (1,252) | (1,275) | (1,275) |

For all other financial instruments carrying amount is a reasonable approximation of fair value.

## Fair value hierarchy

The tables below present the financial instruments accounted for or disclosed at fair value by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

*As at 30 June 2015*

| *In millions of EUR* | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Available-for-sale investments | 130 | 86 | 74 | 290 |
| Non-current derivative assets | — | 192 | — | 192 |
| Current derivative assets | — | 56 | — | 56 |
| Investments held for trading | 17 | — | — | 17 |
| | **147** | **334** | **74** | **555** |
| Non-current derivative liabilities | — | (20) | — | (20) |
| Loans and borrowings | (8,877) | (1,840) | — | (10,717) |
| Current derivative liabilities | — | (112) | — | (112) |
| | **(8,877)** | **(1,972)** | **—** | **(10,849)** |

*As at 31 December 2014*

| *In millions of EUR* | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Available-for-sale investments | 99 | 86 | 68 | 253 |
| Non-current derivative assets | — | 97 | — | 97 |
| Current derivative assets | — | 122 | — | 122 |
| Investments held for trading | 13 | — | — | 13 |
| | **112** | **305** | **68** | **485** |
| Non-current derivative liabilities | — | (8) | — | (8) |
| Loans and borrowings | (9,296) | (1,829) | — | (11,125) |
| Current derivative liabilities | — | (104) | — | (104) |
| | **(9,296)** | **(1,941)** | **—** | **(11,237)** |

There were no transfers between level 1 and level 2 of the fair value hierarchy during the six-month period ended 30 June 2015.

## Level 2

HEINEKEN determines level 2 fair values for over-the-counter securities based on broker quotes. The fair values of simple over-the-counter derivative financial instruments are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where available.

The fair value of derivatives is calculated as the present value of the estimated future cash flows based on observable interest yield curves, basis spread and foreign exchange rates. These calculations are tested for reasonableness by comparing the outcome of the internal valuation with the valuation received from the counterparty. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of HEINEKEN and counterparty when appropriate.

**Level 3**

Details of the determination of level 3 fair value measurements are set out below.

| *As at* | 30 June 2015 | 31 December 2014 |
|---|---|---|
| **Available-for-sale-investments based on level 3** | | |
| **Balance as at 1 January** | **68** | **59** |
| Fair value adjustments recognised in other comprehensive income | 6 | 10 |
| Disposals | — | (1) |
| Transfers | — | — |
| **Balance as at end of period** | **74** | **68** |

The fair values for the level 3 available-for-sale investments are based on the financial performance of the investments and the market multiples of comparable equity securities.

## 8. NON-GAAP MEASURES

In the internal management reports HEINEKEN measures its performance primarily based on EBIT and EBIT beia (before exceptional items and amortisation of acquisition-related intangible assets). Both are non-GAAP measures not calculated in accordance with IFRS. Exceptional items are defined as items of income and expense of such size, nature or incidence, that in the view of management their disclosure is relevant to explain the performance of HEINEKEN for the period. Beia adjustments are also applied on operating profit and net profit metrics.

The table below presents the relationship between IFRS measures, being results from operating activities and net profit, and HEINEKEN non-GAAP measures, being EBIT, EBIT (beia), Consolidated operating profit (beia), Group operating profit (beia) and Net profit (beia), for the six-month period ended 30 June.

| *In millions of EUR* | 2015* | 2014* |
|---|---|---|
| **Result from operating activities (or consolidated operating profit)** | **1,698** | **1,237** |
| Share of profit of associates and joint ventures and impairments thereof (net of income tax) | 83 | 55 |
| **EBIT** | **1,781** | **1,292** |
| Exceptional items and amortisation of acquisition-related intangible assets included in EBIT | (147) | 219 |
| **EBIT (beia)** | **1,634** | **1,511** |
| Share of profit of associates and joint ventures and impairments thereof (beia) (net of income tax) | (85) | (57) |
| **Consolidated operating profit (beia)** | **1,549** | **1,454** |
| Attributable share of operating profit from joint ventures and associates and impairments thereof | 141 | 106 |
| **Group operating profit (beia)** | **1,690** | **1,560** |
| | | |
| **Profit attributable to equity holders of the Company (net profit)** | **1,144** | **631** |
| Exceptional items and amortisation of acquisition-related intangible assets included in EBIT | (147) | 219 |
| Exceptional items included in finance costs | — | (1) |
| Exceptional items included in income tax expense | (62) | (55) |
| Exceptional items included in non-controlling interest | (20) | (22) |
| **Net profit (beia)** | **915** | **772** |

* Not subject to review by external auditor

Exceptional items and amortisation of acquisition-related intangible assets for the six-month period ended 30 June 2015 on EBIT level amounted to a gain of EUR147 million (six-month period ended 30 June 2014: loss of EUR219 million), mainly relating to the EMPAQUE gain on sale of EUR379 million, restructuring expenses at head office of EUR45 million and amortisation of acquisition-related intangible assets amounting to EUR150 million (six-month period ended 30 June 2014: EUR144 million). In addition, exceptional items for the six-month period ended 30 June 2015 on EBIT level include an asset write-down in Rwanda of EUR10 million.

The exceptional items in tax mainly relate to the tax impact of exceptional items in EBIT.

## Reconciliation of reported to consolidated (beia) financial measures

| | For the six-month period ended 30 June 2015 | | | |
|---|---|---|---|---|
| | | EIA* | | |
| *In millions of EUR, except per share data* | Reported | Amortisation of acquisition-related intangible assets | Exceptional items | (beia)* |
| Result from operating activities | 1,698 | 148 | (297) | 1,549 |
| Attributable share of net profit from associates and joint ventures | 83 | 2 | — | 85 |
| **EBIT** | **1,781** | **150** | **(297)** | **1,634** |
| Net profit | 1,144 | 98 | (327) | 915 |
| Diluted EPS (EUR) | 1.99 | 0.17 | (0.57) | 1.59 |

* Not subject to review by external auditor

| | For the six-month period ended 30 June 2014 | | | |
|---|---|---|---|---|
| | | EIA* | | |
| *In millions of EUR, except per share data* | Reported | Amortisation of acquisition-related intangible assets | Exceptional items | (beia)* |
| Result from operating activities | 1,237 | 142 | 75 | 1,454 |
| Attributable share of net profit from associates and joint ventures | 55 | 2 | — | 57 |
| **EBIT** | **1,292** | **144** | **75** | **1,511** |
| Net profit | 631 | 108 | 33 | 772 |
| Diluted EPS (EUR) | 1.10 | 0.19 | 0.05 | 1.34 |

* Not subject to review by external auditor

## 9. EQUITY

### Reserves

The reserves consist of translation reserve, hedging reserve, fair value reserve, other legal reserve and reserve for own shares. The main variance in comparison to prior year is driven by foreign currency translation in translation reserve.

### Weighted average number of shares

| *For the six-month period ended 30 June*<br>*In shares* | 2015 | 2014 |
|---|---|---|
| Weighted average number of shares - basic | 574,510,552 | 575,071,363 |
| Effect of shares to be delivered under the Long-Term Variable award plan | 1,186,783 | 931,250 |
| Weighted average number of shares - diluted | 575,697,335 | 576,002,613 |

### Treasury shares

Following the completion of the divestment of EMPAQUE, HEINEKEN announced to deploy a share buyback programme. During the six-month period ended 30 June 2015, HEINEKEN purchased 2,504,494 shares for a total consideration of EUR174 million. These shares have not been cancelled.

### Dividends

The following dividends were declared and paid by HEINEKEN:

| *For the six-month period ended 30 June*<br>*In millions of EUR* | 2015 | 2014 |
|---|---|---|
| Prior year final dividend declared and paid in 2015 EUR0.74 (2014: EUR0.53) | 426 | 305 |

After the balance sheet date the Executive Board announced the following interim dividend that has not been provided for:

| *In millions of EUR* | 2015 | 2014 |
|---|---|---|
| EUR0.44 per qualifying ordinary share (2014: EUR0.36) | 253 | 207 |

## 10. NET INTEREST-BEARING DEBT POSITION

| *In millions of EUR* | 30 June 2015 | 31 December 2014 |
|---|---|---|
| Non-current interest-bearing liabilities | 9,804 | 9,491 |
| Current portion of non-current interest-bearing liabilities | 563 | 1,107 |
| Deposits from third parties (mainly employee loans) | 609 | 564 |
| | **10,976** | **11,162** |
| Bank overdrafts | 464 | 595 |
| | **11,440** | **11,757** |
| Cash, cash equivalents and current other investments | (849) | (681) |
| **Net interest-bearing debt position** | **10,591** | **11,076** |

### New financing

HEINEKEN has launched a EUR1.0 billion Euro Commercial Paper programme to facilitate its cash management operations and to further diversify its funding sources. EUR218 million was in issue as per 30 June 2015.

### Financing headroom*

As at 30 June 2015, the committed financing headroom including cash balances available at Group level was approximately EUR2.5 billion.

### Incurrence covenant*

HEINEKEN has an incurrence covenant in some of its financing facilities. This incurrence covenant is calculated by dividing net debt by EBITDA (beia) (both based on proportional consolidation of joint ventures and including acquisitions and excluding disposals on a 12-month pro-forma basis). As at 30 June 2015 this ratio was 2.3 (as at 30 June 2014: 2.5). If the ratio would be beyond a level of 3.5, the incurrence covenant would prevent HEINEKEN from conducting further significant debt financed acquisitions.

* Not subject to review by external auditor

## 11. CONTINGENCIES

### Brazil

As part of the acquisition of the beer operations of FEMSA in 2010, HEINEKEN inherited existing legal proceedings with labour unions, tax authorities and other parties of its, now wholly-owned, subsidiaries Cervejarias Kaiser Brasil and Cervejarias Kaiser Nordeste (jointly, Heineken Brasil). The proceedings have arisen in the ordinary course of business and are common to the current economic and legal environment of Brazil. The proceedings have partly been provided for. The contingent amount being claimed against Heineken Brasil resulting from such proceedings as at 30 June 2015 is EUR591 million. Such contingencies were classified by legal counsel as less than probable but more than remote of being settled against Heineken Brasil. However, HEINEKEN believes that the ultimate resolution of such legal proceedings will not have a material adverse effect on its consolidated financial position or result of operations. HEINEKEN does not expect any significant liability to arise from these contingencies. A significant part of the aforementioned contingencies (EUR321 million) is tax-related and qualifies for indemnification by FEMSA.

As is customary in Brazil, Heineken Brasil has been requested by the tax authorities to collateralise tax contingencies currently in litigation amounting to EUR393 million by either pledging fixed assets or entering into available lines of credit which cover such contingencies.

No other material updates in comparison with 2014 year-end reporting were identified that need to be reported.

## 12. RELATED PARTY TRANSACTIONS

HEINEKEN has related party relationships with its shareholders, associates and joint ventures, pension funds, employees and key management. Transactions with shareholders, associates and joint ventures are conducted on terms comparable to transactions with third parties.

The related party transactions in the first six-month period ended 30 June 2015 do not significantly deviate from the transactions as reflected in the financial statements as at and for the year ended 31 December 2014.

## 13. SUBSEQUENT EVENTS

### Increase in stake of joint venture

On 7 July 2015, HEINEKEN acquired a 3.2 per cent stake in United Breweries Limited from United Spirits Limited for Rs 872 crore (approximately EUR125 million), increasing the total shareholding to 42.1 per cent.

### Disposal of wholesale operations in Poland

On 23 July 2015, Group Żywiec signed with Orbico Group a conditional agreement upon which Orbico Group will purchase 80 per cent of the shares in Distribev Sp. z o.o. The enterprise value for an 80 per cent stake amounted to PLN96 million (EUR23 million), and is subject to customary price adjustments. Closing is subject to regulatory approval and is expected in the second half of this year.

### Restructuring of South African and Namibian operations

On 27 July 2015, HEINEKEN announced that along with Diageo plc and The Ohlthaver & List (O&L) Group of Companies, the majority shareholder of Namibia Breweries Limited ('NBL'), that they have agreed to restructure their respective joint venture operations in South Africa and Namibia. The agreement will result in HEINEKEN, Diageo and NBL closing their distribution joint venture, brandhouse Beverages (Pty) Ltd. HEINEKEN will pay a total net cash consideration of c.ZAR1.9 billion (c. EUR136 million) to Diageo. Completion of the transaction is expected in the fourth quarter of 2015 and is subject to customary regulatory approvals.

# STATEMENT OF THE EXECUTIVE BOARD

Statement ex Article 5:25d Paragraph 2 sub c Financial Markets Supervision Act ("Wet op het financieel toezicht").

To our knowledge:

1. The condensed consolidated interim financial statements for the six-month period ended 30 June 2015, which have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, give a true and fair view of the assets, liabilities, financial position, and profit of Heineken N.V. and the undertakings included in the consolidation as a whole;
2. The management report of the Executive Board for the six-month period ended 30 June 2015 (as set out on pages 6-23 of this press release) includes a fair review of the information required pursuant to article 5:25d paragraphs 8 and 9 of the Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

**Executive Board**

Jean-François van Boxmeer (Chairman/CEO)
Laurence Debroux (CFO)
Amsterdam, 31 July 2015

# REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To: the Executive Board and Supervisory Board of Heineken N.V.

## Introduction

We have reviewed the accompanying condensed consolidated interim financial statements as at 30 June 2015 of Heineken N.V., Amsterdam, which comprises the condensed consolidated interim statement of financial position as at 30 June 2015, the condensed consolidated interim income statement and the condensed consolidated interim statements of comprehensive income, changes in equity, and cash flows for the period of six months ended 30 June 2015, and the notes (the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these interim financial statements based on our review.

## Scope

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements as at 30 June 2015 are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amsterdam, 31 July 2015

Deloitte Accountants B.V.

J. Dalhuisen

# GLOSSARY

**Acquisition-related intangible assets**

Acquisition-related intangible assets are assets that HEINEKEN only recognises as part of a purchase price allocation following an acquisition. This includes amongst others brands, customer-related and certain contract-based intangibles.

**Beia**

Before exceptional items and amortisation of acquisition-related intangible assets.

**Cash conversion ratio**

Free operating cash flow/net profit (beia) before deduction of non-controlling interests.

**Depletions**

Sales by distributors to the retail trade.

**Dividend payout**

Proposed dividend as percentage of net profit (beia).

**Earnings per share**

*Basic*
Net profit divided by the weighted average number of shares - basic - during the year.

*Diluted*
Net profit divided by the weighted average number of shares - diluted - during the year.

**EBIT**

Earnings before interest, taxes and net finance expenses. EBIT includes HEINEKEN's share in net profit of joint ventures and associates.

**EBITDA**

Earnings before interest, taxes, net finance expenses, depreciation and amortisation. EBITDA includes HEINEKEN's share in net profit of joint ventures and associates.

**Effective tax rate**

Income tax expenses expressed as a percentage of the profit before income tax, adjusted for share of profit of associates and joint ventures and impairments thereof (net of income tax).

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Office address - Tweede Weteringplantsoen 21 - 1017 ZD Amsterdam
Heineken N.V. - Registered Office at Amsterdam - Trade Register Amsterdam No. 33011433

**Eia**

Exceptional items and amortisation of acquisition-related intangible assets.

**Free operating cash flow**

This represents the total of cash flow from operating activities, and cash flow from operational investing activities.

**Innovation rate**

The innovation rate is calculated as revenues generated from innovations (introduced in the past 40 quarters for a new category, 20 quarters for a new brand and 12 quarters for all other innovations, excluding packaging renovations) divided by total revenue.

**Net debt**

Non-current and current interest-bearing loans and borrowings and bank overdrafts less investments held for trading and cash.

**Net debt/EBITDA (beia) ratio**

The ratio is based on a 12 month rolling calculation for EBITDA (beia).

**Net profit**

Profit after deduction of non-controlling interests (profit attributable to equity holders of the Company).

**Organic growth**

Organic growth excludes the impact of foreign currency translation, consolidation changes, accounting policy changes, exceptional items and amortisation of acquisition-related intangible assets.

**Organic volume growth**

Growth in volume, excluding the effect of consolidation changes.

**Operating profit**

*Consolidated operating profit*
Result from operating activities.

*Group operating profit (beia)*
Consolidated operating profit (beia) plus attributable share of operating profit (beia) from joint ventures and associates.

**Profit**

Total profit of the Group before deduction of non-controlling interests.

**®**

All brand names mentioned in this report, including those brand names not marked by an ®, represent registered trademarks and are legally protected.

**Region**

A region is defined as HEINEKEN's managerial classification of countries into geographical units.

**Revenue**

*Consolidated revenue*
Net realised sales proceeds.

*Group revenue (beia)*
Consolidated revenue plus attributable share of revenue from joint ventures and associates.

**Volume**

*Consolidated beer volume*
100 per cent of beer volume produced and sold by consolidated companies.

*Group beer volume*
Consolidated beer volume plus attributable share of beer volume from joint ventures and associates.

*Group total volume*
Total consolidated volume plus attributable share of volume from joint ventures and associates.

*Heineken® volume*
100 per cent of beer volume sold of the Heineken® brand by consolidated companies, joint ventures and associates and produced and sold under license by third parties.

*Heineken® volume in premium segment*
Heineken® volume excluding Heineken® volume in the Netherlands.

*Licensed beer & non-beer volume*
Cider, soft drink and non-beer volume sold in consolidated companies, joint ventures and associates, as well as HEINEKEN's brands produced and sold under license by third parties.

*Third party products volume*

Volume of third party products sold through consolidated companies, joint ventures and associates.

*Total consolidated volume*

100 per cent of volume produced and sold by 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.

**Weighted average number of shares**

*Basic*

Weighted average number of outstanding shares.

*Diluted*

Weighted average number of outstanding shares and the expected shares to be delivered under the Long-Term Variable award plan.