

# Jean-François van Booxmeer

Chairman of the Executive Board/CEO

## 2014 Annual General Meeting of Shareholders Heineken N.V.

Amsterdam, 24 April 2014

# Disclaimer

This presentation 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 foreign exchange fluctuations, change in tax rates, changes in law, changes 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.

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Market share estimates contained in this presentation are based on outside sources such as specialised research institutes in combination with management estimates.

# 2013 Financial Highlights

(Mhl/€m)	2013	Total Change (%)	Organic Change (%)
Group revenue	21,255	+1.3	+0.1
Group operating profit (beia)	3,192	+2.8	+0.6
Net profit (beia)	1,585	-4.6	-2.0
Net profit	1,364	-53	
Diluted EPS (beia) in €	2.75	-4.8	
Free operating cash flow	1,518	+2.3	
Dividend €	0.89	-	

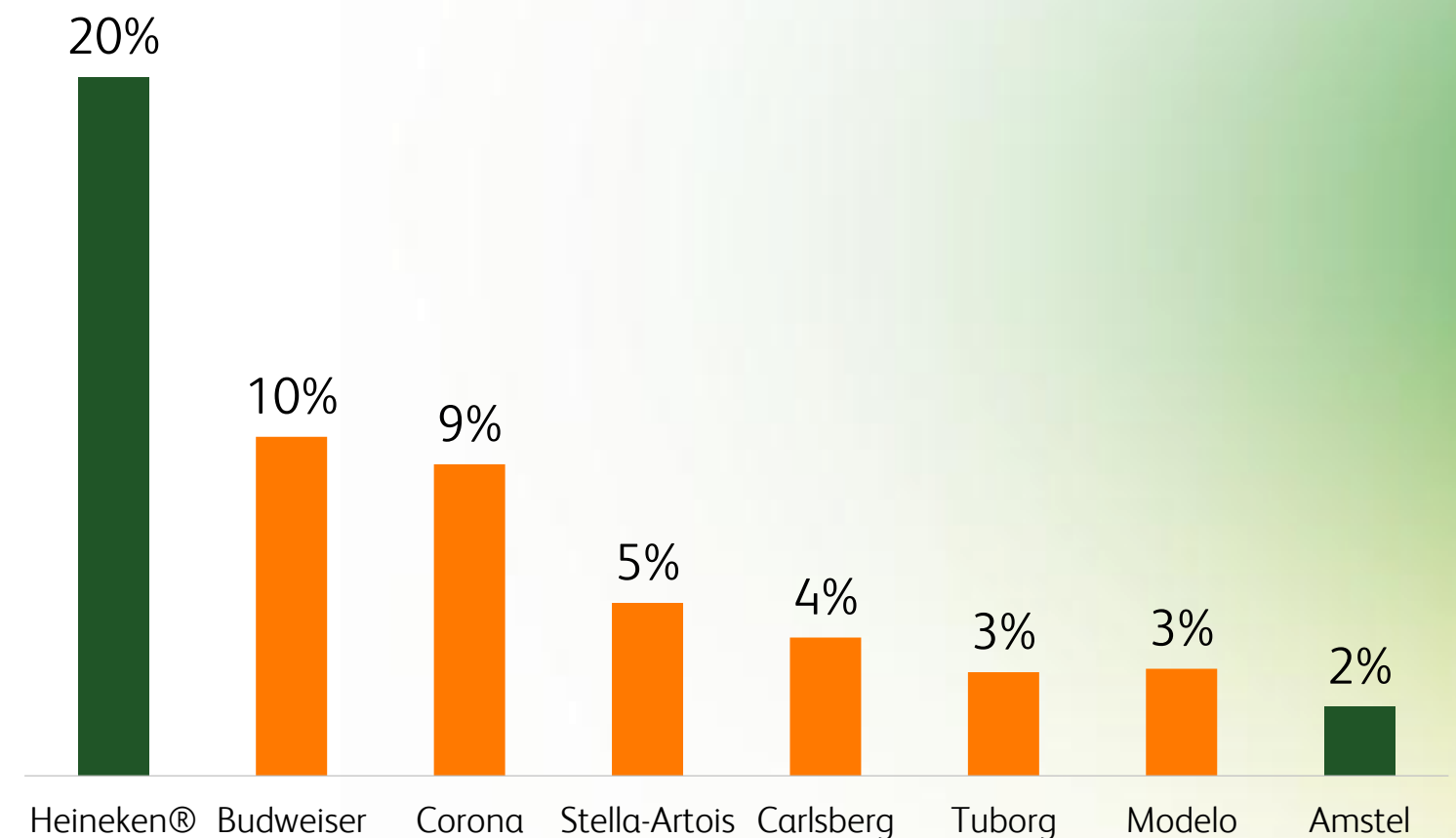
# Regional Overview

2013 Consolidated Results <small>Organic growth %</small>					
	AFRICA MIDDLE EAST	AMERICAS	ASIA PACIFIC	CENTRAL & EASTERN EUROPE	WESTERN EUROPE
Beer volume	–	–2.1	+3.2	–6.4	–4.1
Revenue	+1.5	+1.7	+5.3	–2.1	–2.2
Operating profit (beia)	+2.7	+5.3	+3.4	–13	–4.7

# Heineken<sup>®</sup>: Clear leadership in the international premium segment

- Heineken<sup>®</sup> volume in premium segment -1.8%
- Strong performances in developing markets
- Heineken<sup>®</sup> volume brand leadership in France
- Surpassed 1mhl of Heineken<sup>®</sup> volume in China
- The SUB<sup>®</sup> launched in France and Italy
- 'Open Your World' campaign driving brand equity

Heineken<sup>®</sup> share of IPS<sup>1</sup> (2013)



# THE ODYSSEY

## CAMPAIGN



# Innovation contributed €1.1bn revenues in 2013

RADLER  
BEERS



PRIORITY  
BRANDS



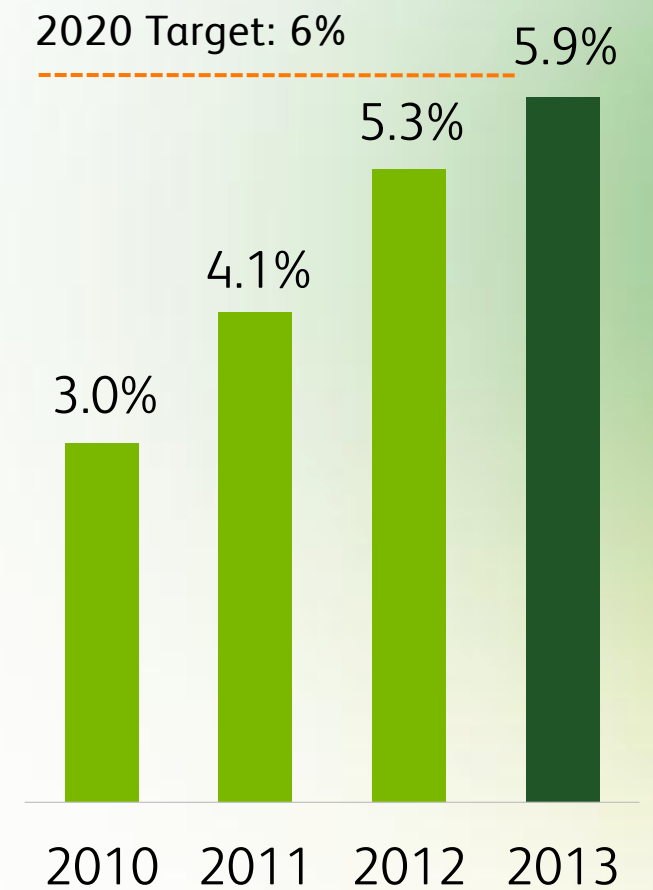
NEW CIDER  
FLAVOURS



DRAUGHT  
BEER  
SYSTEMS

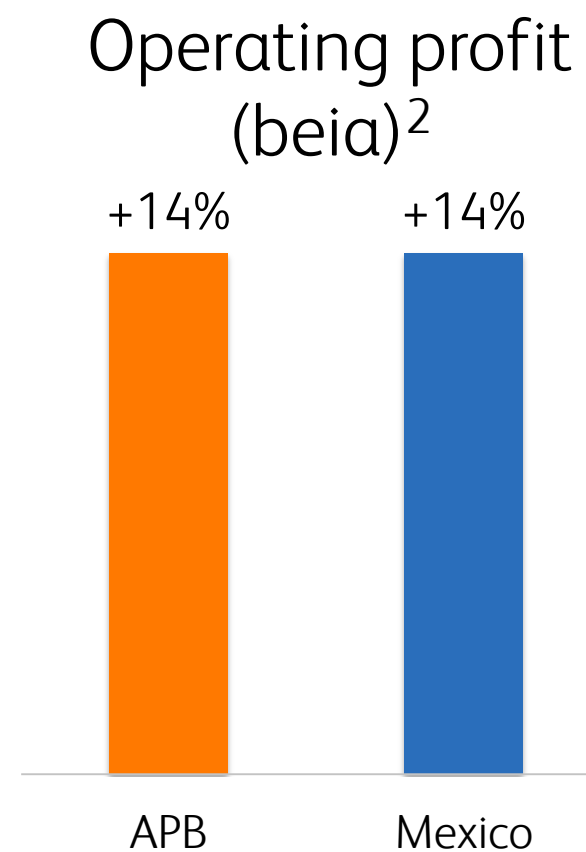
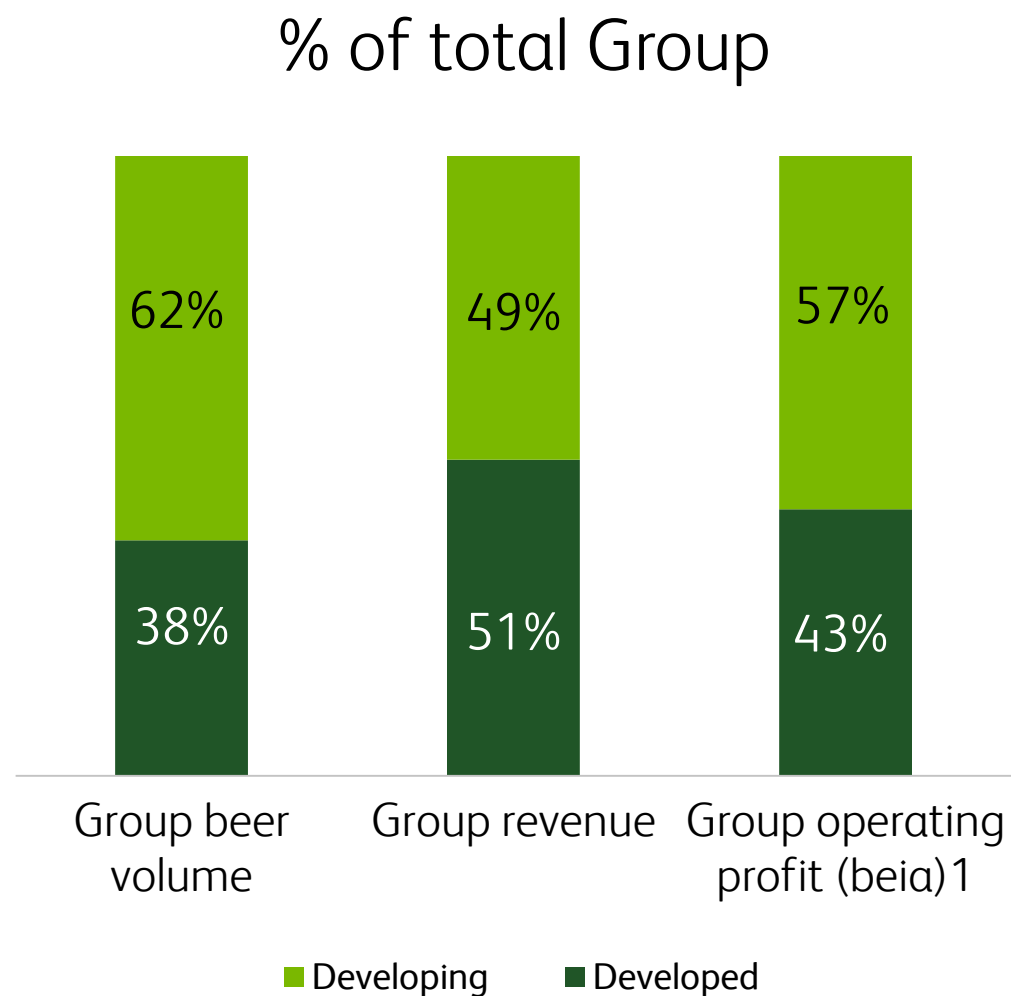


Innovation Rate<sup>1</sup>



# Strong access to exciting, faster growing regions

APB and Mexico delivered impressive profit growth in 2013



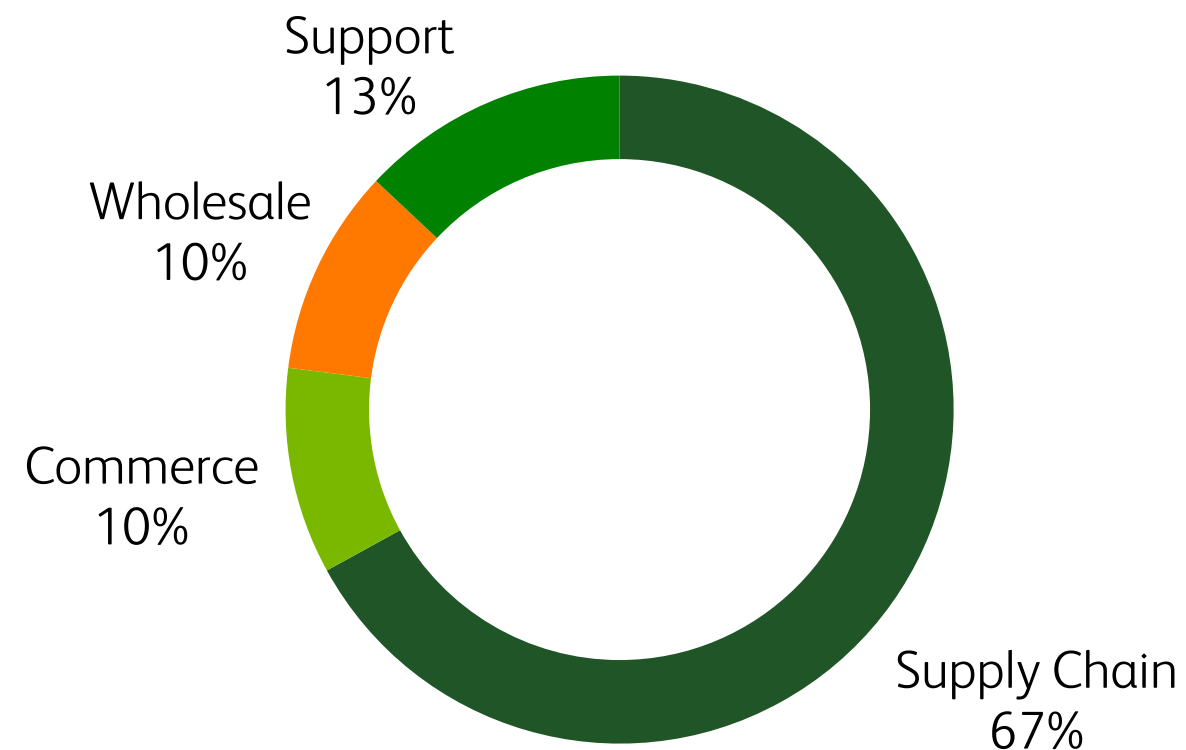


# Accelerating cost efficiencies

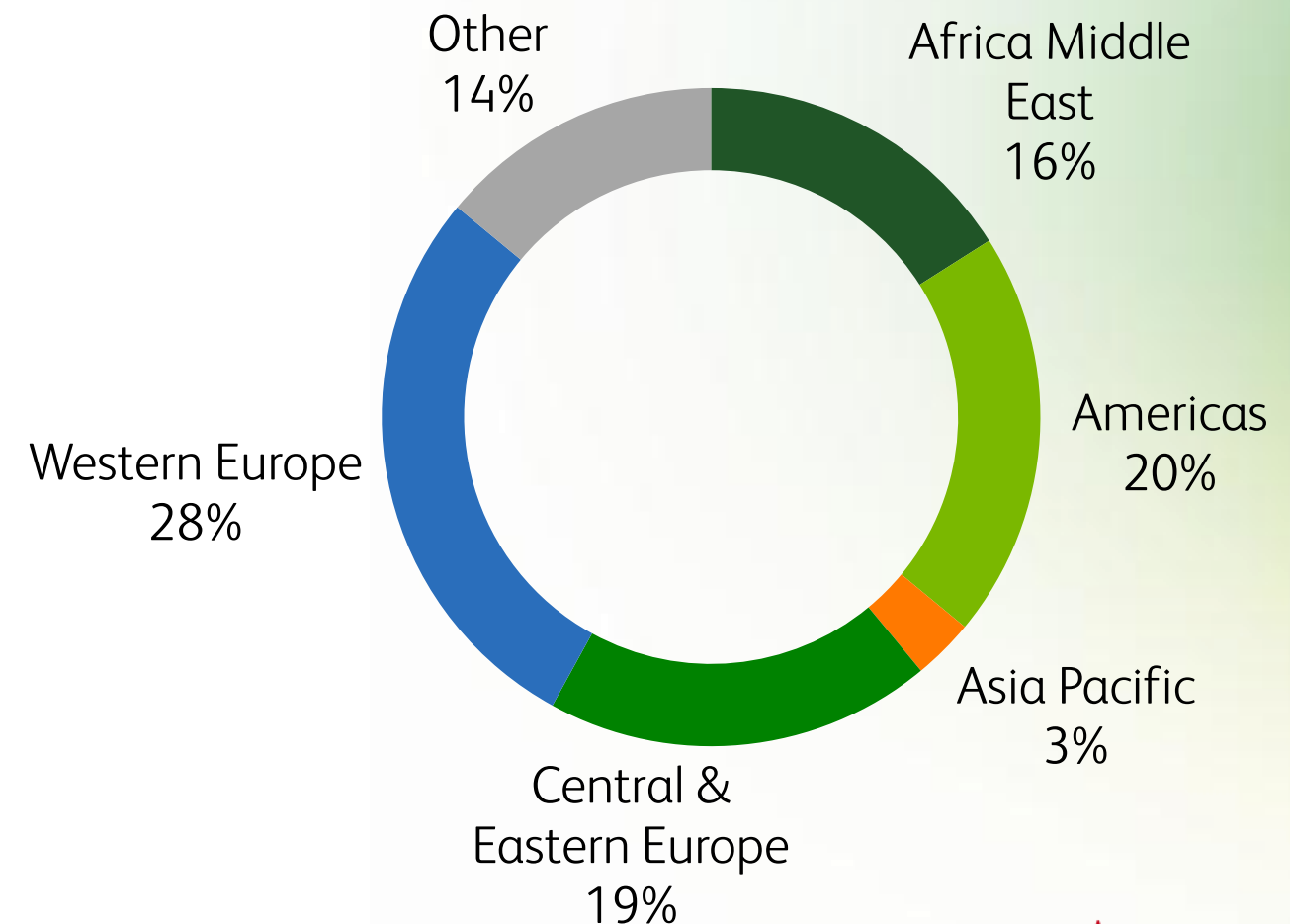
Cumulative TCM2 savings of €496m; Targeting €625m by end-2014

## TCM2: Breakdown of €496m savings (2012-2013)

FUNCTIONAL SPLIT



REGIONAL SPLIT



# Progress on sustainability in 2013

Delivering against our 2020 commitments



## PROTECTING WATER RESOURCES

- Water consumption decreased to 4.1 hl/hl (-20% versus 2008)
- Source Water Protection Plan introduced in 10 production units in water-stressed areas



## REDUCING CO<sub>2</sub> EMISSIONS

- Production: CO<sub>2</sub> emissions reduced by 8% since 2012 and by 26% versus 2008
- Fridges: 99% of 116,000 fridges purchased were 'green'. Average reduction CO<sub>2</sub>: 40% versus 2010
- Distribution: 21 operations (out of 23 in scope) have validated results, 14 performed better than plan



## SOURCING SUSTAINABLY

- Sustainable sourcing of barley, hops and apples – procedures rolled out with key suppliers
- Africa local sourcing:
  - Increased to 46% (target: 60% by 2020)
  - 3 new Public-Private Partnership projects in Ethiopia, Rwanda and Sierra Leone
- >42,000 suppliers now signed Supplier Code (by end 2013)



## ADVOCATING RESPONSIBLE CONSUMPTION

- 36 markets have established local partnerships aimed at reducing alcohol-related harm
- KPIs being developed and implemented to measure global alcohol commitments
- On track to have 10% of media spend on Heineken® allocated towards responsible consumption campaigns

# DANCE MORE, DRINK SLOW

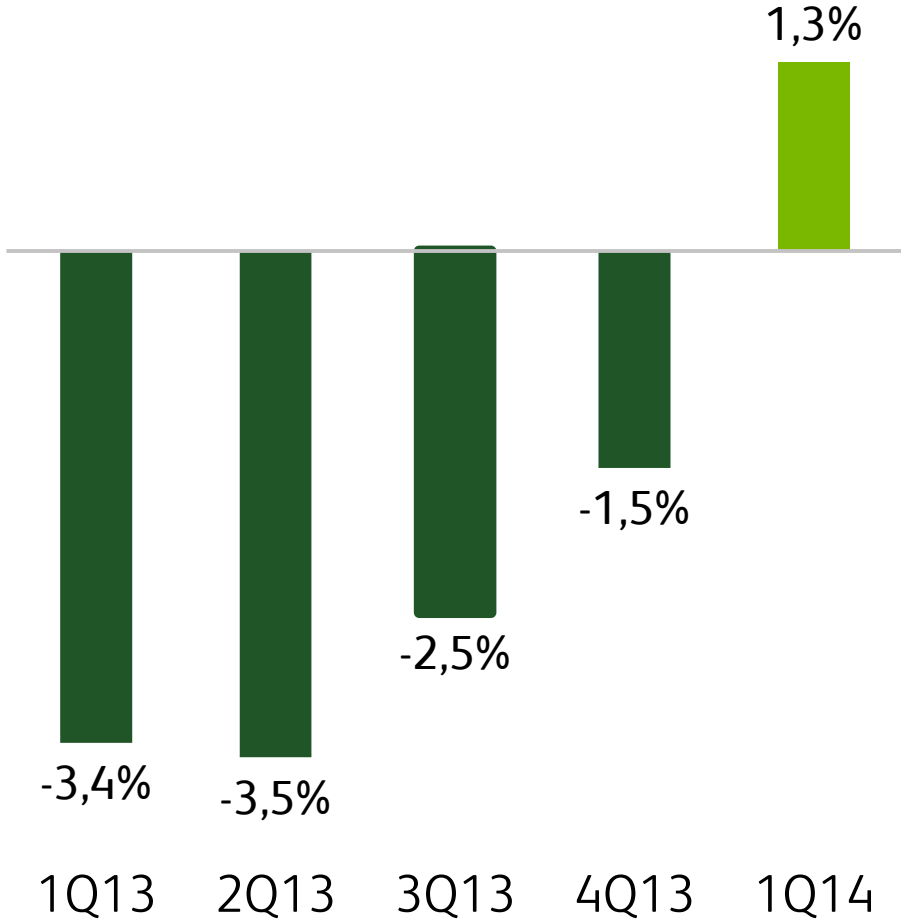
## CAMPAIGN



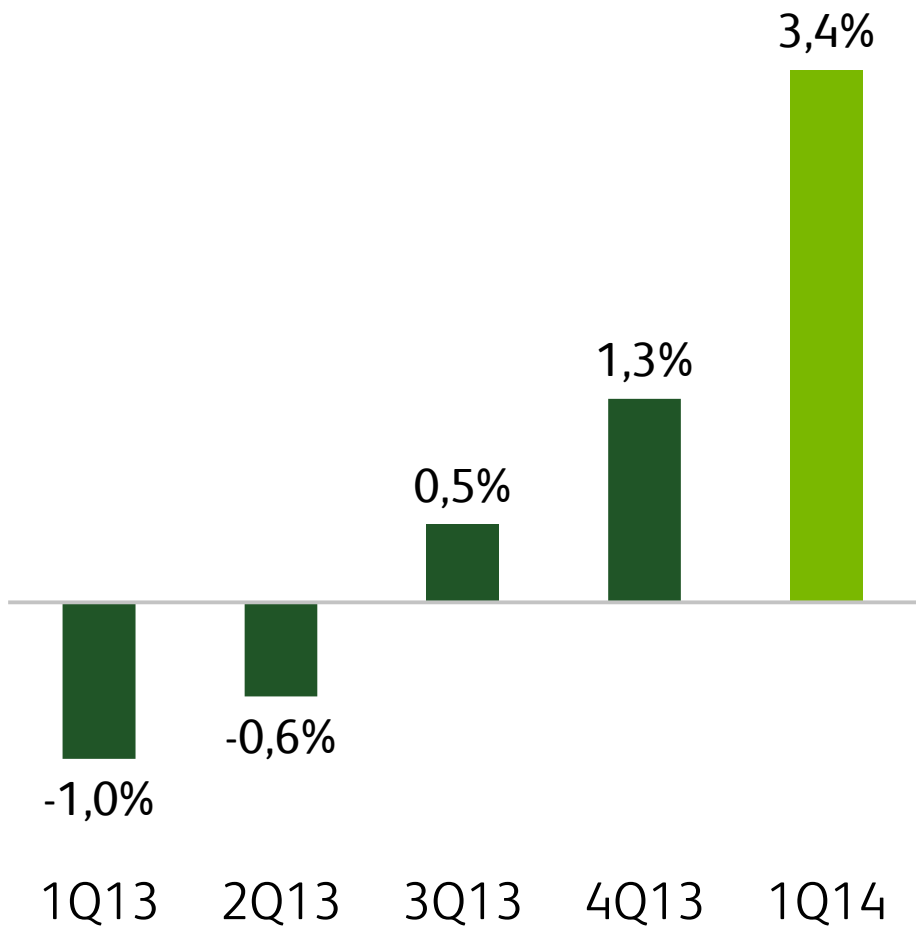
# Q1 2014 Trading Update: Revenue +3.4%

Improving top-line growth momentum

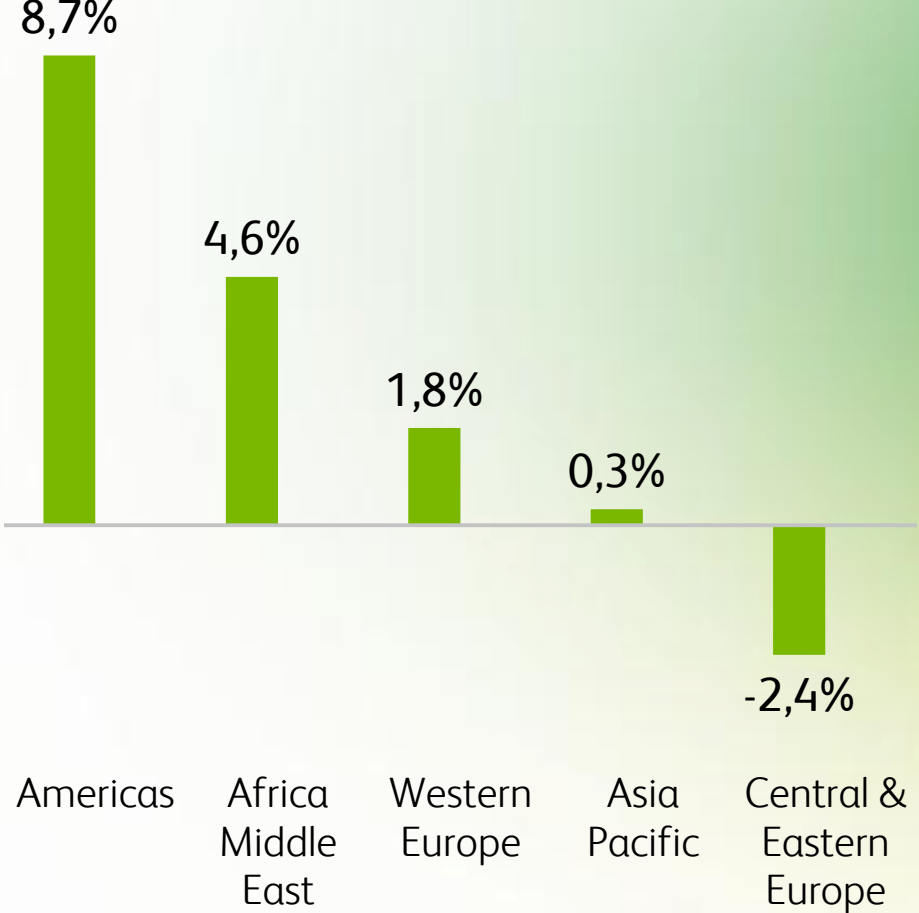
GROUP BEER VOLUME ORGANIC GROWTH (%)



GROUP REVENUE ORGANIC GROWTH (%)



2014Q1: REVENUE ORGANIC GROWTH<sup>1</sup> BY REGION



# 2014 Full Year Outlook

HEINEKEN reaffirms all elements of its full year outlook as stated in its full year 2013 earnings release dated 12 February 2014, as follows:

- A gradual recovery in the global economy to underpin improved trading conditions in several key markets and an improved organic volume performance trend versus 2013.
- Higher revenue per hl in 2014, albeit at a more modest level compared with 2013. Overall, organic revenue growth in 2014.
- A slight increase in marketing & selling (beia) spend as a percentage of revenue in 2014 (2013: 12.6%).
- A gradual and sustainable improvement in operating profit (beia) margin over the medium-term.
- Realise targeted TCM2 savings of €625 million covering 2012-2014 during the year.
- Input cost prices to be stable to slightly lower in 2014.
- Assuming spot rates at of 10 February 2014, a negative currency translational impact on consolidated operating profit (beia) of €115m and net profit (beia) of €75m
- To achieve long-term target net debt/ EBITDA (beia) ratio of below 2.5 by end-2014.
- Capital expenditure related to property, plant and equipment to be approximately €1.5bn (2013: €1.4bn).

# Oranjekoorts

COMMERCIAL



# Agenda

## 1 2013

- a. Verslag over het boekjaar 2013
- b. Uitvoering van het remuneratiebeleid voor de Raad van Bestuur
- c. Vaststelling van de jaarrekening over het boekjaar 2013
- d. Besluit over de bestemming van het saldo van de winst- en verliesrekening in overeenstemming met artikel 12 lid 7 van de statuten van de vennootschap
- e. Decharge van de leden van de Raad van Bestuur
- f. Decharge van de leden van de Raad van Commissarissen

## 2 Machtigingen

- a. Machtiging van de Raad van Bestuur tot inkoop eigen aandelen
- b. Machtiging van de Raad van Bestuur tot uitgifte van (rechten op) aandelen
- c. Machtiging van de Raad van Bestuur tot beperking of uitsluiting van het voorkeursrecht van aandeelhouders

# Agenda

- 3 De lange termijn variabele beloning: vervanging van de prestatie maatstaf Autonome groei van brutowinst (beia) door Autonome omzetgroei
- 4 Benoeming externe accountant
- 5 Samenstelling Raad van Commissarissen
  - a. Herbenoeming van mevrouw A.M. Fentener van Vlissingen als lid van de Raad van Commissarissen
  - b. Herbenoeming van de heer J.A. Fernández Carbajal als lid van de Raad van Commissarissen
  - c. Herbenoeming van de heer J.G. Astaburuaga Sanjinés als lid van de Raad van Commissarissen
  - d. Benoeming van de heer J.M. Huët als lid van de Raad van Commissarissen

Sluiting