

Heineken N.V. reports 2016 third quarter Trading Update

Amsterdam, 26 October 2016 – Heineken N.V. (EURONEXT: HEIA; OTCQX: HEINY) today announces its trading update for the third quarter of 2016.

KEY HIGHLIGHTS

- Consolidated beer volume +2.0% organically, with growth in Americas, Asia Pacific and Europe offsetting weaker volume in Africa Middle East & Eastern Europe
- Heineken® volume in the premium segment +3.5%
- Jean-François van Boxmeer to be nominated for re-appointment at the 2017 AGM

CEO STATEMENT

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

“Performance in the third quarter was robust despite strong comparatives in Americas and Europe, and a tough environment in Africa Middle East & Eastern Europe. Strong performance continued in key markets such as Vietnam and Mexico, with Europe also showing further positive momentum. Our full year margin expectations remain unchanged despite continued adverse economic conditions in some developing markets, as well as increasing currency headwinds.”

THIRD QUARTER AND NINE MONTHS VOLUME BREAKDOWN

Key figures ¹ (in mhl or %)	3Q16	Total growth %	Organic growth %	YTD 3Q16	Total growth %	Organic growth %
Consolidated beer volume						
Heineken N.V.	54.0	5.4	2.0	151.0	6.9	3.3
Africa Middle East & Eastern Europe	9.4	6.1	-3.6	28.4	6.4	-2.0
Americas	14.9	4.2	3.0	43.1	5.3	4.1
Asia Pacific	6.0	20.3	15.1	17.5	24.4	17.9
Europe	23.7	2.6	0.6	62.0	4.1	1.7

Heineken® (in mhl or %)	3Q16	Organic growth %	YTD 3Q16	Organic growth %
Heineken® in premium segment	8.4	3.5	23.7	2.9
Africa Middle East & Eastern Europe	1.2	4.4	3.3	-1.8
Americas	2.4	1.5	7.1	2.8
Asia Pacific	1.7	5.4	4.9	4.2
Europe	3.1	3.8	8.4	4.3

Heineken® volume in the premium segment grew by 3.5% with positive volume development across all regions. Particularly strong growth in China, South Africa and Brazil more than offset weaker volume in US, Greece, Vietnam, and Russia.

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

REGIONAL REVIEW

Africa Middle East & Eastern Europe

- Organic consolidated beer volume declined 3.6%. Weak volume trends were seen primarily in **Russia, Egypt** and the **DRC**, which more than offset growth in **Nigeria, Ethiopia** and **Algeria**.
- In **Nigeria** volume increased low single digit. Underlying trading conditions remain difficult as the weaker macroeconomic environment and consumer sentiment continue to drive negative brand mix. Although the Naira devaluation on 20 June 2016 initially provided some improvement in liquidity, the Naira has continued to weaken, which will have a further impact on margins.
- In **Russia** volume declined double digit as the market remained under pressure and volume was adversely impacted by high promotional price pressure.

Americas

- Organic consolidated beer volume grew 3.0% driven by **Mexico** and the **Caribbean**.
- In **Mexico** volume grew mid-single digit benefiting from positive consumer confidence and the strong performance of both Tecate Light and Dos Equis. Heineken® delivered double digit volume growth. As expected adverse transactional currency pressure is more pronounced in the second half of the year.
- In **Brazil** volume declined mid-single digit reflecting weak macroeconomic conditions and tough trading conditions. The premium brand portfolio outperformed, with continued double digit Heineken® volume growth and good Amstel performance.
- In the **US** volume slightly declined, with volume growth of the Mexican brands, particularly Tecate, offset by lower Heineken®.

Asia Pacific

- Organic consolidated beer volume growth of 15.1% was driven by particularly strong performance in **Vietnam** and **Cambodia**.
- In **Vietnam** volume grew double digit in line with the strong momentum seen year to date. The Tiger brand continued to be the key growth driver.
- In **Indonesia** volume was up mid-single digit driven by strong growth of the low and non alcoholic part of the portfolio.
- In **Cambodia** volume continued to grow double digit benefiting from the capacity added earlier this year.
- In **China** volume was up mid-single digit led by strong performance of the Heineken® brand.

Europe

- Organic consolidated beer volume increased by 0.6%, despite tough comparatives for the quarter and stocking in June ahead of the excise tax increase in **Greece**. Performance was helped by good weather in most European markets.
- In **Spain, Netherlands, France, and Italy** volume development was positive.
- In **Poland** volume was flat and volume declined in **Romania, Austria** and the **UK** partly due to tough comparatives.

REPORTED NET PROFIT

Reported net profit for the nine months was €1,239 million (2015:€1,776 million), including the asset impairment of €233 million for the DRC announced with the HY results on 1 August 2016. In 2015 reported net profit included an exceptional gain of €379 million from the sale of EMPAQUE.

TRANSLATIONAL CURRENCY UPDATE

Assuming spot rates as of 20 October 2016 for the remainder of the year, the calculated negative translational currency impact for 2016 would be approximately €215 million at consolidated operating profit (beia), and €115 million at net profit (beia). Foreign exchange markets remain very volatile.

EXECUTIVE BOARD COMPOSITION

Under the existing rotation schedule the current term of Mr. Jean-François van Boxmeer as member of the Executive Board will expire at the end of the Annual General Meeting on 20 April 2017 (2017 AGM). The Supervisory Board will submit a non-binding nomination for his re-appointment for a further period of four years at the 2017 AGM, and subject to this has re-appointed Mr. van Boxmeer as Chairman of the Executive Board and CEO.

DEFINITIONS

Organic growth excludes the effect of foreign currency translational effects, consolidation changes, accounting policy changes, exceptional items and amortisation of acquisition-related intangibles.

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Editorial information:

HEINEKEN is the world's most international brewer. It is the leading developer and marketer of premium beer and cider brands. Led by the Heineken® brand, the Group has a 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 approximately 73,000 people and operate 167 breweries, malteries, cider plants and other production facilities in more than 70 countries. Heineken N.V. and Heineken Holding N.V. shares trade on the Euronext in Amsterdam. Prices for the ordinary shares may be accessed on Bloomberg under the symbols HEIA NA and HEIO NA and on Reuters under HEIN.AS and HEIO.AS. HEINEKEN has two sponsored level 1 American Depositary Receipt (ADR) programmes: Heineken N.V. (OTCQX: HEINY) and Heineken Holding N.V. (OTCQX: HKHHY). Most recent information is available on HEINEKEN's website: www.theHEINEKENcompany.com and follow us via @HEINEKENCorp.

Market Abuse Regulation

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

Disclaimer:

This press release contains forward-looking statements with regard to the financial position and results of HEINEKEN's activities. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond HEINEKEN's ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, changes in consumer preferences, the ability to successfully integrate acquired businesses and achieve anticipated synergies, costs of raw materials, interest-rate and exchange-rate fluctuations, changes in tax rates, changes in law, change in pension costs, the actions of government regulators and weather conditions. These and other risk factors are detailed in HEINEKEN's publicly filed annual reports. You are cautioned not to place undue reliance on these forward-looking statements, which speak only of the date of this press release. HEINEKEN does not undertake any obligation to update these forward-looking statements contained in this press release. Market share estimates contained in this press release are based on outside sources, such as specialised research institutes, in combination with management estimates.

THIRD QUARTER VOLUME DETAIL

In mhl unless otherwise stated & consolidated figures unless otherwise stated	3Q15	Consolidation Impact	Organic Growth	3Q16	Organic Growth %
Africa, Middle East and Eastern Europe					
Total volume	10.8	0.9	-0.4	11.3	-3.5
Beer volume	8.8	0.9	-0.3	9.4	-3.6
Licensed & non-beer volume	2.0	-	-0.1	1.9	-2.9
Third party products volume	-	-	-	-	-
<i>Group beer volume</i>	9.9			9.8	
Americas					
Total volume	14.8	0.2	0.3	15.3	2.2
Beer volume	14.3	0.2	0.4	14.9	3.0
Licensed & non-beer volume	0.5	-	-0.1	0.4	-24.6
Third party products volume	-	-	-	-	-
<i>Group beer volume</i>	15.2			16.0	
Asia Pacific					
Total volume	5.1	0.3	0.7	6.0	14.1
Beer volume	5.0	0.3	0.7	6.0	15.1
Licensed & non-beer volume	0.1	-	-	-	-44.6
Third party products volume	-	-	-	-	-
<i>Group beer volume</i>	6.5			7.4	
Europe					
Total volume	28.6	0.5	0.2	29.3	0.7
Beer volume	23.1	0.4	0.1	23.7	0.6
Licensed & non-beer volume	3.0	0.2	0.2	3.3	4.7
Third party products volume	2.5	-0.1	-0.1	2.3	-3.6
<i>Group beer volume</i>	24.0			24.6	
Heineken N.V.					
Total volume	59.2	1.8	0.9	61.9	1.4
Beer volume	51.2	1.7	1.0	54.0	2.0
Licensed & non-beer volume	5.4	0.2	-	5.5	-0.9
Third party products volume	2.6	-0.1	-0.1	2.4	-3.8
<i>Group beer volume</i>	55.6			57.8	

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

FIRST NINE MONTHS VOLUME DETAIL

In mhl unless otherwise stated & consolidated figures unless otherwise stated	YTD 3Q15	Consolidation Impact	Organic Growth	YTD 3Q16	Organic Growth %
Africa, Middle East and Eastern Europe					
Total volume	32.1	2.3	-0.6	33.8	-1.8
Beer volume	26.7	2.3	-0.5	28.4	-2.0
Licensed & non-beer volume	5.3	-	-0.1	5.3	-0.9
Third party products volume	0.1	-	-	0.1	-9.1
<i>Group beer volume</i>	<i>29.7</i>			<i>29.6</i>	
Americas					
Total volume	42.0	0.5	1.6	44.0	3.7
Beer volume	40.9	0.5	1.7	43.1	4.1
Licensed & non-beer volume	1.0	-	-0.1	0.8	-10.9
Third party products volume	0.1	-	-	0.1	-16.1
<i>Group beer volume</i>	<i>43.8</i>			<i>46.4</i>	
Asia Pacific					
Total volume	14.4	0.9	2.6	17.9	17.7
Beer volume	14.1	0.9	2.5	17.5	17.9
Licensed & non-beer volume	0.2	-	0.1	0.3	12.0
Third party products volume	0.1	-	-	0.1	2.0
<i>Group beer volume</i>	<i>18.5</i>			<i>22.4</i>	
Europe					
Total volume	73.7	1.6	1.2	76.6	1.7
Beer volume	59.5	1.5	1.0	62.0	1.7
Licensed & non-beer volume	7.8	0.2	0.2	8.4	3.7
Third party products volume	6.4	-0.1	-	6.2	-0.7
<i>Group beer volume</i>	<i>61.9</i>			<i>64.3</i>	
Heineken N.V.					
Total volume	162.2	5.3	4.8	172.3	2.9
Beer volume	141.2	5.1	4.7	151.0	3.3
Licensed & non-beer volume	14.4	0.3	0.2	14.9	1.1
Third party products volume	6.6	-0.1	-0.1	6.4	-1.0
<i>Group beer volume</i>	<i>153.9</i>			<i>162.7</i>	

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