

Heineken N.V. publishes combined pro forma financial information for APB and APIPL

Amsterdam, 8 February 2013 – Heineken N.V. ('HEINEKEN') today announced that it has substantially completed the provisional purchase price allocation of Asia Pacific Breweries Limited ('APB') and the non-APB assets held by Asia Pacific Investment Private Limited ('APIPL') (together 'the Acquired Businesses'), the sole control of which was acquired on 15 November 2012 ('the Acquisition'):

- An unaudited provisional condensed opening balance sheet has been prepared as at 15 November 2012. In addition, HEINEKEN has compiled unaudited, pro forma condensed income information excluding exceptional items for the 12-month period ended June 2012;
- Pro forma revenue of €1,534 million and EBIT (beia) of €419 million of the Acquired Businesses for the 12-month period ending June 2012;
- The Acquisition is slightly EPS accretive to HEINEKEN in year 1;
- Recurring pre-tax cost synergies of approximately €25 million have been identified, phased broadly evenly in 2013 and 2014;
- Average acquisition financing costs are approximately 2.3%;
- The revaluation of HEINEKEN's previously held equity interest (PHEI) in the Acquired Businesses, results in a pre-tax €1.5 billion exceptional gain. This non-cash item will be recognised in HEINEKEN's full year 2012 results;
- The acquisition of the 4.7% share in APB after 15 November 2012 will result in an estimated negative impact on equity of €246 million, of which €151 million will be reflected in HEINEKEN's 2012 balance sheet;
- Following closing of the Mandatory General Offer ('MGO') on 31 January 2013, trading in APB shares has been suspended from 1 February 2013;
- On 8 February 2013, HEINEKEN owns 100% of APIPL and directly and indirectly owns 99.6% of APB. The process of acquiring the remaining APB shares not already owned by HEINEKEN by way of compulsory acquisition is expected to complete on or around 18 February 2013. APB will then be delisted from the Singapore Stock Exchange; and
- The integration of the Acquired Businesses into the HEINEKEN organisation is progressing well and in line with management plans.

HEINEKEN will hold an analyst and investor conference call in relation to this announcement today at 10:00 am CET. The call will be audio cast live via the company's website at www.heinekeninternational.com/web+casts+ir.aspx, and will be available for download afterwards. Analysts and investors can dial-in using the following telephone numbers:

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Editorial information:

HEINEKEN is a proud, independent global brewer committed to surprise and excite consumers with its brands and products everywhere. The brand that bears the founder's family name – Heineken® – is available in almost every country on the globe and is the world's most valuable international premium beer brand. The Company's aim is to be a leading brewer in each of the markets in which it operates and to have the world's most valuable brand portfolio. HEINEKEN wants to win in all markets with Heineken® and with a full brand portfolio in markets of choice. The Company is present in over 70 countries and operates more than 160 breweries with volume of 214 million hectolitres of group beer sold. HEINEKEN is Europe's largest brewer and the world's third largest by volume. HEINEKEN is committed to the responsible marketing and consumption of its more than 250 international premium, regional, local and specialty beers and ciders. These include Heineken®, Amstel, Anchor, Biere Larue, Bintang, Birra Moretti, Cruzcampo, Desperados, Dos Equis, Foster's, Newcastle Brown Ale, Ochota, Primus, Sagres, Sol, Star, Strongbow, Tecate, Tiger and Zywiec. Our leading joint venture brands include Cristal and Kingfisher. The number of people employed is around 78,000. Heineken N.V. and Heineken Holding N.V. shares are listed on the Amsterdam stock exchange. Prices for the ordinary shares may be accessed on Bloomberg under the symbols HEIA NA and HEIO NA and on the Reuter Equities 2000 Service under HEIN.AS and HEIO.AS. Most recent information is available on HEINEKEN's website: www.theHEINEKENcompany.com.

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, 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 are only relevant as of the date of this press release. HEINEKEN does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of these statements. Market share estimates contained in this press release are based on outside sources, such as specialised research institutes, in combination with management estimates.

OPENING BALANCE SHEET AND PRO FORMA INCOME INFORMATION ON THE ACQUIRED BUSINESSES

HEINEKEN has prepared the unaudited provisional condensed opening balance sheet in respect of the Acquired Businesses as at 15 November 2012. HEINEKEN has also prepared unaudited full year pro forma condensed consolidated income information excluding exceptional items for the second half year of 2011 and the first half year of 2012 as if HEINEKEN had acquired the Acquired Businesses on 30 June 2011.

This pro forma information reflects HEINEKEN's accounting policies and uses the purchase accounting method for acquisitions. This method requires measuring assets and liabilities at fair market value in the opening balance sheet as at 15 November 2012.

The pro forma condensed income information does not purport to represent what the combined results APB and APIPL would have been, nor is it necessarily indicative of future results of the Acquired Businesses. The information is presented for information purposes only.

The fair value adjustments presented from the purchase price accounting are prepared on a provisional basis. The presented adjustments are subject to revision until the provisional accounting has been finalised, at the latest by 15 November 2013.

The 4.7% of APB shares not yet owned by HEINEKEN on 15 November 2012 and purchased thereafter, under the Mandatory General Offer (MGO) or compulsory acquisition, will have no impact on goodwill and the income statement. In accordance with IFRS, HEINEKEN accounts for these subsequent purchases as an acquisition of non-controlling interests without a change in control with the associated impact recognised in equity. The acquisition of APB shares after 15 November 2012 is expected to amount to €398 million with an estimated negative equity impact of €246 million, of which €151 million will be recognised in HEINEKEN's 2012 balance sheet.

Provisional condensed opening balance sheet of the Acquired Businesses as at 15 November 2012 (unaudited)

In millions of EUR	Combined balance sheet as at 15 November 2012	Provisional fair value adjustments	Provisional opening balance sheet as at 15 November 2012
Property, plant and equipment	666	65	731
Intangible assets	419	3,390	3,809
Investments in associates and joint ventures	56	417	473
Other investments and non-current receivables	124	(42)	82
Deferred tax assets	4	-	4
Inventories	111	76	187
Trade and other receivables	296	-	296
Assets held for sale	-	17	17
Cash and cash equivalents	377	-	377
Total Assets	2,053	3,923	5,976
Loans and borrowings	295	1	296
Deferred tax liabilities	51	950	1,001
Employee benefits	7	5	12
Provisions	-	3	3
Tax liabilities (current)	90	5	95
Trade and other current liabilities	451	4	455
Total Liabilities	894	968	1,862
Net identifiable assets acquired	1,159	2,955	4,114

Provisional goodwill calculation of the Acquired Businesses (unaudited)

In millions of EUR	Calculation of Goodwill
Consideration paid in cash for the transaction on 15 November 2012	3,584
Fair value of previously held equity interest	2,975
Non-controlling interests	797
Settlement of pre-existing relationship	(5)
Net identifiable assets acquired	(4,114)
Goodwill	3,237

Opening balance sheet of the Acquired Businesses

The main fair value adjustments made on the combined condensed balance sheet of the Acquired Businesses as at 15 November 2012 relate to:

- Intangible assets representing, amongst others, the recognition of brands, customer-related and contract-based intangibles;
- Investments in associates and joint ventures representing the fair value of the stakes the Acquired Businesses hold in, amongst others, Guinness Anchor Berhad (GAB) in Malaysia and Thai Asia Pacific Brewery (TAPB) in Thailand; and
- Deferred tax liabilities which increased as a result of the fair value adjustments of assets.

As at 15 November 2012, the Acquired Businesses had a net cash position of €81 million.

The provisional opening balance sheet was converted using the rate of EUR/SGD as at 15 November 2012, being 1.5622.

Goodwill calculation

The main elements in the provisional goodwill calculation are:

- The consideration in respect of the Acquisition paid in cash on 15 November 2012 to F&N totalling to €3.6 billion;
- HEINEKEN's PHEI in the Acquired Businesses is accounted for at fair value at the date of the Acquisition and amounts to €3.0 billion;
- Within the Acquired Businesses, several non-controlling interests exist as not all entities are wholly-owned. HEINEKEN presents the non-controlling interest at their share of net identifiable assets acquired;
- As part of the Acquisition, HEINEKEN is deemed to have effectively settled pre-existing relationships. These relationships primarily relate to license agreements to brew and sell HEINEKEN brands by the Acquired Businesses;
- Net identifiable assets acquired represent the assets of the Acquired Businesses after provisional fair value adjustments;

- Resulting goodwill will be allocated to the Asia Pacific region and Head Office. The goodwill represents, amongst others, the future growth platform and synergies in the Asia Pacific region as well as safeguarding the position of Heineken® as a global brand and future royalty streams from the Acquired Businesses.

Condensed pro forma income information (excluding exceptional items) of 100% of APB and APIPL (unaudited)

In millions of EUR	2011 HY2	2012 HY1	2011 HY2 + 2012 HY1
Revenue	775	759	1,534
Other income	1	-	1
Raw materials	(57)	(55)	(112)
Non-returnable packaging	(143)	(160)	(303)
Marketing and selling expenses	(98)	(101)	(199)
Other expenses	(125)	(112)	(237)
Raw materials, consumables and services	(423)	(428)	(851)
Personnel expenses	(90)	(90)	(180)
APB and APIPL depreciation and amortisation	(32)	(33)	(65)
Additional depreciation and amortisation related to PPA	(99)	(105)	(204)
Total expenses	(644)	(656)	(1,300)
Share of net profit of APB and APIPL joint ventures and associates	11	8	19
EBIT	143	111	254
Amortisation of acquisition related intangibles	80	85	165
EBIT (beia)	223	196	419
EBITDA (beia)	274	249	523
<i>Share of net profit of Acquired Businesses included in HEINEKEN EBIT (beia)</i>	<i>55</i>	<i>49</i>	<i>104</i>
<i>Transactions between the Acquired Businesses and HEINEKEN included in HEINEKEN's revenue</i>	<i>14</i>	<i>15</i>	<i>29</i>

With the condensed pro forma income information, HEINEKEN intends to provide insight into the EBIT and EBIT (beia) that the Acquired Businesses would have contributed for the 12-month period ended 30 June 2012.

The main elements and assumptions used to prepare the pro forma income information are:

- All adjustments are non-cash items and therefore do not have an impact on cash flows of the Acquired Businesses;
- Amounts in the pro forma income information were converted from Singapore dollars into euros at an average rate of EUR/SGD for the second half year 2011 at 1.73284 and for the first half year 2012 at 1.63908;
- The combined impact from fair value adjustments to depreciation and amortisation amounts to €204 million and is included in the pro forma figures. Of this adjustment, €165 million relates to amortisation of acquisition related intangibles, with EBIT adjusted for this amount in arriving at EBIT (beia);
- The joint ventures in Malaysia (GAB) and Thailand (TAPB) are not consolidated in the financial results of the Acquired Businesses as HEINEKEN applies the equity method of accounting and solely includes the share of net profit;
- The Acquired Businesses incurred capital expenditure of €66 million and €45 million for the second half year 2011 and first half year 2012, respectively;
- Excise duties are excluded from revenue and expenses to align the accounting policy of the Acquired Businesses to that of HEINEKEN;
- Foreign exchange gains and losses were removed from EBIT in accordance with HEINEKEN's accounting policy and will be reported in Other Net Finance Expense (ONFE).

Share of net profit from the Acquired Businesses and impairments thereof (net of income tax) included in HEINEKEN's financial results in the corresponding 12-month period (within the Asia Pacific region) amounted to €104 million. Transactions between HEINEKEN and the Acquired Businesses related to royalty payments and technical fees amounted to €29 million for the 12-month period ended 30 June 2012. No other material sales or revenue transactions existed between HEINEKEN and the Acquired Businesses.

ONE-OFF HEINEKEN INCOME STATEMENT ITEMS

Prior to the Acquisition, HEINEKEN owned a 50% stake in APIPL, a combined direct and indirect stake in APB of 55.6% as well as a direct stake in PT Multi Bintang of 6.78%. Together these stakes are referred to as the PHEI. In accordance with IFRS, the PHEI in the Acquired Businesses is accounted for at fair value at the date of the Acquisition and amounts to €3.0 billion. HEINEKEN's carrying amount consists of the book value of the original investment as well as the price paid for shares bought up to 15 November 2012. The fair value compared to HEINEKEN's carrying amount results in a pre-tax non-cash exceptional gain of €1.5 billion, recognised in 'Other Income'.

The reversal of the fair value adjustment to inventory of €76 million will be recognised as a pre-tax exceptional expense in HEINEKEN's 2012 financial results.

Until 15 November 2012, HEINEKEN recorded its share of net profit in the Acquired Businesses with a 3-month delay. From 15 November 2012 onwards, the results of the Acquired Businesses will be consolidated and accounted for in line with HEINEKEN's financial year. HEINEKEN's share of net profit of the Acquired Businesses for the 3-month 'catch-up' period (covering 15 August to 14 November 2012) equates to €23 million. This amount will be included in the €1.5 billion exceptional gain reported in the 'Other Income' line of HEINEKEN's full year 2012 results.

Acquisition related pre-tax costs of €28 million will be recognised as pre-tax exceptional item in HEINEKEN's income statement for the period ended 31 December 2012.

COMPELLING STRATEGIC TRANSACTION

The Acquired Businesses provide HEINEKEN with direct access to two of the most exciting emerging markets in the world: Southeast Asia & the Pacific Islands and China. The acquisition significantly increases HEINEKEN's direct exposure to emerging markets, whilst providing it with the broadest emerging market footprint of any brewer.

APB has the strongest and most widespread presence in Southeast Asia & the Pacific Islands, a dynamic region of over 600 million people with favourable demographics, strong economic development and a fast growing beer market. In China, APIPL aims to leverage its global market leadership in the premium segment through further developing and capturing the significant value potential of the rapidly growing international premium segment.

FINANCIAL IMPACT OF THE TRANSACTION

The Acquisition is expected to be slightly EPS accretive to HEINEKEN in year 1.

HEINEKEN believes that acquiring sole control of the Acquired Businesses will enhance the speed and flexibility of strategic and capital allocation decisions across markets, thereby maximising the growth potential of its assets in the region. HEINEKEN expects to create economic value on the incremental equity stake acquired after a longer period than is typical for HEINEKEN. However, it should be noted that this does not reflect the compelling value created through its previously held equity interest in the Acquired Businesses.

HEINEKEN has identified recurring pre-tax cost synergies from the Acquired Businesses of approximately €25 million, phased broadly evenly in 2013 and 2014. The cost synergies primarily relate to procurement savings, supply chain efficiencies and the merger of two regional head offices in Singapore into one. The realised cost synergies will be reported under HEINEKEN's Total Cost Management 2 (TCM2) programme, thereby increasing the targeted cost savings to €525 million (from €500 million) for the 3-year period ending 2014.

The effective tax rate (beia) of HEINEKEN for the pro forma 12-month period ended 30 June 2012 would have increased by approximately 1% due to the consolidation of the Acquired Businesses.

INTEGRATION UPDATE

The integration of the Acquired Businesses is progressing well and in line with management plans. This mainly comprises integration of the main activities of the Acquired Businesses into HEINEKEN's systems, policies and procedures. At the same time, HEINEKEN's existing standalone businesses in Asia will be operationally integrated within the APB organisation, in order to create a single regional platform. Roland Pirmez, currently CEO of APB will combine his existing role with that of President Asia Pacific and join HEINEKEN's Executive Committee. Theo de Rond, currently Regional President Asia Pacific will leave this role and return to Amsterdam in June 2013, following completion of the integration process. In his new role as Executive Director Partnerships, Theo will continue to represent HEINEKEN on the boards of businesses in Thailand, Indonesia, Japan and Vietnam.

Trading in APB shares has been suspended from 1 February 2013, following close of the MGO on 31 January 2013. HEINEKEN has initiated the process of acquiring the remaining APB shares not already owned by HEINEKEN at the close of the MGO by way of compulsory acquisition, and this process is expected to complete on or around 18 February 2013. APB will be delisted from the Singapore Stock Exchange once the compulsory acquisition has been completed and APB becomes a wholly-owned subsidiary of HEINEKEN.

FINANCING OF TRANSACTION

From 21 August 2012 through to 15 November 2012, HEINEKEN acquired in aggregate a 13.7% stake in APB through market purchases¹ for a total consideration of S\$1.9 billion (€1.2 billion²). On 15 November 2012, HEINEKEN acquired Fraser and Neave, Limited's ('F&N') entire (direct and indirect) 39.7% stake in APB and F&N's interest in the non-APB assets held by APIPL for a total consideration of S\$5.6 billion (€3.6 billion³), which resulted in HEINEKEN's (direct and indirect) stake in APB increasing to 95.3%. Since 15 November 2012, HEINEKEN has purchased 4.3% of the remaining 4.7% stake in APB for a consideration of S\$0.6 billion (€0.4 billion⁴). On 8 February 2013, HEINEKEN directly and indirectly owns 99.6% of the total shares in APB and 100% of the total shares in APIPL. The aggregate consideration for the 58.1% in APB and the non-APB assets held by APIPL is S\$8.1 billion (€5.2 billion).

HEINEKEN has largely funded the aggregate consideration through the proceeds of various bond issues and by drawings under existing credit facilities. The resulting average acquisition financing cost is approximately 2.3% per annum. HEINEKEN has a clearly articulated financial policy and is committed to returning to a net debt/EBITDA (beia) ratio of below 2.5 times within 24 months of closing the MGO.

¹ Includes APB shares acquired on the Singapore Stock Exchange since 21 August 2012 and 8.6% stake held by Kindest Place Group based on 35,491,130 shares acquired at S\$53.00 and 13,000 shares acquired at S\$52.90

² Based on a EUR/SGD exchange rate of 1.5622 as of the close of Singapore business on 15 November 2012

³ Based on an average achieved EUR/SGD exchange rate of 1.5810, including the effect of hedging

⁴ Based on an average achieved EUR/SGD exchange rate of 1.6125, including the effect of hedging

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.

EBIT

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

EBITDA

Earnings before interest and taxes and net finance expenses before depreciation and amortisation.

Effective tax rate

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

Eia

Exceptional items and amortisation of acquisition-related intangible assets

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 twelve month rolling calculation for EBITDA (beia).

Net profit

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

Profit

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

Region

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

Revenue

Net realised sales proceeds in euros.