

Heineken N.V. reports 2017 third quarter Trading Update

Amsterdam, 25 October 2017 – Heineken N.V. (EURONEXT: HEIA; OTCQX: HEINY) today announces its trading update for the third quarter of 2017.

KEY HIGHLIGHTS

- Consolidated beer volume +2.5% organically, with growth in Asia Pacific, Americas and Africa, Middle East & Eastern Europe offsetting lower volume in Europe against tough comparatives.
- Heineken® volume +3.4% driven by Brazil, South Africa, Russia and Mexico.
- Full year expectations unchanged.

CEO STATEMENT

Jean-François van Boxmeer, Chairman of the Executive Board & CEO, commented: "Performance in the third quarter was solid, with an acceleration of organic volume growth in Asia Pacific and Africa, Middle East & Eastern Europe. Growth in Asia Pacific continued to be driven by Vietnam and Cambodia whilst in Africa, Middle East & Eastern Europe, the main contributors were Russia, Ethiopia and South Africa. In the Americas, Mexico continued to deliver, and weaker volumes in the US were offset by growth coming from Brazil. Europe had to face tough comparatives, partly due to less favourable weather in some key markets. During the period we completed the acquisition of Punch Securitisation A. Our full year expectations remain unchanged."

THIRD QUARTER AND NINE MONTHS VOLUME BREAKDOWN

Consolidated beer volume¹ <i>(in mhl or %)</i>	3Q17	Total growth %	Organic growth %	YTD 3Q17	Total growth %	Organic growth %
Heineken N.V.	60.0	11.1	2.5	161.3	6.8	2.5
Africa, Middle East & Eastern Europe	10.2	8.3	8.8	29.5	3.7	3.9
Americas	20.0	33.5	2.9	50.4	16.9	2.8
Asia Pacific	6.8	14.3	12.2	19.4	10.9	8.3
Europe	23.0	-2.8	-2.8	62.0	0.1	0.1

Heineken®² <i>(in mhl or %)</i>	3Q17	Organic growth %	YTD 3Q17	Organic growth %
Heineken®	9.5	3.4	26.8	3.7
Africa, Middle East & Eastern Europe	1.4	21.3	3.6	10.4
Americas	2.6	8.9	7.7	8.6
Asia Pacific	1.6	-4.3	4.7	-6.1
Europe	3.8	-2.2	10.8	2.9

Heineken® volume² grew by 3.4% organically. Key markets that contributed to this growth included Brazil, South Africa, Russia and Mexico, which more than offset weaker volume in the US, France, the Netherlands and China.

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

² Heineken® volume is now total Heineken® volume including the Netherlands.

REGIONAL REVIEW

Africa, Middle East & Eastern Europe

- Organic consolidated beer volume was up by 8.8%.
- In **Nigeria**, volume declined mid single digit with underlying trading conditions still difficult and consumers continuing to trade down. Sourcing hard currencies remains a challenge, despite an improvement versus last year.
- **South Africa** and **Ethiopia** continued to deliver strong growth with volume up double digit.
- The new operation in **Ivory Coast** delivered ahead of expectations.
- In **Russia**, volume was up double digit due to strong Heineken® performance and recent launches in the economy segment.

Americas

- Organic consolidated beer volume grew by 2.9%.
- In **Mexico**, volume was up mid single digit, with strong performance of Heineken® growing double digit.
- Volumes grew mid single digit in **Brazil**, with premium brands growing double digit. Performance of the recently acquired Kirin Brazil portfolio is very encouraging.
- In the **US**, HEINEKEN USA declined mid single digit, with Heineken® facing a difficult comparative due to phasing of shipments. Lagunitas continued to outperform the craft market.

Asia Pacific

- Organic consolidated beer volume was up 12.2%.
- In **Vietnam**, volumes grew double digit driven by Tiger.
- In **Cambodia**, volume was up double digit, continuing to benefit from the additional capacity added last year.
- **Malaysia** also delivered strong double digit volume growth.
- **China** volumes continued to be impacted by parallel imports, albeit improved versus previous quarters.

Europe

- Organic consolidated beer volume declined by 2.8%.
- In key markets such as **France** and the **Netherlands**, performance was negatively impacted by tough comparatives and a cool summer, resulting in volumes declining on average mid single digit.
- Volumes in the **UK** were down double digit, continuing to be impacted by a partial de-listing at a large customer.
- In **Poland**, volumes declined mid single digit, following a reduction in promotional activity.
- **Italy** grew volumes mid single digit supported by successful activations, new product launches and strong execution.

REPORTED NET PROFIT

Reported net profit for the nine months was €1,486 million (2016: €1,239 million). In the nine months of 2016, reported net profit included an asset impairment of €233 million in the Democratic Republic of Congo (DRC).

TRANSLATIONAL CURRENCY UPDATE

Using spot rates as at 19 October 2017 for the remainder of this year, the calculated negative currency translational impact would be approximately €185 million at consolidated operating profit (beia), and €75 million impact at net profit (beia). Foreign exchange markets remain very volatile.

ACQUISITION OF PUNCH

On 15 December 2016, HEINEKEN announced that following Vine Acquisitions Limited's announcement of a recommended cash offer for Punch Taverns plc ('Punch'), HEINEKEN through HEINEKEN UK had agreed a back-to-back deal with Vine Acquisitions to acquire Punch Securitisation A ('Punch A'), comprising approximately 1,900 pubs across the UK. The transaction completed on 29 August 2017.

The pubs acquired by HEINEKEN UK will be operated for six months by Punch under a transitional services agreement, after which they will be integrated into the existing Star Pubs & Bars business. The transitional services agreement has no impact on Star's existing licensees, who will continue to trade on a 'business as usual' basis.

FINANCING UPDATE

On 22 September 2017, HEINEKEN placed 12-year Notes with a coupon of 1.50% for a principal amount of €800 million. The notes are issued under the Company's Euro Medium Term Note Programme and are listed on the Luxembourg Stock Exchange. The proceeds were used for general corporate purposes including the refinancing of existing debts.

Following the completion of the acquisition of Punch Securitisation A on 29 August 2017, HEINEKEN decided to terminate the securitisation structure and has since repaid all outstanding Punch A notes (notional amount €864 million) by 4 October 2017.

DEFINITIONS

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

ENQUIRIES

*Media***John-Paul Schuirink**

Director of Global Communication

Michael Fuchs

Corporate & Financial Communication Manager

E-mail: pressoffice@heineken.com

Tel: +31-20-5239355

*Investors***Federico Castillo Martinez**

Director of Investor Relations

Chris MacDonald / Aris Hernández

Investor Relations Manager / Senior Analyst

E-mail: investors@heineken.com

Tel: +31-20-5239590

Editorial information:

HEINEKEN is the world's most international brewer. It is the leading developer and marketer of premium beer and cider brands. Led by the Heineken® brand, the Group has a portfolio of more than 250 international, regional, local and speciality beers and ciders. We are committed to innovation, long-term brand investment, disciplined sales execution and focused cost management. Through "Brewing a Better World", sustainability is embedded in the business and delivers value for all stakeholders. HEINEKEN has a well-balanced geographic footprint with leadership positions in both developed and developing markets. We employ over 80,000 employees and operate breweries, malteries, cider plants and other production facilities in more than 70 countries. Heineken N.V. and Heineken Holding N.V. shares trade on the Euronext in Amsterdam. Prices for the ordinary shares may be accessed on Bloomberg under the symbols HEIA NA and HEIO NA and on Reuters under HEIN.AS and HEIO.AS. HEINEKEN has two sponsored level 1 American Depositary Receipt (ADR) programmes: Heineken N.V. (OTCQX: HEINY) and Heineken Holding N.V. (OTCQX: HKHHY). Most recent information is available on HEINEKEN's website: www.theHEINEKENcompany.com and follow us on Twitter via @HEINEKENCorp.

Market Abuse Regulation:

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

Disclaimer:

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

Consolidated Metrics: Third Quarter 2017

<i>In mhl or €million unless otherwise stated & consolidated figures unless otherwise stated</i>	3Q16	Consolidation Impact	Organic Growth	3Q17	Organic Growth %
Africa, Middle East & Eastern Europe					
Total volume	11.3	-0.1	0.9	12.2	8.1
Beer volume	9.4	—	0.8	10.2	8.8
Licensed & non-beer volume	1.9	-0.1	0.1	2.0	4.8
Third party products volume	—	—	—	—	—
<i>Group beer volume</i>	9.8			10.5	
Americas					
Total volume	15.3	6.6	0.6	22.5	4.1
Beer volume	14.9	4.6	0.4	20.0	2.9
Licensed & non-beer volume	0.4	2.0	—	2.3	11.0
Third party products volume	—	—	0.2	0.2	699.6
<i>Group beer volume</i>	16.0			21.0	
Asia Pacific					
Total volume	6.0	0.1	0.8	7.0	13.0
Beer volume	6.0	0.1	0.7	6.8	12.2
Licensed & non-beer volume	—	—	0.1	0.2	120.9
Third party products volume	—	—	—	—	-1.8
<i>Group beer volume</i>	7.4			8.4	
Europe					
Total volume	29.3	0.1	-0.9	28.4	-3.1
Beer volume	23.7	—	-0.7	23.0	-2.8
Licensed & non-beer volume	3.3	—	-0.1	3.1	-4.4
Third party products volume	2.3	0.1	-0.1	2.3	-5.2
<i>Group beer volume</i>	24.6			22.8	
Heineken N.V.					
Total volume	61.9	6.8	1.4	70.1	2.3
Beer volume	54.0	4.6	1.3	60.0	2.5
Licensed & non-beer volume	5.5	2.1	0.1	7.6	0.6
Third party products volume	2.4	0.1	—	2.5	1.6
<i>Group beer volume</i>	57.8			62.7	

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

Consolidated Metrics: First nine months 2017

<i>In mhl or €million unless otherwise stated & consolidated figures unless otherwise stated</i>	YTD 3Q16	Consolidation Impact	Organic Growth	YTD 3Q17	Organic Growth %
Africa, Middle East & Eastern Europe					
Total volume	33.8	-0.1	0.9	34.7	2.7
Beer volume	28.4	—	1.1	29.5	3.9
Licensed & non-beer volume	5.3	-0.1	-0.2	5.1	-3.3
Third party products volume	0.1	—	—	0.1	-8.4
<i>Group beer volume</i>	<i>29.6</i>			<i>30.5</i>	
Americas					
Total volume	44.0	8.8	1.4	54.3	3.3
Beer volume	43.1	6.1	1.2	50.4	2.8
Licensed & non-beer volume	0.8	2.7	—	3.7	8.5
Third party products volume	0.1	—	0.2	0.2	216.7
<i>Group beer volume</i>	<i>46.4</i>			<i>53.7</i>	
Asia Pacific					
Total volume	17.9	0.5	1.5	19.9	8.2
Beer volume	17.5	0.5	1.5	19.4	8.3
Licensed & non-beer volume	0.3	—	—	0.4	7.0
Third party products volume	0.1	—	—	0.1	-4.6
<i>Group beer volume</i>	<i>22.4</i>			<i>24.4</i>	
Europe					
Total volume	76.6	0.1	0.1	76.7	0.1
Beer volume	62.0	—	0.1	62.0	0.1
Licensed & non-beer volume	8.4	—	0.1	8.5	0.9
Third party products volume	6.2	0.1	-0.1	6.2	-1.0
<i>Group beer volume</i>	<i>64.3</i>			<i>63.2</i>	
Heineken N.V.					
Total volume	172.3	9.3	3.9	185.5	2.3
Beer volume	151.0	6.5	3.8	161.3	2.5
Licensed & non-beer volume	14.9	2.7	—	17.6	-0.1
Third party products volume	6.4	0.1	0.1	6.6	1.3
<i>Group beer volume</i>	<i>162.7</i>			<i>171.8</i>	

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