

Heineken N.V. reports full year 2014 results

Strong profit growth, delivering on strategic priorities

Amsterdam, 11 February 2015 – Heineken N.V. today announced:

- Group revenue grew 3.3% organically, with group revenue per hl up 1.4%
- Heineken® premium volume +5.1% with growth across all regions
- Innovation rate accelerated further to 7.7% contributing €1.5 billion of revenues
- Group operating profit (beia) up 7.8% organically
- Consolidated Operating profit (beia) margin expansion of 90bps, ahead of medium term target level
- Net profit (beia) of €1,758 million, 14% higher organically
- Diluted EPS (beia) of €3.05 (2013: €2.75) including a 6 cent adverse currency impact
- Dividend policy pay-out ratio widened to 30%–40% (from 30%–35%) of Net profit (beia); proposed 2014 total dividend €1.10 per share (2013: €0.89), implying a 36% pay-out ratio (2013: 32%)

CEO STATEMENT

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

"Our strong performance reflects the success of our strategy. We continued to invest in our portfolio of brands and we have significantly improved our commercial execution. We combined this with compelling consumer marketing and a powerful innovation agenda which contributed €1.5 billion to our revenues. As a result, Heineken® premium volume grew 5.1% and a number of our global brands achieved double digit growth. We remain committed to our medium term margin guidance, underpinned by a continued focus on efficiency and further cost savings. Whilst we expect further volatility in emerging markets and deflationary pressures in 2015, we are confident that we will deliver further top and bottom line growth in the year ahead."

FINANCIAL SUMMARY

Key financials³ <i>(in mhl or € million unless otherwise stated)</i>	FY14	FY13¹	Total growth %	Organic growth %
Group revenue	21,191	21,174	0.1	3.3
Group revenue/ hl (in €)	91	92	-0.9	1.4
Group operating profit (beia)	3,359	3,192	5.2	7.8
Group operating profit (beia) margin	15.9%	15.1%	+80bps	
Consolidated revenue	19,257	19,203	0.3	3.0
Consolidated operating profit (beia)	3,129	2,941	6.4	8.7
Consolidated operating profit (beia) margin	16.2%	15.3%	+90bps	
Net profit (beia)	1,758	1,585	11	14
Net profit	1,516	1,364	11	
Diluted EPS (beia) (in €)	3.05	2.75	11	
Free operating cash flow	1,574	1,518	3.7	
Net debt/ EBITDA (beia) ²	2.5x	2.6x		

¹ As disclosed with the H1 results on 20 August 2014 Group Revenue in 2013 was restated to correctly reflect HEINEKEN share of JV and associates predominantly in AME

² Includes acquisitions and excludes disposals on a 12 month proforma basis

³ Refer to Definitions and Glossary sections for an explanation of non IFRS measures and other terms used throughout this report

OUTLOOK 2015

(Based on consolidated reporting)

In 2015 HEINEKEN expects a continued challenging external environment, however, delivering on its 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, announced on 1 September 2014 and expected to complete in Q1. 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 6 February 2015, the calculated positive currency translational impact on consolidated operating profit (beia) would be approximately €130 million, and €80 million at net profit (beia). However the foreign exchange markets are 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 expected to be approximately €1.6 billion (2014: €1.5 billion). A cash conversion ratio of below 100% is expected in 2015 (2014: 79%).

Interest rate: HEINEKEN forecasts a stable average interest rate of c.3.7% in 2015 (2014: 3.7%)

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

GROUP OPERATIONAL REVIEW

Despite an increasingly volatile global macroeconomic backdrop HEINEKEN delivered healthy organic revenue and operating profit growth in 2014. As expected growth was more moderate in H2, with group revenue and group operating profit (beia) on an organic basis, up 2.1% and 3.6% respectively. The deliberate strategy of higher commercial investments to enhance brand equity and drive effective execution in the marketplace delivered further market share gains across key markets. Innovation was an important competitive advantage. HEINEKEN continues to invest early in key developing growth markets, and added capacity in several countries including Ethiopia, Cambodia, China, Vietnam and Indonesia. A continued focus on revenue management and disciplined cost management delivered improved revenue per hectolitre as well as operating margin expansion.

Notably at the recent Cannes Lions International Festival of Creativity the Company won the prestigious 'Marketer of the Year' award for 2015. This is a tribute to HEINEKEN's strong momentum in brand management, innovation and creativity.

Organically **group revenue** grew 3.3%, benefiting from both positive pricing and positive sales mix, driving a 1.4% increase in group revenue per hectolitre. Organically, **group beer volume** was 2.0% higher for the full year, stronger in H1 due to favourable weather and the football World Cup and a soft comparable prior period. Most regions in H2 saw softer group volume growth due to unseasonably wet weather particularly in Europe combined with tough Q3 comparatives. However, in Asia Pacific volume growth was higher in H2, recovering from pressure in H1 from higher excise duties.

Group operating profit (beia) grew 7.8% on an organic basis, benefiting from higher revenues and improved cost efficiencies partly offset by higher marketing and selling expenses. Group operating profit (beia) in developing markets grew 10% organically, reflecting strong profit contributions from Mexico, Nigeria, Brazil and Vietnam, partly offset by lower profitability in Poland and Compañía Cervecerías Unidas S.A. (CCU). Group operating profit (beia) margins expanded by 80 basis points to 15.9%.

Heineken® (in mhl or %)	4Q14	Organic growth %	FY14	Organic growth %
Heineken® in premium segment	7.5	4.4	29.5	5.1
Africa Middle East	1.1	7.1	3.8	7.8
Americas	2.3	3.4	8.9	4.0
Asia Pacific	1.7	3.8	6.3	1.5
Central & Eastern Europe	0.6	6.5	2.5	5.5
Western Europe	1.8	3.8	8.0	7.8

Heineken® volume in the premium segment grew by 5.1% in 2014 and by 4.4% when excluding the January 2013 excise related destocking effect in France. The brand saw positive growth

across all regions, with particularly strong double digit growth in Brazil, China, France, the UK and Mexico. The brand was also strong in Spain, Taiwan, Thailand, Russia, Singapore and Germany, with positive growth more than offsetting weaker brand volumes in Vietnam and Greece. Encouragingly in the U.S. Heineken® regular delivered positive volume growth in Q4, in addition to seeing improved Heineken® Light trends in this market. 'The City' campaign launched in May positively enhanced brand equity, combined with continued brand activation through innovation and social media.

Volume of the global brands **Desperados**, **Affligem** and **Sol Premium** delivered double digit growth in the year, reflecting the successful focus of the broader premium portfolio strategy. Desperados, the high margin tequila-flavoured beer, saw volumes up 19%, with particularly strong growth in the UK, France, Poland and Brazil. The brand is now available in 85 markets. Affligem, the Belgian abbey beer brand, delivered volumes up 16%, with strong growth in Western Europe, particularly in France. Affligem is currently available in 31 markets with further roll outs planned in 2015. The UK, Brazil, New Zealand and CCU markets were key drivers of Sol Premium volume growth, which was up firmly double digits.

Cider volumes were broadly stable for the full year with gains across several focus markets offset by lower volume in South Africa. During the year HEINEKEN expanded its cider brand portfolio, with the addition of Strongbow and Bulmers flavour extensions and the introduction of Old Mout and Blind Pig in the UK and Cidrerie Stassen in Belgium. In the USA, the launch of Strongbow Gold Apple and Honey & Apple hard ciders contributed to strong cider growth momentum in the country.

HEINEKEN's focus on **innovation** delivered €1.5 billion revenue and the innovation rate increased to 7.7%, considerably ahead of the 5.9% rate in 2013 and above the 2020 6% target. The company's worldwide scale supported the roll out of global and local brand innovations across multiple markets, with offerings addressing the important theme of moderation and also improving the quality of the draught offer. 'Radler' beers which are now present in 41 markets (31 in 2013) across all 5 regions continue to be an innovation highlight, with the launches of the 2% and 0.0% variants as well as new flavours all driving positive growth. THE SUB®, the draught beer appliance to capture share in the growing at home draught beer market, was launched in 4 markets and is already showing positive signs.

With an exciting pipeline for the coming year, we are confident on continuing the strong innovation momentum, and firmly view innovation as a key competitive advantage.

HEINEKEN announced with H1 results that the **TCM 2** cost savings program had completed ahead of schedule and delivered above the original target (€637 million compared to target €625 million). The company continues to realise further ongoing productivity improvements across the global supply chain function, as well as focusing on rightsizing and restructuring initiatives to optimise the cost structure.

Global Business Services continues to leverage global scale and deliver cost savings. HEINEKEN Global Procurement (HGP) is delivering considerable cost benefits through the central negotiation and

purchasing of both product and non-product related spend areas. Similarly, the transition of the transactional finance activity to HEINEKEN Global Shared Services (HGSS) supports primarily cost efficiencies. At the end of 2014, 22 European operating companies had successfully completed the transition to HGSS. HEINEKEN is currently expanding the scope of activities carried out by HGSS, primarily related to order to cash and standard reporting activities. All operating companies in Europe will have transitioned these further activities to HGSS by the end of 2015.

At the end of 2014 upfront cumulative GBS costs incurred were €203 million, in line with budget, of which €160 million was recognised as an operating expense and €43 million capitalised.

CHANGE IN POLICY AND PROPOSED 2014 DIVIDEND

Following the strong results of 2014 and to reflect confidence in future strong and sustainable cash flow generation HEINEKEN has decided to widen the pay-out ratio for its annual dividend from 30%–35% to 30%–40% of Net profit (beia). For 2014 a payment of a total cash dividend of €1.10 per share of €1.60 nominal value for 2014 (total dividend 2013: €0.89) will be proposed at the forthcoming AGM. If approved, a final dividend of €0.74 per share will be paid on 6 May 2015, as an interim dividend of €0.36 per share was paid on 2 September 2014. The payment will be subject to a 15% Dutch withholding tax. The ex-final dividend date for Heineken N.V. shares will be 27 April 2015.

DEFINITIONS

Organic growth excludes the effect of foreign currency translational effects, consolidation changes, accounting policy changes, exceptional items and amortisation of acquisition-related intangibles. Beia refers to financials before exceptional items and amortisation of acquisition-related intangibles. Group figures include HEINEKEN's attributable share of joint ventures and associates. The license fee for the Heineken® brand has been increased since 1 January 2014. To facilitate a meaningful financial and margin comparison compared to last year, the regional impact is reported as a consolidation change in 2014.

ENQUIRIES

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HEINEKEN INVESTOR CALENDAR

Trading update for Q1 2015	22 April 2015
Annual General Meeting (AGM)	23 April 2015
Half Year 2015 Results	3 August 2015
Trading update for Q3 2015	28 October 2015

Conference call details

HEINEKEN will host an analyst and investor conference call in relation to its full year 2014 results today at 10:00 CET/ 9:00 GMT. 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 8257
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Participation/ confirmation code for all countries: 1910072

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 NYSE Euronext in Amsterdam. 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, 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.

Revenue (in € million)	Consolidated				Group¹		
	FY14	FY13	Total growth %	Organic growth %	FY14	FY13	Organic growth %
Heineken N.V.	19,257	19,203	0.3	3.0	21,191	21,174	3.3
Africa Middle East	2,643	2,554	3.5	4.4	3,085	3,005	
Americas	4,631	4,495	3.0	6.9	5,401	5,315	
Asia Pacific	2,088	2,037	2.5	5.3	2,455	2,380	
Central & Eastern Europe	2,868	3,097	-7.4	-3.7	3,223	3,453	
Western Europe	7,478	7,456	0.3	2.2	7,478	7,456	
Head Office & Eliminations	-451	-436	na	na	-451	-436	

Operating profit (beia) (in € million)	Consolidated				Group		
	FY14	FY13	Total growth %	Organic growth %	FY14	FY13	Organic growth %
Heineken N.V.	3,129	2,941	6.4	8.7	3,359	3,192	7.8
Africa Middle East	655	607	7.9	8.8	700	665	
Americas	780	719	8.6	16	887	837	
Asia Pacific	550	536	2.5	5.4	598	580	
Central & Eastern Europe	272	290	-6.3	-4.5	302	321	
Western Europe	852	853	-0.1	4.5	852	853	
Head Office & Eliminations	20	-64	na	na	20	-64	

Group beer volumes (in mhl)	4Q14	4Q13	Total growth %	Organic growth %	FY14	FY13	Total growth %	Organic growth %
Heineken N.V.	49.6	48.5	2.3	2.1	198.8	195.2	1.8	2.0
Africa Middle East	8.1	7.8	3.4	4.6	29.3	27.4	6.8	6.7
Americas	15.1	14.7	3.2	2.7	57.0	54.9	3.7	3.7
Asia Pacific	6.6	6.3	5.3	4.9	24.0	22.7	5.8	5.0
Central & Eastern Europe	10.0	10.0	-0.4	-1.1	46.0	48.0	-4.0	-4.2
Western Europe	9.8	9.7	0.0	0.5	42.5	42.2	0.5	2.3

Developing markets (in mhl or € million unless otherwise stated)	FY14		
	Group beer volume	Group Revenue⁴	Group operating profit (beia)⁵
Developing markets in:	125.6	10,657	2,023
Africa Middle East	26.5	2,884	
Americas	46.3	3,943	
Asia Pacific	20.4	1,810	
Europe	32.4	1,817	
% of Group	63	50	61
Organic growth %	2.4	5.6	10

⁴ Head office & eliminations Group Revenue amounted to €203m

⁵ Head office & eliminations excluded from calculation

Africa Middle East

Key Financials <i>(in mhl or € million unless otherwise stated)</i>	Consolidated				Group			
	FY14	FY13	Total growth %	Organic growth %	FY14	FY13	Total growth %	Organic growth %
Revenue	2,643	2,554	3.5	4.4	3,085	3,005	2.7	
Revenue/ hl (in €)	84	87	-3.8	-3.1	82	85	-3.7	
Operating profit (beia)	655	607	7.9	8.8	700	665	5.2	
Operating profit (beia) margin	24.8%	23.8%	100bps		22.7%	22.1%	60 bps	
Total volume	31.6	29.4	7.6	7.5	37.6	35.3	6.6	6.6
Beer volume	25.0	23.3	7.4	7.3	29.3	27.4	6.8	6.7
Licensed & non-beer volume	6.5	6.0	8.4	8.4	8.0	7.6	6.5	6.5

Consolidated revenue grew 4.4% organically with strong volume growth of 7.5%, partly offset by lower revenue per hectolitre of 3.1%. Over half of the decline in revenue per hectolitre was due to the faster growth of volume licensed to third parties. Consolidated operating profit (beia) grew by 8.8% organically. Consolidated operating profit (beia) margins expanded by 100 basis points reflecting operational cost efficiencies.

Group beer volume increased by 6.7% organically with solid volumes performance across key markets namely Nigeria, Cameroon, Ethiopia, Burundi, Democratic Republic of Congo, Egypt, Republic of South Africa, and Tunisia. This was slightly offset by lower volume in Sierra Leone, due to the Ebola epidemic. Strengthened investments to support the Coca-Cola franchise in Central Africa enabled sustained growth in most markets. The region saw broad based market share growth across all key markets.

In **Nigeria** volume grew in the mid-single digits led by solid performances of Goldberg and 33 Export brands, and malted beverages with Maltina. After high single digit volume growth in H1, H2 saw volume down slightly, adversely impacted by weaker consumer confidence due to falling global oil prices. Strong high single digit profit growth was supported by positive operating leverage and cost savings. On 4 December 2014 the majority owned subsidiaries Nigerian Breweries plc and Consolidated Breweries plc received shareholder approval to merge the two businesses through a scheme of merger. The two companies are now operating as a combined entity following relevant regulatory and other approvals received at the end of 2014.

Volume in **Ethiopia** grew double digits benefiting from the new brewery, which opened in July 2014. Bedele and Walia, the new local high quality beer brand launched in September 2014, drove strong volume growth resulting in increased market share.

In **Egypt** despite the increase in excise duties, volume grew due to better tourism trends.

In a challenging beer market, volume of the Brandhouse joint venture in **South Africa** grew in the low-single digits, with growth across the premium portfolio with Heineken® and Amstel brands.

Americas

Key Financials <i>(in mhl or € million unless otherwise stated)</i>	Consolidated				Group			
	FY14	FY13	Total growth %	Organic growth %	FY14	FY13	Total growth %	Organic growth %
Revenue	4,631	4,495	3.0	6.9	5,401	5,315	1.6	
Revenue/ hl (in €)	85	86	-0.7	3.2	87	88	-1.8	
Operating profit (beia)	780	719	8.6	16	887	837	6.1	
Operating profit (beia) margin	16.8%	16.0%	80 bps		16.4%	15.7%	70 bps	
Total volume	54.6	52.5	3.8	3.7	62.3	60.1	3.5	3.7
Beer volume	53.2	51.2	3.9	3.9	57.0	54.9	3.7	3.7
Licensed & non-beer volume	1.2	1.2	-1.2	-3.0	5.2	5.1	1.1	3.2

Consolidated revenue grew 6.9% organically, with positive volume and revenue per hectolitre growth, up 3.7% and a 3.2% respectively driven by improved brand mix and pricing. Reported revenue was up 3% impacted by the adverse currency trends (Brazilian Real and Mexican Peso).

Consolidated operating profit (beia) increased 16% organically, primarily benefiting from another year of double-digit growth in Mexico, strong performance in Brazil, combined with growth from the Caribbean and export markets.

A healthy H2 and particularly strong December trading in Mexico and Brazil, as well as South Americas supported group beer volume growth of 3.7%.

Mexican beer volumes benefited from effective marketing programmes, strong sales execution and successful activations in all key channels. This resulted in positive volume growth across all regions. Heineken® and Dos Equis continued to deliver double digit growth in the period, and the Tecate brand was up mid-single digits driven by strong Tecate Light performance. Higher pricing, improved sales mix and ongoing cost efficiencies all contributed to profit growth and 200 basis points of operating margin expansion.

In **Brazil** despite a soft economic environment beer volume grew in the mid-single digits. Value adding sales and marketing programs resulted in strong performance of Heineken® which contributed to double digit revenue per hectolitre growth. Kaiser Radler continues to perform well and the roll out of global brands including Desperados also contributed to growth in 2014.

In the **U.S.** the success of the portfolio strategy resulted in further improved market share in 2014. Sales and depletions were both up c.1%, ahead of the overall market, which was down slightly impacted by unfavourable weather in Q1 and continued on-trade pressure. Overall volume benefited from continued double digit growth of Dos Equis and Tecate Light, and encouraging positive Heineken® performance in Q4. Innovation volume accelerated driven by strong growth of Strongbow Gold Apple Cider, supported by favourable market trends.

Asia Pacific

Key Financials <i>(in mhl or € million unless otherwise stated)</i>	Consolidated				Group			
	FY14	FY13	Total growth %	Organic growth %	FY14	FY13	Total growth %	Organic growth %
Revenue	2,088	2,037	2.5	5.3	2,455	2,380	3.2	
Revenue/ hl (in €)	112	113	-1.4	0.4	100	102	-1.4	
Operating profit (beia)	550	536	2.5	5.4	598	580	3.0	
Operating profit (beia) margin	26.3%	26.3%	0bps		24.4%	24.4%	0bps	
Total volume	18.7	18.0	4.0	4.9	24.5	23.4	4.7	4.8
Beer volume	18.3	17.3	5.5	5.2	24.0	22.7	5.8	5.0

Consolidated revenue in the Asia Pacific region grew 5.3% organically despite a challenging start to the year with softer economic conditions and excise duty increases in a number of key markets. Total consolidated volume increased 4.9% organically with revenue per hectolitre up 0.4%. Reported revenue increased 2.5%, impacted adversely by currency translation movements. Consolidated operating profit (beia) increased 5.4% organically reflecting increased profitability in Vietnam, China, Cambodia and export markets.

Group beer volume grew 5.0% organically reflecting solid growth in India, Vietnam, Cambodia, China and Taiwan. The Tiger brand increased double digits driven by a successful commercial activation in the region. Successful innovation including the introduction of Radler and roll out of global brands helped drive market share gains in a number of countries.

Given the continued positive long term regional outlook production capacity is being expanded in a number of key markets including Vietnam, China and Cambodia. HEINEKEN is also investing in new breweries in the promising new markets of Myanmar and East Timor.

After a weaker start to the year volume in **Vietnam** increased in the high single digits driven by significant Tiger brand growth and Biere Larue. These volume gains offset lower Heineken® volume and led to overall market share gain.

Despite an increase in excise duties at the start of the year volume in **Indonesia** increased in the low single digits, led by strong performance of the Bintang brand. A new soft drinks plant was built and inaugurated in H2.

Successful commercial initiatives and strong brand equity continue to deliver growth for the Heineken® brand in **China**, with volume up 24%. The planned additional capacity through a new brewery in Shanghai remains on schedule.

Volume in **India** was up 5.5%, driven by continued growth of the leading Kingfisher brand. United Breweries Limited reported share gains in several key regions.

In **key export markets** Heineken® volume saw healthy growth in Taiwan, South Korea and Japan.

Central & Eastern Europe

Key Financials <i>(in mhl or € million unless otherwise stated)</i>	Consolidated				Group			
	FY14	FY13	Total growth %	Organic growth %	FY14	FY13	Total growth %	Organic growth %
Revenue	2,868	3,097	-7.4	-3.7	3,223	3,453	-6.7	
Revenue/ hl (in €)	65	66	-2.7	1.4	66	67	-2.5	
Operating profit (beia)	272	290	-6.3	-4.5	302	321	-5.8	
Operating profit (beia) margin	9.5%	9.4%	+10bps		9.4%	9.3%	+10bps	
Total volume	44.4	46.6	-4.8	-5.1	49.2	51.4	-4.3	-4.4
Beer volume	42.3	44.3	-4.4	-4.7	46.0	48.0	-4.0	-4.2

Performance was negatively impacted by unfavourable weather particularly in Q2 and Q3, and continued challenging trading conditions in a number of markets. Consolidated revenue declined 3.7% organically, with total consolidated volume down 5.1% offset by improved revenue per hectolitre of 1.4%. Adverse foreign currency movements, mainly the Russian Rouble, reduced revenues by 3.7%. Operating profit (beia) declined organically 4.5%, however 2013 included a €17 million benefit from the sale of the Pago juice business. Reported consolidated operating profit (beia) declined by 6.3%. HEINEKEN's strategy in CEE remains focused on value growth through investment in the premium brand portfolio and innovation, supported by ongoing cost efficiencies.

Group beer volume declined organically 4.2%, with higher volume in Serbia, Germany, Austria and Hungary more than offset by lower volume in Russia, Poland, Romania and Czech Republic. Heineken®, Zywiec and Desperados performance helped drive premium brand growth. Significant growth was also realised in non-alcoholic beers.

The beer market in **Russia** remains challenging and was adversely impacted by the excise increase in 2014, a softening economic environment and the impact of self-regulation on strong beers. Volume in Russia declined in the low double digits. Premium brands Heineken®, Amstel Premium Pilsner and Krusovice saw growth, improving revenue per hectolitre and overall profitability.

Volume in **Poland** declined due to sustained competitive pricing pressure. Heineken®, Zywiec and Desperados however saw positive volume growth. Adverse channel mix and negative operational leverage was only partially offset by ongoing cost saving initiatives.

Romania saw volume down mid single digits due to weaker weather and a sluggish economy. Profitability improved due to portfolio and revenue management initiatives, and cost efficiencies.

In **Greece**, domestic volume declined slightly, with Alfa and Zorbas brands growing strongly despite a challenging market.

Volume in **Austria** grew slightly despite the impact of the bad weather particularly in Q3. Higher volumes of Gösser and Heineken® resulted in market share gain.

Western Europe

Key Financials <i>(in mhl or € million unless otherwise stated)</i>	Consolidated & Group			
	FY14	FY13	Total growth %	Organic growth %
Revenue	7,478	7,456	0.3	2.2
Revenue/ hl (in €)	127	124	1.9	0.5
Operating profit (beia)	852	853	-0.1	4.5
Operating profit (beia) margin	11.4%	11.4%	0bps	
Total volume	59.0	60.0	-1.6	1.7
Beer volume	42.5	42.2	0.5	2.3
Licensed & non-beer volume	9.3	10.3	-7.8	4.4
Third party products volume	7.2	7.5	-5.2	-4.7

Despite a difficult macro-economic environment and trading conditions, consolidated revenue in the region improved 2.2% organically supported by a 1.7% increase in volume and revenue per hectolitre up 0.5%. The region saw continued broad based market share gains due to the consistent execution of the “Not an Inch Back” strategy. Positive top line performance supported by disciplined cost management resulted in an organic 4.5% increase in operating profit (beia). Reported operating profit (beia) was impacted by the divestment of Oy Hartwall Ab (Finland).

Group beer volume grew 2.3% organically reflecting outperformance in our key markets, higher brand investment, innovations and assertive commercial competitiveness.

Volume in the **UK** was flat and in line with the overall market. Following a particularly stronger H1 the UK beer market experienced some pressure from unfavourable weather conditions, and de-stocking following the football World Cup. Despite this, Heineken® and Amstel saw volume up double digits, whilst new brands and flavour extensions including Old Mout and Strongbow Dark Fruit boosted cider volume.

In **France** volume grew in the high single digits due to improved off-trade performance and the benefit from cycling destocking from the excise duty increase in 2013. Excluding this destocking effect volume would have increased in the mid-single digits. Heineken® brand leadership was reinforced by sustained brand marketing investments as well as innovation such as the introduction of THE SUB®. Desperados continued to deliver healthy growth rates. Profitability improved on an underlying basis.

Volume in **Spain** grew in the mid-single digits with positive trends for all key brands and improved profitability. Effective commercial programmes and innovation drove improved marked share.

In the **Netherlands** overall market share improved with domestic beer volume up in the low single digits, primarily in the off-trade and supported by promotional activities in modern trade and the football World Cup. Heineken® grew in the low single digits with Amstel growth in the mid-single digits driven by the ongoing success of Radler.

Head office costs, other items and eliminations

Key Financials <i>(in mhl or € million unless otherwise stated)</i>	Consolidated & Group	
	FY14	FY13
Revenue	-451	-436
Operating profit (beia)	20	-64

Consolidated operating profit (beia) increased primarily due to lower net central costs related to HEINEKEN Global Procurement, HEINEKEN Global Shared Services centre and the higher profitability of EMPAQUE, the Mexican packaging business. EMPAQUE's results will be de-consolidated from within Head Office after expected completion of the sale in Q1 2015.

CONSOLIDATED FINANCIAL REVIEW

Key figures <i>(in mhl or € million unless otherwise stated)</i>	Consolidated					Organic growth %
	FY13	Currency translation	Consolidation impact	Organic growth	FY14	
Revenue	19,203	-315	-213	582	19,257	3.0
Total expenses (beia)	-16,262	266	194	-326	-16,128	-2.0
Operating profit (beia)	2,941	-49	-19	256	3,129	8.7
Share of net profit of assoc./ JVs (beia)	150	-4	2	-9	139	-6.2
EBIT (beia)	3,091	-53	-17	247	3,268	8.0
Net interest income/(expenses) (beia)	-532	-	-	123	-409	23
Other net finance income/(expenses) (beia)	-72	5	-3	-10	-80	-14
Income tax expense (beia)	-671	14	5	-132	-784	-20
Minority interests	-231	2	2	-10	-237	-4.0
Net profit (beia)	1,585	-32	-13	218	1,758	14
Eia	-221				-242	
Net profit	1,364				1,516	
Total consolidated volume	206.6				208.3	1.8
Beer volume	178.3				181.3	1.9
Licensed & non-beer volume	18.9				18.5	5.1
Third party products volume	9.4				8.5	-7.2

Changes in consolidation

The main consolidation changes impacting 2014 are:

- The divestment of Oy Hartwall Ab in Finland, a wholly owned subsidiary, on 23 August 2013.
- The divestment of Pago International, a wholly owned subsidiary, on 15 February 2013.
- 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 divestiture of an 80% shareholding of Brasserie Lorraine in Martinique on 10 September 2014. HEINEKEN retains a 20% shareholding in the business.

In 2015 the following events will impact consolidation changes:

- The disposal of the Mexican packaging business EMPAQUE announced on 1 September is pending relevant regulatory approvals and closing formalities, and is expected to complete in Q1 2015.

On 4 December majority owned subsidiaries Nigerian Breweries Plc and Consolidated Breweries Plc received shareholder approval to merge their respective businesses through a court approved scheme of merger. Following the receipt of the relevant court and regulatory approvals, the merger was completed with effect from 31 December 2014. As the shareholding in the respective companies was at a similar level this will not have a material impact on the consolidation changes.

Revenue

Revenue grew 0.3% to €19,257 million, reflecting a 1.1% negative net consolidation impact (€213 million), mostly attributable to the divestment of Hartwall in Finland in 2013.

Unfavourable foreign currency movements drove a €315 million decrease in revenues (or –1.6%), largely driven by the depreciation of the Mexican Pesos, Indonesian Rupiah, Russian Rouble, Papua New Guinean Kina and Brazilian Real. An organic revenue increase of 3% is made up of a total consolidated volume growth of 1.8% and a 1.2% increase in revenue per hectolitre (net of a flat country mix effect).

Total expenses (beia)

Total expenses (beia) were €16,128 million, increasing 2% organically. Input costs increased organically by 1.8% and were 0.2% lower on a per hectolitre basis. Energy and water costs were stable at organic level. Marketing and selling expenses (beia) increased organically 3.5% to €2,447 million, representing 12.7% of revenues (2013: 12.6%).

Operating profit (beia)

Operating profit (beia) grew by 6.4% to €3,129 million. Strong organic growth at 8.7% was partially offset by a negative consolidation impact of €19 million (or –0.6%) and an unfavourable foreign currency translational effect of €49 million (or –1.7%).

Organic growth was supported by higher revenue and benefitted from continued costs savings programs.

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

Share of net profit of associates and joint ventures (beia) decreased 7.3% (of which 6.2% organically) from €150 million to €139 million, mainly reflecting a lower contribution from joint ventures in South America and South Africa, which were only partially offset by higher profits in India and in Germany.

Net finance expenses (beia)

Net interest expenses (beia) decreased by €123 million, reflecting a lower average effective interest rate on outstanding debts. The average interest rate in 2014 was 3.7%, compared with 4.4% in 2013. Other net finance expenses (beia) amounted to €80 million, primarily due to the interest expense on the net pension liability being presented in other net finance income/(expenses). Other net finance expenses increased by €8million, with the organic increase partially offset by the impact of favourable foreign currency transactional movements.

Income tax expense (beia)

The effective tax rate (beia) was 29.7% (2013: 28.7%). Under IFRS, HEINEKEN is required to provide for withholding taxes that will be incurred upon future dividends received from our foreign investments. The annual contribution to the provision has structurally increased due to expected higher dividends payable from certain investments, explaining primarily the increase of the effective tax rate (beia).

Net profit and net profit (beia)

Net profit increased 11% to €1,516 million. This includes net exceptional items and amortization costs of €242 million (2013: €221 million).

Net profit (beia) increased €173 million to €1,758 million, up 14% organically. Adverse currency translational movements and a negative consolidation impact reduced net profit (beia) by €45 million (-2.8%).

Foreign exchange rate movements

Unfavourable foreign currency translational movements decreased operating profit (beia) by €49 million. This was largely due to the depreciation of the Mexican Peso (-4%), the Papua New Guinean Kina (-11%) and the Indonesian Rupiah (-12%). At the net profit level, translational foreign currency movements had a negative impact of €32 million.

HEINEKEN delays the impact of the U.S. Dollar fluctuations versus the Euro by hedging the net cash inflow of U.S. Dollars from exports for up to 18 months in advance.

The average EUR/USD exchange rate inclusive of hedging was 1.31 in 2014, versus 1.31 in 2013. For the full year 2015, the net dollar inflow is forecasted at US\$529 million, of which 90% has been hedged at EUR/USD 1.34.

For 2016, the net dollar inflow is forecast at approximately US\$503 million of which 43% is hedged at EUR/USD 1.21 as of 6 February 2015.

Capital expenditure and cash flow

Capital expenditure related to property, plant and equipment increased to €1,494 million in 2014 (2013: €1,369 million) representing 7.8% of revenue (2013: 7.1%). This primarily reflected capacity expansion in several markets, including Vietnam, and a greenfield in Ethiopia as well as a soft drinks plant in Indonesia.

Free operating cash flow increased to €1,574 million (from €1,518 million) primarily due to higher cash flow from operations and the benefit from working capital only partly offset by higher capex.

Financial structure

Total gross debt amounts to €11,757 million (from €12,170 million at 31 December 2013). Net debt increased to €11,076 million (from €10,868 million at 31 December 2013). Free operating cash flow exceeded dividends paid and outflow from acquisitions, but net debt expressed in Euros increased due to the strong appreciation of the U.S. dollar in the second half of 2014 as 29% of net debt is U.S. dollar-related.

Despite the impact of the strong appreciation of the U.S. dollar a net debt/EBITDA (beia) of 2.5x was achieved at the end of 2014 (2013: 2.6x). The anticipated proceeds of the EMPAQUE divestment will provide further flexibility.

Average number of shares

In the calculation of basic EPS, the weighted average number of shares outstanding in 2014 was 574,945,645. In the calculation of diluted EPS, shares held in treasury related to the employee incentive programme are added to the weighted average shares outstanding. The weighted average diluted number of shares outstanding in 2014 was 576,002,613 (equal to 2013).

Consolidated & Group metrics: Full year 2014

	Consolidated (A)						Attributable share of joint ventures/assoc (B)		Group (C) = A + B		
(in mhl or €million unless otherwise stated)	FY13	Currency Translation	Consolidation Impact	Organic Growth	FY14	Organic Growth %	FY13	FY14	FY13	FY14	Organic Growth %
Africa and Middle East											
Revenue	2,554	-26	4	112	2,643	4.4	451	442	3,005	3,085	
Revenue per Hl (in €)	87			-3	84	-3.1	76	74	85	82	
Operating profit (beia)	607	-5	-1	53	655	8.8	58	45	665	700	
Operating profit (beia) margin	23.8%				24.8%		12.9%	10.2%	22.1%	22.7%	
Total volume	29.4		-	2.2	31.6	7.5	5.9	6.0	35.3	37.6	6.6
Beer volume	23.3		-	1.7	25.0	7.3	4.1	4.3	27.4	29.3	6.7
Licensed & non-beer volume	6.0		-	0.5	6.5	8.4	1.6	1.5	7.6	8.0	6.5
Third party products volume	0.1		-	-	0.1	-2.0	0.2	0.2	0.3	0.3	-7.8
Americas											
Revenue	4,495	-177	2	312	4,631	6.9	821	770	5,315	5,401	
Revenue per Hl (in €)	86			3	85	3.2	108	100	88	87	
Operating profit (beia)	719	-33	-19	114	780	16	118	107	837	887	
Operating profit (beia) margin	16.0%				16.8%		14.4%	13.9%	15.7%	16.4%	
Total volume	52.5		-	2.0	54.6	3.7	7.6	7.7	60.1	62.3	3.7
Beer volume	51.2		-	2.0	53.2	3.9	3.7	3.8	54.9	57.0	3.7
Licensed & non-beer volume	1.2		-	-	1.2	-3.0	3.9	3.9	5.1	5.2	3.2
Third party products volume	0.1		-	-	0.1	3.9	-	-	0.1	0.1	3.9
Asia Pacific											
Revenue	2,037	-57	2	107	2,088	5.3	343	367	2,380	2,455	
Revenue per Hl (in €)	113			-	112	0.4	64	63	102	100	
Operating profit (beia)	536	-17	1	29	550	5.4	44	48	580	598	
Operating profit (beia) margin	26.3%				26.3%		12.8%	13.1%	24.4%	24.4%	
Total volume	18.0		-0.2	0.9	18.7	4.9	5.4	5.8	23.4	24.5	4.8
Beer volume	17.3		0.1	0.9	18.3	5.2	5.4	5.7	22.7	24.0	5.0
Licensed & non-beer volume	0.4		-	-	0.3	-5.0	-	0.1	0.4	0.4	-6.4
Third party products volume	0.3		-0.2	-	0.1	-1.1	-	-	0.3	0.1	-1.1
Central & Eastern Europe											
Revenue	3,097	-114	-	-115	2,868	-3.7	357	355	3,453	3,223	
Revenue per Hl (in €)	66			1	65	1.4	74	74	67	66	
Operating profit (beia)	290	-2	-3	-13	272	-4.5	31	30	321	302	
Operating profit (beia) margin	9.4%				9.5%		8.7%	8.5%	9.3%	9.4%	
Total volume	46.6		0.1	-2.4	44.4	-5.1	4.8	4.8	51.4	49.2	-4.4
Beer volume	44.3		0.2	-2.1	42.3	-4.7	3.7	3.7	48.0	46.0	-4.2
Licensed & non-beer volume	1.0		-	-	1.0	6.0	0.6	0.6	1.6	1.6	4.1
Third party products volume	1.3		-	-0.3	1.1	-24	0.5	0.5	1.8	1.6	-17

	Consolidated (A)						Attributable share of joint ventures/assoc (B)		Group (C) = A + B		
(in mhl or €million unless otherwise stated)	FY13	Currency Translation	Consolidation Impact	Organic Growth	FY14	Organic Growth %	FY13	FY14	FY13	FY14	Organic Growth %
Western Europe											
Revenue	7,456	81	-222	163	7,478	2.2			7,456	7,478	
Revenue per Hl (in €)	124			1	127	0.5			124	127	
Operating profit (beia)	853	12	-51	38	852	4.5			853	852	
Operating profit (beia) margin	11.4%				11.4%				11.4%	11.4%	
Total volume	60.0		-2.0	1.0	59.0	1.7			60.0	59.0	1.7
Beer volume	42.2		-0.7	1.0	42.5	2.3			42.2	42.5	2.3
Licensed & non-beer volume	10.3		-1.2	0.4	9.3	4.4			10.3	9.3	4.4
Third party products volume	7.5		-	-0.4	7.2	-4.7			7.5	7.2	-4.7
Head Office & Eliminations											
Revenue	-436	-22	2	3	-451	n.a.			-436	-451	
Operating profit (beia)	-64	-4	54	34	20	n.a.			-64	20	
Heineken N.V.											
Revenue	19,203	-315	-213	582	19,257	3.0	1,971	1,934	21,174	21,191	3.3
Revenue per Hl (in €)	93			1	92	1.2	83	80	92	91	1.4
Total expenses (beia)	-16,262	266	194	-326	-16,128	-2.0	-1,720	-1,704	-17,982	-17,832	-2.5
Operating profit (beia)	2,941	-49	-19	256	3,129	8.7	251	230	3,192	3,359	7.8
Operating profit (beia) margin	15.3%				16.2%		12.7%	11.9%	15.1%	15.9%	
Share of net profit of associates / JVs (beia)	150	-4	2	-9	139	-6.2					
Net Interest income / (expenses) (beia)	-532	-	-	123	-409	23					
Other net finance income/(expenses) (beia)	-72	5	-3	-10	-80	-14					
Income tax expense (beia)	-671	14	5	-132	-784	-20					
Minority Interests	-231	2	2	-10	-237	-4.0					
Net profit (beia)	1,585	-32	-13	218	1,758	14					
Total volume	206.6		-2.0	3.7	208.3	1.8	23.7	24.3	230.3	232.6	1.9
Beer volume	178.3		-0.5	3.4	181.3	1.9	16.9	17.5	195.2	198.8	2.0
Licensed & non-beer volume	18.9		-1.3	1.0	18.5	5.1	6.1	6.1	25.0	24.6	4.6
Third party products volume	9.4		-0.2	-0.7	8.5	-7.2	0.7	0.7	10.1	9.2	-6.9

Consolidated & Group Metrics: Fourth Quarter 2014

	Consolidated (A)						Attributable share of joint ventures/assoc (B)		Group (C) = A + B		
(in mhl or €million unless otherwise stated)	4Q13	Currency Translation	Consolidation Impact	Organic Growth	4Q14	Organic Growth %	4Q13	4Q14	4Q13	4Q14	Organic Growth %
Africa and Middle East											
Revenue	691	37	1	16	744	2.3	132	129	823	873	
Revenue per Hl (in €)	86			-3	88	-4.2	73	72	84	85	
Total volume	8.0		-	0.5	8.5	6.5	1.8	1.8	9.8	10.3	5.3
Beer volume	6.5		-	0.3	6.8	5.0	1.4	1.3	7.8	8.1	4.6
Licensed & non-beer volume	1.5		-	0.2	1.7	13	0.4	0.5	2.0	2.2	9.8
Third party products volume	-		-	-	-	-	-	-	-	-	-
Americas											
Revenue	1,126	25	3	81	1,235	7.2	217	230	1,343	1,465	
Revenue per Hl (in €)	80			3	86	4.5	90	100	82	88	
Total volume	14.0		-	0.4	14.3	2.7	2.4	2.3	16.4	16.6	2.6
Beer volume	13.6		-	0.4	13.9	2.9	1.1	1.2	14.7	15.1	2.7
Licensed & non-beer volume	0.4		-	-	0.3	-4.7	1.3	1.1	1.7	1.4	1.4
Third party products volume	-		-	-	-	-	-	-	-	-	-
Asia Pacific											
Revenue	564	34	1	14	612	2.4	62	104	626	716	
Revenue per Hl (in €)	111			-2	115	-2.0	48	74	98	107	
Total volume	5.1		-	0.2	5.3	4.4	1.3	1.4	6.4	6.7	5.2
Beer volume	5.0		-	0.2	5.2	4.0	1.3	1.4	6.3	6.6	4.9
Licensed & non-beer volume	-		-	-	0.1	6.7	-	-	-	0.1	4.0
Third party products volume	0.1		-	-	-	-	-	-	0.1	-	-
Central & Eastern Europe											
Revenue	673	-38	8	-22	621	-3.3	81	72	754	693	
Revenue per Hl (in €)	69			-1	64	-0.8	81	72	70	65	
Total volume	9.7		0.2	-0.2	9.7	-2.5	1.0	1.0	10.7	10.7	-1.7
Beer volume	9.3		0.2	-0.2	9.3	-1.7	0.7	0.7	10.0	10.0	-1.1
Licensed & non-beer volume	0.1		-	0.1	0.2	1.0	0.2	0.2	0.3	0.4	2.5
Third party products volume	0.3		-	-0.1	0.2	-27	0.1	0.1	0.4	0.3	-18

	Consolidated (A)						Attributable share of joint ventures/assoc (B)		Group (C) = A + B		
(in mhl or €million unless otherwise stated)	4Q13	Currency Translation	Consolidation Impact	Organic Growth	4Q14	Organic Growth %	4Q13	4Q14	4Q13	4Q14	Organic Growth %
Western Europe											
Revenue	1,710	26	-5	33	1,764	1.9			1,710	1,764	
Revenue per Hl (in €)	126			1	129	1.2			126	129	
Total volume	13.6		-	0.1	13.7	0.7			13.6	13.7	0.7
Beer volume	9.7		-	-	9.8	0.5			9.7	9.8	0.5
Licensed & non-beer volume	2.2		-	0.1	2.2	3.7			2.2	2.2	3.7
Third party products volume	1.7		-	-	1.7	-2.0			1.7	1.7	-2.0
Head Office & Eliminations											
Revenue	-97	2	-1	-2	-94	n.a.			-97	-94	
Heineken N.V.											
Revenue	4,668	86	7	120	4,882	2.6	492	535	5,160	5,417	3.1
Revenue per Hl (in €)	92			1	95	0.7	77	82	91	93	1.0
Total volume	50.5		0.1	1.0	51.5	1.9	6.4	6.5	56.9	58.0	2.1
Beer volume	44.1		0.1	0.8	45.0	1.8	4.4	4.6	48.5	49.6	2.1
Licensed & non-beer volume	4.3		-	0.3	4.5	6.3	1.8	1.8	6.1	6.3	4.8
Third party products volume	2.1		-	-0.1	2.0	-4.7	0.2	0.1	2.3	2.1	-5.0

APPENDICES

1. Consolidated income statement
2. Consolidated statement of comprehensive income
3. Consolidated statement of financial position
4. Consolidated statement of cash flows
5. Consolidated statement of changes in equity
6. Earnings per share
7. Dividends
8. Operating segments
9. Acquisitions and disposals of subsidiaries and non-controlling interests
10. Raw materials, consumables and services
11. Loans and borrowings
12. Non-GAAP measures
13. Notes to the appendices
14. Glossary

APPENDIX 1
CONSOLIDATED INCOME STATEMENT
For the year ended 31 December
In millions of EUR

	2014	2013
Revenue	19,257	19,203
Other income	93	226
Raw materials, consumables and services	(12,053)	(12,186)
Personnel expenses	(3,080)	(3,108)
Amortisation, depreciation and impairments	(1,437)	(1,581)
Total expenses	(16,570)	(16,875)
Results from operating activities	2,780	2,554
Interest income	48	47
Interest expenses	(457)	(579)
Other net finance income/(expenses)	(79)	(61)
Net finance expenses	(488)	(593)
Share of profit of associates and joint ventures and impairments thereof (net of income tax)	148	146
Profit before income tax	2,440	2,107
Income tax expense	(732)	(520)
Profit	1,708	1,587
Attributable to:		
Equity holders of the Company (net profit)	1,516	1,364
Non-controlling interests	192	223
Profit	1,708	1,587
Weighted average number of shares – basic	574,945,645	575,062,357
Weighted average number of shares – diluted	576,002,613	576,002,613
Basic earnings per share (EUR)	2.64	2.37
Diluted earnings per share (EUR)	2.63	2.37

APPENDIX 2
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December
In millions of EUR

	2014	2013
Profit	1,708	1,587
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Actuarial gains and losses	(344)	197
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences	697	(1,282)
Recycling of currency translation differences to profit or loss	–	1
Effective portion of net investment hedges	(5)	13
Effective portion of changes in fair value of cash flow hedges	(99)	16
Effective portion of cash flow hedges transferred to profit or loss	(3)	(4)
Net change in fair value available-for-sale investments	(1)	(53)
Share of other comprehensive income of associates/joint ventures	(7)	5
Other comprehensive income, net of tax	238	(1,107)
Total comprehensive income	1,946	480
Attributable to:		
Equity holders of the Company	1,686	336
Non-controlling interests	260	144
Total comprehensive income	1,946	480

APPENDIX 3
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December
In millions of EUR

	2014	2013
Assets		
Property, plant and equipment	8,718	8,454
Intangible assets	16,341	15,934
Investments in associates and joint ventures	2,033	1,883
Other investments and receivables	737	762
Advances to customers	254	301
Deferred tax assets	661	508
Total non-current assets	28,744	27,842
Inventories	1,634	1,512
Other investments	13	11
Trade and other receivables	2,743	2,427
Prepayments and accrued income	317	218
Income tax receivables	23	–
Cash and cash equivalents	668	1,290
Assets classified as held for sale	688	37
Total current assets	6,086	5,495
Total assets	34,830	33,337

APPENDIX 3 (CONTINUED)
As at 31 December
In millions of EUR

	2014	2013
Equity		
Share capital	922	922
Share premium	2,701	2,701
Reserves	(427)	(858)
Retained earnings	9,213	8,637
Equity attributable to equity holders of the Company	12,409	11,402
Non-controlling interests	1,043	954
Total equity	13,452	12,356
Liabilities		
Loans and borrowings	9,499	9,853
Tax liabilities	3	112
Employee benefits	1,443	1,202
Provisions	398	367
Deferred tax liabilities	1,503	1,444
Total non-current liabilities	12,846	12,978
Bank overdrafts	595	178
Loans and borrowings	1,671	2,195
Trade and other payables	5,533	5,131
Tax liabilities	390	317
Provisions	165	171
Liabilities classified as held for sale	178	11
Total current liabilities	8,532	8,003
Total liabilities	21,378	20,981
Total equity and liabilities	34,830	33,337

APPENDIX 4
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December
In millions of EUR

	2014	2013
Operating activities		
Profit	1,708	1,587
Adjustments for:		
Amortisation, depreciation and impairments	1,437	1,581
Net interest expenses	409	532
Gain on sale of property, plant and equipment, intangible assets and subsidiaries, joint ventures and associates	(93)	(226)
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	(158)	(160)
Income tax expenses	732	520
Other non-cash items	244	156
Cash flow from operations before changes in working capital and provisions	4,279	3,990
Change in inventories	(104)	(42)
Change in trade and other receivables	(325)	5
Change in trade and other payables	456	88
Total change in working capital	27	51
Change in provisions and employee benefits	(166)	(58)
Cash flow from operations	4,140	3,983
Interest paid	(522)	(557)
Interest received	60	56
Dividends received	125	148
Income taxes paid	(745)	(716)
Cash flow related to interest, dividend and income tax	(1,082)	(1,069)
Cash flow from operating activities	3,058	2,914
Investing activities		
Proceeds from sale of property, plant and equipment and intangible assets	144	152
Purchase of property, plant and equipment	(1,494)	(1,369)
Purchase of intangible assets	(57)	(77)
Loans issued to customers and other investments	(117)	(143)
Repayment on loans to customers	40	41
Cash flow (used in)/from operational investing activities	(1,484)	(1,396)
Free operating cash flow	1,574	1,518

APPENDIX 4 (CONTINUED)
For the year ended 31 December
In millions of EUR

	2014	2013
Acquisition of subsidiaries, net of cash acquired	(159)	(17)
Acquisition of/additions to associates, joint ventures and other investments	(7)	(53)
Disposal of subsidiaries, net of cash disposed of	(27)	460
Disposal of associates, joint ventures and other investments	4	165
Cash flow (used in)/from acquisitions and disposals	(189)	555
Cash flow (used in)/from investing activities	(1,673)	(841)
Financing activities		
Proceeds from loans and borrowings	858	1,663
Repayment of loans and borrowings	(2,443)	(2,474)
Dividends paid	(723)	(710)
Purchase own shares	(9)	(21)
Acquisition of non-controlling interests	(137)	(209)
Other	1	(1)
Cash flow (used in)/from financing activities	(2,453)	(1,752)
Net cash flow	(1,068)	321
Cash and cash equivalents as at 1 January	1,112	846
Effect of movements in exchange rates	29	(55)
Cash and cash equivalents as at 31 December	73	1,112

APPENDIX 5

CONSOLIDATED 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 2014	922	2,701	(1,721)	2	97	805	(41)	8,637	11,402	954	12,356
Profit	–	–	–	–	–	174	–	1,342	1,516	192	1,708
Other comprehensive income	–	–	624	(101)	(1)	–	–	(352)	170	68	238
Total comprehensive income	–	–	624	(101)	(1)	174	–	990	1,686	260	1,946
Transfer to retained earnings	–	–	–	–	–	(236)	–	236	–	–	–
Dividends to shareholders	–	–	–	–	–	–	–	(512)	(512)	(224)	(736)
Purchase/reissuance own/non-controlling shares	–	–	–	–	–	–	(33)	–	(33)	32	(1)
Own shares delivered	–	–	–	–	–	–	4	(4)	–	–	–
Share-based payments	–	–	–	–	–	–	–	47	47	1	48
Acquisition of non-controlling interests without a change in control	–	–	–	–	–	–	–	(181)	(181)	20	(161)
Balance as at 31 December 2014	922	2,701	(1,097)	(99)	96	743	(70)	9,213	12,409	1,043	13,452

APPENDIX 5 (CONTINUED)

CONSOLIDATED 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 2013	922	2,701	(527)	(11)	150	779	(26)	7,746	11,734	1,071	12,805
Profit	–	–	–	–	–	214	–	1,150	1,364	223	1,587
Other comprehensive income	–	–	(1,194)	13	(53)	–	–	206	(1,028)	(79)	(1,107)
Total comprehensive income	–	–	(1,194)	13	(53)	214	–	1,356	336	144	480
Transfer to retained earnings	–	–	–	–	–	(188)	–	188	–	–	–
Dividends to shareholders	–	–	–	–	–	–	–	(530)	(530)	(185)	(715)
Purchase/reissuance own/non-controlling shares	–	–	–	–	–	–	(21)	–	(21)	–	(21)
Own shares delivered	–	–	–	–	–	–	6	(6)	–	–	–
Share-based payments	–	–	–	–	–	–	–	8	8	–	8
Acquisition of non-controlling interests without a change in control	–	–	–	–	–	–	–	(125)	(125)	(76)	(201)
Balance as at 31 December 2013	922	2,701	(1,721)	2	97	805	(41)	8,637	11,402	954	12,356

APPENDIX 6
EARNINGS PER SHARE
Basic earnings per share

The calculation of basic earnings per share for the period ended 31 December 2014 is based on the profit attributable to ordinary shareholders of the Company (net profit) of EUR1,516 million (2013: EUR1,364 million) and a weighted average number of ordinary shares – basic outstanding during the year ended 31 December 2014 of 574,945,645 (2013: 575,062,357). Basic earnings per share for the year amounted to EUR2.64 (2013: EUR2.37).

Diluted earnings per share

The calculation of diluted earnings per share for the period ended 31 December 2014 is based on the profit attributable to ordinary shareholders of the Company (net profit) of EUR1,516 million (2013: EUR1,364 million) and a weighted average number of ordinary shares – basic outstanding after adjustment for the effects of all dilutive potential ordinary shares of 576,002,613 (2013: 576,002,613). Diluted earnings per share for the year amounted to EUR2.63 (2013: EUR2.37).

Weighted average number of shares – basic and diluted

	2014	2013
Number of shares 1 January	576,002,613	576,002,613
Effect of own shares held	(1,056,968)	(940,256)
Weighted average number of basic shares for the year	574,945,645	575,062,357
Effect of own shares held	1,056,968	940,256
Weighted average number of diluted shares for the year	576,002,613	576,002,613

APPENDIX 7
DIVIDENDS

The following dividends were declared and paid by HEINEKEN:

<i>In millions of EUR</i>	2014	2013
Final dividend previous year EUR0.53, respectively EUR0.56 per qualifying ordinary share	305	323
Interim dividend current year EUR0.36, respectively EUR0.36 per qualifying ordinary share	207	207
Total dividend declared and paid	512	530

HEINEKEN has widened the pay-out ratio for its annual dividend from 30–35 per cent to 30–40 per cent of net profit (beia). For 2014, a payment of a total cash dividend of EUR1.10 per share (2013: EUR0.89) will be proposed at the AGM. If approved, a final dividend of EUR0.74 per share will be paid on 6 May 2015, as an interim dividend of EUR0.36 per share was paid on 2 September 2014. The payment will be subject to 15 per cent Dutch withholding tax.

After the balance sheet date, the Executive Board proposed the following dividends. The dividends, taking into account the interim dividends declared and paid, have not been provided for.

<i>In millions of EUR</i>	2014	2013
Per qualifying ordinary share EUR1.10 (2013: EUR0.89)	632	512

APPENDIX 8

OPERATING SEGMENTS

Information about reportable segments

In millions of EUR

	Western Europe		Central and Eastern Europe		The Americas		Africa Middle East		Asia Pacific		Head Office & Other/ Eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue														
Third party revenue ¹	6,765	6,800	2,853	3,082	4,626	4,486	2,643	2,554	2,087	2,036	283	245	19,257	19,203
Interregional revenue	713	656	15	15	5	9	–	–	1	1	(734)	(681)	–	–
Total revenue	7,478	7,456	2,868	3,097	4,631	4,495	2,643	2,554	2,088	2,037	(451)	(436)	19,257	19,203
Other income	16	50	60	119	7	56	10	1	–	–	–	–	93	226
Results from operating activities	781	737	287	231	660	681	606	606	407	376	39	(77)	2,780	2,554
Net finance expenses													(488)	(593)
Share of profit of associates and joint ventures and impairments thereof	–	2	33	15	60	70	28	37	29	26	(2)	(4)	148	146
Income tax expense													(732)	(520)
Profit													1,708	1,587

¹ Includes other revenue of EUR377 million in 2014 and EUR375 million in 2013.

APPENDIX 8 (CONTINUED)

In millions of EUR

	Western Europe		Central and Eastern Europe		The Americas		Africa Middle East		Asia Pacific		Head Office & Other/ Eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Attributable to:														
Equity holders of the Company (net profit)													1,516	1,364
Non-controlling interests													192	223
													1,708	1,587
EBIT reconciliation														
EBIT ²	781	739	320	246	720	751	634	643	436	402	37	(81)	2,928	2,700
Eia ²	71	115	(27)	60	121	39	49	2	146	163	(20)	12	340	391
EBIT (beia)²	852	854	293	306	841	790	683	645	582	565	17	(69)	3,268	3,091
Beer volumes (in million hectolitres)														
Consolidated beer volume ²	42,454	42,224	42,319	44,261	53,210	51,209	25,003	23,281	18,296	17,347	-	-	181,282	178,322
Attributable share of joint ventures & associates volume ²	-	-	3,712	3,743	3,775	3,717	4,282	4,119	5,748	5,345	-	-	17,517	16,924
Group beer volume²	42,454	42,224	46,031	48,004	56,985	54,926	29,285	27,400	24,044	22,692	-	-	198,799	195,246

² For definition see "Glossary". Note that these are non-GAAP measures and therefore unaudited.

APPENDIX 8 (CONTINUED)

<i>In millions of EUR</i>	Western Europe		Central and Eastern Europe		The Americas		Africa Middle East		Asia Pacific		Head Office & Other/ Eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Current segment assets	2,467	2,036	892	982	1,668	1,236	1,162	939	752	757	(868)	(475)	6,073	5,475
Non-current segment assets	7,370	7,262	3,045	3,128	5,382	5,193	2,527	2,216	6,881	6,254	845	1,400	26,050	25,453
Investment in associates and joint ventures	25	43	276	194	792	823	253	238	621	476	66	109	2,033	1,883
Total segment assets	9,862	9,341	4,213	4,304	7,842	7,252	3,942	3,393	8,254	7,487	43	1,034	34,156	32,811
Unallocated assets													674	526
Total assets													34,830	33,337

APPENDIX 8 (CONTINUED)

<i>In millions of EUR</i>	Western Europe		Central and Eastern Europe		The Americas		Africa Middle East		Asia Pacific		Head Office & Other/ Eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Segment liabilities	4,291	3,571	1,275	1,242	1,195	1,027	972	853	600	449	421	319	8,754	7,461
Unallocated liabilities													12,624	13,520
Total equity													13,452	12,356
Total equity and liabilities													34,830	33,337
Purchase of P, P & E	345	264	201	191	291	261	425	461	243	142	14	50	1,519	1,369
Acquisition of goodwill	–	9	100	–	–	–	–	–	–	–	–	–	100	9
Purchases of intangible assets	8	24	5	6	13	12	2	2	1	5	28	28	57	77
Depreciation of P, P & E	(325)	(329)	(213)	(235)	(219)	(211)	(213)	(183)	(83)	(80)	(27)	(35)	(1,080)	(1,073)
(Impairment) and reversal of impairment of P, P & E	(2)	(7)	(1)	(9)	–	(1)	(3)	–	(2)	2	–	(1)	(8)	(16)
Amortisation intangible assets	(42)	(65)	(18)	(17)	(92)	(97)	(6)	(6)	(148)	(179)	(25)	(12)	(331)	(376)
(Impairment) and reversal of impairment of intangible assets	–	(17)	–	(99)	–	–	(18)	–	–	–	–	–	(18)	(116)

APPENDIX 9
ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS
Accounting for the acquisition of Zagorka

On 27 October 2014, HEINEKEN acquired a 98.86 per cent direct stake in Zagorka AD from Brewmasters Holdings. Prior to the transaction, HEINEKEN did not have control over the entity as it owned an indirect stake of 49.43 per cent through Brewmasters Holdings, of which HEINEKEN owns 50 per cent.

The Previously Held Equity Interest (PHEI) in the acquired business is accounted for at fair value as per the acquisition date. The fair value of the PHEI compared to HEINEKEN's carrying amount results in a non-cash gain of EUR51 million, recognised in other income.

Non-controlling interests are measured based on the proportional interest in the recognised assets and liabilities of the acquired business. HEINEKEN recognised EUR0.4 million in respect of a 1.14 per cent non-controlling interest.

The following table summarises the major classes of assets acquired and liabilities assumed as per the acquisition date. Provisional goodwill is recognised in Bulgarian lev and has been allocated to the CEE region since that is the level at which the goodwill will be monitored. Goodwill includes synergies, namely related to cost synergies within sales and distribution, workforce and relationships with suppliers.

In millions of EUR¹

Property, plant and equipment	39
Intangible assets	15
Inventories	4
Trade and other receivables	3
Assets acquired	61
Loans and borrowings, current	5
Bank overdraft	5
Deferred tax liabilities	2
Trade and other current liabilities	14
Liabilities assumed	26
Total net identifiable assets	35

In millions of EUR¹

Consideration transferred ²	77
Fair value of previously held equity interest in the acquiree	58
Non-controlling interests	-
Net identifiable assets acquired	(35)
Goodwill on acquisition (provisional)	100

¹ Amounts were converted to Euros at the rate of EUR/BGN1.96 for the statement of financial position.

² This amount only reflects the consideration transferred for the stake not yet owned by HEINEKEN.

Acquisition-related costs of EUR0.1 million have been recognised in the income statement for the period ended 31 December 2014.

In accordance with IFRS 3R, the amounts recorded for the transaction are provisional and are subject to adjustments during the measurement period if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

Acquisitions of non-controlling interests

In 2014, HEINEKEN acquired various stakes from minority interest holders. As a result, equity attributable to equity holders of HEINEKEN decreased by EUR181 million. This mainly relates to our Asia Pacific region.

Disposal of 80 per cent of Brasserie Lorraine in Martinique

On 10 September 2014, HEINEKEN sold a majority stake of 80 per cent of Brasserie Lorraine to Antilles Glaces. HEINEKEN retains a 20 per cent shareholding in Brasserie Lorraine. A EUR1 million pre-tax book gain on the disposal was recorded in other income.

APPENDIX 10
RAW MATERIALS, CONSUMABLES AND SERVICES

<i>In millions of EUR</i>	2014	2013
Raw materials	1,782	1,868
Non-returnable packaging	2,551	2,502
Goods for resale	1,495	1,551
Inventory movements	(15)	2
Marketing and selling expenses	2,447	2,418
Transport expenses	1,050	1,031
Energy and water	548	564
Repair and maintenance	458	482
Other expenses	1,737	1,768
	12,053	12,186

Other expenses mainly include rentals of EUR291million (2013: EUR282 million), consultant expenses of EUR179 million (2013: EUR166 million), telecom and office automation of EUR199 million (2013: EUR183 million), distribution expenses of EUR122 million (2013: EUR128 million), travel expenses of EUR143 million (2013: EUR155 million) and other taxes of EUR124 million (2013: EUR129 million).

APPENDIX 11
LOANS AND BORROWINGS
Non-current liabilities

<i>In millions of EUR</i>	2014	2013
Unsecured bond issues	7,802	8,083
Unsecured bank loans	481	422
Secured bank loans	45	16
Finance lease liabilities	10	5
Other non-current interest-bearing liabilities	1,153	1,271
Non-current interest-bearing liabilities	9,491	9,797
Non-current derivatives	8	47
Non-current non-interest-bearing liabilities	–	9
Non-current liabilities	9,499	9,853

Current interest-bearing liabilities

<i>In millions of EUR</i>	2014	2013
Current portion of unsecured bonds issues	967	904
Current portion of unsecured bank loans	3	261
Current portion of secured bank loans	11	12
Current portion of finance lease liabilities	5	4
Current portion of other non-current interest-bearing liabilities	121	471
Total current portion of non-current interest-bearing liabilities	1,107	1,652
Deposits from third parties (mainly employee loans)	564	543
	1,671	2,195
Bank overdrafts	595	178
Current interest-bearing liabilities	2,266	2,373

APPENDIX 11 (CONTINUED)
Net interest-bearing debt position

<i>In millions of EUR</i>	2014	2013
Non-current interest-bearing liabilities	9,491	9,797
Current portion of non-current interest-bearing liabilities	1,107	1,652
Deposits from third parties (mainly employee loans)	564	543
	11,162	11,992
Bank overdrafts	595	178
	11,757	12,170
Cash, cash equivalents and current other investments	(681)	(1,302)
Net interest-bearing debt position	11,076	10,868

New Financing

On 30 January 2014, HEINEKEN privately placed 15.5 year Notes for an amount of EUR200 million with a coupon of 3.50 per cent. On 28 March 2014, HEINEKEN privately placed 5.5 year Notes for an amount of USD200 million with a floating rate coupon. Both Notes were issued under HEINEKEN's Euro Medium Term Note Programme. The proceeds of the Notes were used for general corporate purposes.

On 1 July 2014, Heineken extended and amended its EUR2,000 million revolving credit facility maturing in May 2018. The facility has been increased to EUR2,500 million and is now set to mature in May 2019. The facility is committed by a group of 19 banks and has two further one-year extension options.

Long term debt maturity profile

Including notes issued after 31 December 2014

Year	EUR million
2015	942
2016	922
2017	1,171
2018	1,009
2019	1,066
2020	1,014
2021	520
2022	628
2023	824
2024	500
2025	750
>2025	967

Financing Headroom¹

As at 31 December 2014, no amounts were drawn on the existing revolving credit facility of EUR2,500 million. This revolving credit facility was extended and amended in May 2014 and now matures in 2019. The committed financing headroom at Group level was EUR2,169 million as at 31 December 2014 and consisted of undrawn revolving credit facility and centrally available cash, minus centrally managed overdraft balances.

Incurrence covenant¹

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 made in 2014 on a pro-forma basis). As at 31 December 2014 this ratio was 2.4 (2013: 2.5). If the ratio would be beyond a level of 3.5, the incurrence covenant would prevent us from conducting further significant debt financed acquisitions.

¹ Non-GAAP measures: unaudited

APPENDIX 12
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).

<i>In millions of EUR</i>	2014¹	2013¹
Results from operating activities (or consolidated operating profit)	2,780	2,554
Share of profit of associates and joint ventures and impairments thereof (net of income tax)	148	146
EBIT	2,928	2,700
Exceptional items and amortisation of acquisition-related intangible assets included in EBIT	340	391
EBIT (beia)	3,268	3,091
Share of profit of associates and joint ventures and impairments thereof (beia) (net of income tax)	(139)	(150)
Consolidated operating profit (beia)	3,129	2,941
Attributable share of operating profit from joint ventures and associates and impairments thereof	230	251
Group operating profit (beia)	3,359	3,192
 Profit attributable to equity holders of the Company (net profit)	 1,516	 1,364
Exceptional items and amortisation of acquisition-related intangible assets included in EBIT	340	391
Exceptional items included in finance costs	(1)	(11)
Exceptional items included in income tax expense	(52)	(151)
Exceptional items included in non-controlling interest	(45)	(8)
Net profit (beia)	1,758	1,585

¹ Unaudited

The 2014 exceptional items included in EBIT contain the amortisation of acquisition-related intangibles for EUR291 million (2013: EUR329 million), restructuring expenses of EUR111 million (2013: EUR99 million), the settlement of indemnified tax liabilities of EUR39 million and the impairment of intangible assets and P, P & E in Tunisia for EUR21 million. These items are partly offset by past service benefit in the Netherlands due to a change in pension legislation of EUR88 million and the gain on revaluation of our PHEI in Zagorka of EUR51 million.

The exceptional items in income tax expense include the tax impact on amortisation of acquisition-related intangible assets of EUR72 million (2013: EUR84 million) and the tax impact on other exceptional items included in EBIT and finance costs of EUR6 million (2013: EUR21 million). These items are partly offset by exceptional income tax items with a negative impact amounting to EUR26 million (2013: EUR46 million positive impact), including the write-off of deferred tax assets of EUR111 million and the release of a non-current income tax liability of EUR85 million).

EBIT and EBIT (beia) are not financial measures calculated in accordance with IFRS. The presentation of these financial measures may not be comparable to similarly titled measures reported by other companies due to differences in the ways the measures are calculated.

Reconciliation of reported to consolidated (beia) financial measures

	Year ended 31 December 2014			
		EIA ¹		
	Reported	Amortisation of acquisition related intangible assets	Exceptional Items	(beia) ¹
<i>In millions of EUR, except per share data</i>				
Results from operating activities (or consolidated operating profit)	2,780	287	62	3,129
Share of profit of associates and joint ventures and impairments thereof (net of income tax)	148	4	(13)	139
EBIT	2,928	291	49	3,268
Net Profit	1,516	251	(9)	1,758
Diluted EPS (EUR)	2.63	0.44	(0.02)	3.05
	Year ended 31 December 2013			
		EIA ¹		
	Reported	Amortisation of acquisition related intangible assets	Exceptional Items	(beia) ¹
<i>In millions of EUR, except per share data</i>				
Results from operating activities (or consolidated operating profit)	2,554	325	62	2,941
Share of profit of associates and joint ventures and impairments thereof (net of income tax)	146	4	–	150
EBIT	2,700	329	62	3,091
Net Profit	1,364	245	(24)	1,585
Diluted EPS (EUR)	2.37	0.42	(0.04)	2.75

¹ Unaudited

APPENDIX 13

NOTES TO THE APPENDICES**Reporting entity**

Heineken N.V. (the 'Company') is a company domiciled in the Netherlands. The address of the Company's registered office is Tweede Weteringplantsoen 21, Amsterdam. The financial information contained in this document of the Company as at and for the year ended 31 December 2014 comprises the Company, its subsidiaries (together referred to as 'HEINEKEN' and individually as 'HEINEKEN' entities) and HEINEKEN's interest in jointly controlled entities and associates.

HEINEKEN is primarily involved in the brewing and selling of beer.

Accounting Policies

The accounting policies applied by HEINEKEN in these appendices are the same as the policies applied by HEINEKEN in the consolidated financial statements for 2014.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. All standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) effective year-end 2014 have been adopted by the EU. Consequently, the accounting policies applied by the Company also comply fully with IFRS as issued by the IASB.

These appendices do not contain all the information required for a complete set of financial statements, but are derived from the 2014 financial statements. The financial statements have not yet been published and still have to be adopted by the Annual General Meeting. KPMG Accountants N.V. has issued an unqualified auditor's opinion on these financial statements. The financial statements will be published on www.heinekenthecompany.com.

Outstanding shares

As at 31 December 2014 the issued share capital comprised 576,002,613 ordinary shares (2013: 576,002,613). The ordinary shares have a par value of EUR1.60. All issued shares are fully paid.

APPENDIX 13 (CONTINUED)
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 31 December 2014 is EUR620 million. Such contingencies were classified by legal counsel as less than probable of being settled against Heineken Brasil, but more than remote. 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 (EUR355 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 EUR399 million by either pledging fixed assets or entering into available lines of credit which cover such contingencies.

Guarantees

<i>In millions of EUR</i>	Total 2014	Less than 1 year	1–5 years	More than 5 years	Total 2013
Guarantees to banks for loans (to third parties)	354	152	190	12	280
Other guarantees	592	222	291	79	423
Guarantees	946	374	481	91	703

Guarantees to banks for loans relate to loans to customers, which are given to external parties in the ordinary course of business of HEINEKEN. HEINEKEN provides guarantees to the banks to cover the risk related to these loans.

Subsequent events

No subsequent events occurred that are significant to HEINEKEN.

APPENDIX 14

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 expense 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)

Eia

Exceptional items and amortisation of acquisition-related intangible assets

APPENDIX 14 (CONTINUED)

Free operating cash flow

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

Innovation rate

From 1 January 2013, 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

Growth excluding the effect of foreign currency translational effects, consolidation 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*

Results 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

APPENDIX 14 (CONTINUED)

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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

APPENDIX 14 (CONTINUED)

Weighted average number of shares*Basic*

Weighted average number of outstanding shares

Diluted

Weighted average number of outstanding shares and the number of Long-Term Variable award shares held