

Irrespective of the conflict in the country, our brewery in Lebanon remained operational. In Israel, EBIT grew slightly. Our partnership Sirocco in the United Arab Emirates continued to perform well.

We recorded excellent results in our soft drinks operations, with double-digit volume growth. These activities are mainly based in the sub-Saharan region, Israel and Egypt.

In December, we acquired 49.99 per cent of the shares in the Tunisian company, Société de Production et de Distribution des Boissons S.A. (SPDB) in Tunisia. This joint-venture company will invest in the construction of a new brewery, which is expected to be operational early 2008, and will brew and distribute Heineken and local mainstream brands in Tunisia.



African beers

Star is Africa's number 1 selling beer. Star is brewed by Sierra Leone Brewery Ltd, in which Heineken has a 42.5 per cent stake. Primus beer is another popular lager beer brewed by the Congolese brewing company Bralima, owned by Heineken.



Central Africa: well positioned for growth

The Great Lakes area in Africa has gone through more than a decade of civil strife, political turmoil, war and economic decay that ended about two years ago. Heineken never ceased operating in the region during these difficult years. Because of our continued presence, we were well positioned to improve our performance as soon as the political and economic situation started to change for the better.

The economics of the region are still difficult, but the potential in terms of population and volume growth is very attractive, especially if the peace process consolidates. According to external studies, the expected total beer volume growth in our key markets – Congo, Burundi, Democratic Republic of Congo (DRC), Reunion and Rwanda – should exceed 3.7 per cent per year until 2010, making this area one of the most attractive in terms of organic growth.

Heineken is widely present in these markets, with majority stakes in operations located in the area. We have a total of 13 production units for beer and soft drinks. We sell a wide portfolio of brands: Amstel, Primus® and Mutzig® are present in all the countries, together with Guinness for which we have national licences. Other key brands, like Maltina® and TurboKing® are mostly sold in Congo and DRC. In DRC we recently reopened two breweries after years of inactivity.

Consolidated volumes in the region totalled 4 million hectolitres by the end of 2006, or 1 million hectolitres higher than at the end of 2005. As a result, EBIT contribution in those countries increased by 60 per cent.