

Report of the Supervisory Board

To the shareholders

During the year under review, the Supervisory Board performed its duties in accordance with the law and the Articles of Association of Heineken N.V. and supervised and advised the Executive Board on an ongoing basis.

Financial statements and profit appropriation

The Executive Board has submitted its financial statements for 2007 to the Supervisory Board. These financial statements can be found on pages 65 to 137 of this Annual Report.

KPMG ACCOUNTANTS N.V. audited the financial statements. Their report appears on page 138.

The Supervisory Board recommends that shareholders, in accordance with the Articles of Association, adopt these financial statements and, as proposed by the Executive Board, appropriate €343 million of the profit as dividend and add the remainder, amounting to €464 million, to retained earnings. The proposed dividend amounts to €0.70 per share of €1.60 nominal value, of which €0.24 was paid as an interim dividend on 20 September 2007.

Supervisory Board composition and remuneration

Mr. M.R. de Carvalho resigned by rotation from the Supervisory Board at the Annual General Meeting of Shareholders on 19 April 2007. Mr. de Carvalho was duly reappointed for a period of four years. As at the same date Mr. A.H.J. Risseeuw stepped down from the Supervisory Board as he reached the statutory age limit, based on the internal regulations of the Supervisory Board. The Supervisory Board currently consists of seven members.

All members of the Supervisory Board comply with best practice provision III.3.4 of the Dutch Corporate Governance Code (maximum number of Supervisory Board seats).

The General Meeting of Shareholders determines the remuneration of the members of the Supervisory Board. The 2005 Annual General Meeting of Shareholders resolved to adjust the remuneration of the Supervisory Board effective 1 January 2006. The detailed amounts are stated on page 125 of the financial statements.

Corporate Governance

The Annual General Meeting of Shareholders of 20 April 2005 sanctioned the way Heineken deals with the Dutch Corporate Governance Code of 9 December 2003, and in particular the non-compliance with a limited number of best practice provisions (see page 52), as a consequence of the special character of the Company. Since then there has been no change in the way Heineken N.V. deals with the Code.

Meetings and activities of the Supervisory Board

The Supervisory Board held eight meetings with the Executive Board, including meetings by telephone conference. The items discussed in the meetings included recurring subjects, such as the Company's strategy, the financial performance of the Group and the operating companies, acquisitions – in particular the acquisition of part of Scottish & Newcastle – large investment proposals, management changes and the reappointment of the external auditor. The external auditor attended the meeting in which the annual results were discussed.

One meeting was held in New York, USA where the Regional President Americas and his management team presented the main developments in this region and the Management Team of Heineken USA presented an overview of the developments in the USA. In 2007 the Regional Presidents of Western Europe and Asia Pacific presented the main developments in their regions during the regular meetings of the Supervisory Board. Also a meeting was held on the developments of the Heineken brand.

None of the members of the Supervisory Board were frequently absent. Two absences in two years or more is considered frequent.

Independence

With regard to the independence of the Supervisory Board members, reference is made to the best practice provision III.2.2 of the Dutch Corporate Governance Code as contained in the 'Comply or Explain' report of 21 February 2005 (see page 52).

Committees

The Supervisory Board has four committees, the Preparatory Committee, the Audit Committee, the Selection & Appointment Committee and the Remuneration Committee.

Preparatory Committee

Composition: Messrs. Van Lede (Chairman), Das and de Carvalho.

The Preparatory Committee met eight times. The committee prepares decision-making by the Supervisory Board.

Audit Committee

Composition: Messrs. De Jong (Chairman), Hessels and Mrs. Fentener van Vlissingen.

The members collectively have the experience and financial expertise to supervise the financial statements and the risk profile of Heineken N.V. The Audit Committee met three times to discuss regular topics, such as the annual and interim financial statements, risk management, the adequacy of internal control policies and internal audit programmes, the external audit scope, approach and fees, as well as reports from both the internal and external audits.

The Audit Committee also reviewed the achievement of targets for the annual bonus for the Executive Board and Senior Management and decided on the procedure for the assessment of the external auditor, in view of the re-appointment. The CEO and the CFO attended all the meetings, as well as the external auditor, the Director Group Control & Accounting and the Group Internal Auditor.

The external auditor was appointed in the Annual General Meeting of 2003 for a five-year period. In 2007 an assessment was made, following a thorough review in 2005. The Audit Committee recommended to the Supervisory Board to re-appoint KPMG Accountants N.V. as the external auditors for Heineken N.V. for a further period of four years.

The Supervisory Board will submit the recommendation for approval to the shareholders in the Annual General meeting of Shareholders on 17 April 2008.

Selection & Appointment Committee

Composition: Messrs. Van Lede (Chairman), Das, de Carvalho and Lord MacLaurin.

The Selection & Appointment Committee met once. In this meeting the composition and the rotation schedule of the Supervisory Board were discussed.

Remuneration Committee

Composition: Messrs. Das (Chairman), Van Lede and de Carvalho.

The Remuneration Committee met three times. The Remuneration Committee discussed the target setting and payout levels for the annual bonus and the long-term incentive plan for the Executive Board (Heineken N.V. shares).

To the shareholders continued

Remuneration Executive Board

The Annual General Meeting of Shareholders adopted on 19 April 2007 a revised remuneration policy for the Executive Board. In 2006 a new pension scheme was introduced. Details of the policy and its implementation are described on page 62 of this report. The remuneration policy aims to ensure that highly qualified managers can be attracted and retained as members of the Executive Board. The package includes a base salary, an annual bonus and a long-term incentive scheme. Ensuring a balanced focus on both the short-term and long-term, performance variable pay is equally divided between short-term bonus and the long-term incentive. Every two years the policy is evaluated.

Appreciation

The Supervisory Board would like to take this opportunity to express its gratitude to the members of the Executive Board and all Heineken employees for their contribution to the results in 2007.

Supervisory Board Heineken N.V.

Van Lede

De Jong

Das

de Carvalho

Hessels

Fentener van Vlissingen

MacLaurin

Amsterdam, 19 February 2008