

HEINEKEN NV (ADR) - (PINK:HEINY) / HEINEKEN NV - (AMS:HEIA) and HEINEKEN HOLDING NV (ADR) - (PINK:HKHHY) / HEINEKEN HOLDING NV - (AMS:HEIO)

Company Description:

Heineken is the world's third-largest brewer and has more international sales (outside its home country of the Netherlands) than any other brewer. Although the company has 110 breweries and sells beer in more than 170 countries, 70% of volume comes from 10 countries. Among Heineken's 250 international brands include Heineken, Amstel, Dos Equis, Foster's, Newcastle Brown Ale, Moretti, and Tiger. HEINY was founded by Geraad Adriaan Heineken in 1864. Since then, three generations of the Heineken family has been involved with the leadership of the company. Has about 73,000 employees. HEINY is the ADR representing HEIA; there are 2 ADRs per ORD. HEIA represents the ordinary shares. HKHHY is the ADR representing HEIO; there are 2 ADRs per ORD. HEIO represents Heineken Holding N.V. which holds 50.005% of HEIA shares. Chairman & CEO: Jean-François van Boxmeer
www.heinekeninternational.com

Basic Description:

The growth of net profits at HEINY has been consistent, although its rate has slowed down over the past decade compared to the prior decade. Although the P/E has declined, the market continues to pay a premium P/E for the business because of its consistency. This steadiness is also reflected by a narrow trading range. HEINY now pays out 40% of its earnings back to shareholders as a dividend and reinvests the rest. As a result, the book value increases and the ROC and ROE has been coming down. Sales continue to advance with a pretty steady operating margin over time.

Profitability Description:

HEINY has had a slowing of net profits due to the combination of a mature market in Western Europe, increased competitiveness in the U.S., and the challenges of establishing breweries in the emerging markets - where the best opportunities lie. In Western Europe, it's "three yards and a cloud of dust." In Central Europe, premium penetration is low and margins are challenging. In the Americas, the acquisitions in Latin America have effectively replaced the increased challenges in the US market. In AMEA, HEINY has been effective in gaining market share and premium penetration. In Asia, acquisitions combine with premium penetration for growth. The net profit in this section and the company description both rely on a non-GAAP number that is before exceptional items and amortization of goodwill related to acquisitions. Most of this is a non-cash number and seems appropriate. However, some of it is related to "structural" charges. On the balance sheet, growth is clearly marked by acquisitions - judging from the growth in goodwill. Given that much of this was driven by share issuance and increased debt, past growth rates will likely be difficult to repeat. Also, HEINY is light on any management discussion.

Core Advantage Description:

HEINY has two of the most well-known brands in the world: Heineken and Amstel. HEINY is able to use its wide arsenal of a global network of breweries, distribution and brands to make in-roads to markets and then penetrate them with the premium lines of Heineken and Amstel - where the true source of profits lay. HEINY has the scale to develop attractive and compelling advertising to compete with AB Inbev and SAB Miller.

Investment Thesis:

HEINY is in a heavily competitive space. HEINY has been effective in acquiring local brands, driving growth in those markets and then bringing their premium brands in for more profitable business. Here is where there should be additional margin opportunities. Overall though, Western and Central Europe will continue to be growth challenged - so we are assuming only an inflation rate of 2% growth. The emerging markets, Latam, AME, and Asia Pacific should provide for continued growth opportunities - averaging 8% across the group. The net top line growth we assume is 6%. The margin should continue some expansion and create a net profit margin of 13.5% (from 9.1%). In addition, HEINY should be valued at a terminal P/E of 20 given the high free cash flow generated.

Purchase Description:

In Euros, HEIA/HEIO is valued at 55 Euros/share. At a "fair currency exchange" of 1 Euro to 1.10 Dollars, ACM considers HEINY/HKHHF a buy at \$30/\$60 per share as a Tier I up to 4.5%, despite debt levels, due to a brand that is almost an oligopoly globally, a trim at \$96 and a sell at \$114 per share.

ACM considers HEIO a buy at Euro 55 per share (average of three measures) as a Tier I up to 4.5%, despite debt levels, due to powerful brands in an industry that almost a global oligopoly and a trim at Euro 87 per share and a sell at Euro 104 per share.

			FY End			Stock Price		Market Value (in mlns)				FY End			Stock Price									
	HEINY	\$37	December		HEIA	€ 71.00		€ 40,115		HKHHY	\$37	December		HEIO	€ 66.00									
	1994	1995	1996	1997	1998	1999	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Net Profit (Euro)	274	301	297	345	445	516	621	795	806	791	840	900	752	159	660	1,212	1,584	1,696	1,585	1,758	2,048	2,139	2,250	
EPS/ORD	€ 0.56	€ 0.62	€ 0.61	€ 0.70	€ 0.91	€ 1.05	€ 1.27	€ 1.62	€ 1.65	€ 1.10	€ 1.55	€ 2.47	€ 1.54	€ 0.32	€ 1.35	€ 2.16	€ 2.71	€ 5.13	€ 2.37	€ 3.06	€ 3.59	€ 3.79	€ 3.98	
Oper. EPS/ORD	€ 0.56	€ 0.62	€ 0.61	€ 0.70	€ 0.91	€ 1.05	€ 1.27	€ 1.62	€ 1.65	€ 1.61	€ 1.71	€ 1.90	€ 1.54	€ 0.32	€ 1.35	€ 2.16	€ 2.71	€ 2.95	€ 2.76	€ 3.06	€ 3.59	€ 3.79	€ 3.98	

CY P/E Ratios				26.2	33.7	36.2	34.5	26.2	20.4	17.8	15.3	16.4	27.6	98.3	19.5	16.5	16.3	19.2	19.0	19.5	19.6				
Yrly Price Low				16.4	20.4	33.5	36.0	35.0	28.7	23.5	24.4	26.7	35.2	19.8	20.0	32.0	37.0	54.0	47.0	45.0	56.0	69.0			
Yrly Price High				20.5	41.0	42.9	51.5	50.0	38.5	34.0	27.8	35.8	49.4	44.0	32.5	39.0	51.0	59.0	58.0	75.0	85.2	84.0			

Dividends Paid	72	80	80	80	100	125	125	157	157	173	196	216	294	304	318	427	486	512	512	633	741	853	904		
Dividends PS	€ 0.16	€ 0.16	€ 0.16	€ 0.16	€ 0.20	€ 0.26	€ 0.26	€ 0.32	€ 0.32	€ 0.35	€ 0.40	€ 0.44	€ 0.60	€ 0.62	€ 0.65	€ 0.76	€ 0.83	€ 0.89	€ 0.89	€ 1.10	€ 1.30	€ 1.51	€ 1.60		
Ave. Div. Yld.				0.88%	0.67%	0.67%	0.58%	0.75%	0.96%	1.23%	1.53%	1.41%	1.42%	1.94%	2.48%	2.14%	1.89%	1.58%	1.70%	1.83%	1.84%	1.97%			

Shares Outstdg.(Ord)	489.3	488.6	488.5	490.1	487.9	489.5	489.0	489.5	489.1	489.9	489.9	489.9	489.9	489.9	489.9	562.2	585.1	575.0	575.0	575.0	570.0	565.0	565.0		
Buyback (Euro)				(29.0)	65.0	(59.6)	21.9	(5.6)	15.3	(23.6)	0.0	0.0	0.0	0.0	0.0	(2,567)	(1,008)	570.7	0.0	0.0	353.0	382.5	0.0		

Shr. Equity (mln)	1,976	2,148	2,048	2,316	2,299	2,618	2,396	2,637	3,167	3,379	3,969	5,009	5,404	4,471	5,351	10,341	9,774	11,691	11,402	12,409	13,535	14,510	15,500		
Book Value PS	€ 4.04	€ 4.40	€ 4.19	€ 4.73	€ 4.71	€ 5.35	€ 4.90	€ 5.39	€ 6.48	€ 6.90	€ 8.10	€ 10.23	€ 11.03	€ 9.13	€ 10.92	€ 18.39	€ 16.70	€ 20.33	€ 19.83	€ 21.58	€ 23.75	€ 25.68	€ 27.43		

LT Debt (mln)	228	192	359	412	522	490	875	1,215	2,721	2,642	2,919	2,562	1,999	9,084	7,401	8,078	8,199	11,437	9,853	9,499	10,658	9,600	9,600		
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Return On Eq.	13.9%	14.0%	14.5%	14.9%	19.4%	19.7%	25.9%	30.1%	25.4%	23.4%	21.2%	18.0%	13.9%	3.6%	12.3%	11.7%	16.2%	14.5%	13.9%	14.2%	15.1%	14.7%	14.5%		
Return On Capl.	12.4%	12.9%	12.3%	12.6%	15.8%	16.6%	19.0%	20.6%	13.7%	13.1%	12.2%	11.9%	10.2%	1.2%	5.2%	6.6%	8.8%	7.3%	7.5%	8.0%	8.5%	8.9%	9.0%		

Description:	
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Instructions:	
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Analysis:	
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Observations:	
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Intepretations:	<p>One disturbing part is part of the statement of goal, "preserve its independence," making any kind of larger transaction a violation of goals. Clearly, this is a reduction of maximizing shareholder value.</p> <p>Heineken Holding, N.V. holds 50.005% of the shares and is set up to preserve the independence of Heineken.</p> <p>The holding company structure has been in place since 1952.</p> <p>Total beer volume by brands: 20% Heineken, 10% Amstel and 70% other brands</p>
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Investment Characteristics

Earnings Analysis:

Use Of Earnings Analysis:

Growth Rate %:9.08%

Avg Div Payout Rd31.77%

Quality %:104%

Avg Stk Buyback P-10.6%

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues (mln)																							
Revenues (Euro)	3,830	4,646	5,174	5,347	5,973	6,766	7,637	8,482	9,255	10,062	10,796	11,829	12,564	14,199	14,511	16,133	16,493	18,383	19,203	19,257	20,511	20,560	21,000
SPS	€ 7.84	€ 9.51	€ 10.56	€ 10.96	€ 12.20	€ 13.84	€ 15.60	€ 17.33	€ 18.92	€ 20.54	€ 22.04	€ 24.15	€ 25.65	€ 28.98	€ 29.62	€ 28.70	€ 28.19	€ 31.97	€ 33.40	€ 33.49	€ 35.98	€ 36.39	€ 37.17
Adj. Sales (mln)																							
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Oper. Margin	11.90%	9.90%	10.60%	12.30%	13.40%	13.60%	14.70%	15.10%	14.30%	13.60%	11.90%	15.50%	11.72%	7.25%	9.64%	12.75%	9.22%	18.58%	13.15%	21.79%	22.32%	23.00%	23.00%
Tax Rate								28.39%	26.10%	24.52%	22.87%	20.26%	29.12%	24.08%	20.44%	19.38%	30.57%	14.20%	20.36%	23.00%	23.00%	23.00%	23.00%
Deprec. (mln)								529	644	773	710	786	764	1206	1083	1118	1168	1316	1581	1437	1594	1398	1450
Depreciation %																							

Description & Analysis of Profit. (in mlns of Euro):

	2002		2003	2006	2007	2008	2009	2010	2011	2012	2013		2014		2015		
Net Revenues:	7.2%	8,482		9,255	12,205	12,564	14,199	14,511	16,148	16,493	19,893	19,429		19,350		20,922	
Europe		6,232	73.5%	6,560	5,351	5,450	6,979	7,775	7,284	7,158	7,785	7,456	38.4%	7,478	38.6%	10,227	48.9%
Central/Eastern		898	10.6%	1,145	3,359	3,686	3,671	3,183	3,130	3,209	3,280	3,097	15.9%	2,868	14.8%		0.0%
The Americas		1,360	16.0%	1,501	1,975	2,043	1,566	1,540	3,419	4,002	4,523	4,495	23.1%	4,631	23.9%	5,159	24.7%
Africa/Mid East/E Europe		819	9.7%	876	1,179	1,416	1,764	1,807	1,982	2,223	2,639	2,554	13.1%	2,643	13.7%	3,263	15.6%
Asia/Pacific		489	5.8%	467	560	597	279	301	206	216	527	2,037	10.5%	2,088	10.8%	2,483	11.9%
Eliminations		(1,316)	-15.5%	(1,294)	(598)	(628)	(60)	(95)	(112)	(315)	(371)	(436)	-2.2%	(451)	-2.3%	(621)	-3.0%
Other				379					239	0	1,510	226	1.2%	93	0.5%	411	2.0%
Internal Costs:	7.1%	6,671		7,389	9,617	10,327	11,963	12,029	12,971	13,804	14,880	15,294		15,133		16,253	
Raw mat., cons.,srvs.		5,029	59.3%	5,557	7,376	8,162	9,548	9,650	10,291	10,966	11,849	12,186	62.7%	12,053	62.3%	12,931	61.8%
Staff costs		1,642	19.4%	1,832	2,241	2,165	2,415	2,379	2,680	2,838	3,031	3,108	16.0%	3,080	15.9%	3,322	15.9%
EBITDA:	5.5%	2,340	27.6%	2,510	3,374	3,001	3,442	3,565	4,295	3,857	6,329	5,716	29.4%	4,217	21.8%	4,669	22.3%
Amortization/Dep.		529		644	786	764	1,206	1,083	1,118	1,168	1,316	1,581		1,437		1,594	
"Free" Cash Flow	4.8%	1,644	19.4%	1,899	2,530	1,878	2,340	2,887	3,647	3,158	5,159	4,320	22.2%	2,723	14.1%	3,031	14.5%
Capital Expenditures		696		611	844	1,123	1,102	678	648	699	1,170	1,396		1,494		1,638	
EBIT/Margin%:	7.0%	1,282	15.1%	1,222	1,802	1,473	1,030	1,399	2,059	1,521	3,697	2,554	13.1%	2,780	14.4%	3,075	14.7%
Europe		553	8.9%	584	916	416	505	502	768	823	964	853	11.4%	852	11.4%	1,214	11.9%
Central/Eastern		78	8.7%	83	339	376	98	347	363	335	349	306	9.9%	293	10.2%		
The Americas		416	30.6%	358	257	263	163	273	651	570	748	790	17.6%	841	18.2%	978	19.0%
Africa/Mid East/E Europe		188	23.0%	149	231	325	442	485	549	568	652	606	23.7%	683	25.8%	631	19.3%
Asia/Pacific		47	9.6%	48	86	93	46	103	122	176	267	376	18.5%	582	27.9%	735	29.6%
Nonconsolidated Interests		48		101	(24)	30	(72)	47	19	(17)	(17)	(77)		17		0	
External Costs:	6.3%	535		525	621	721	871	739	847	779	801	890		1,264		1,183	
Taxes		364		319	365	429	248	286	399	465	525	520		732		697	
Interest exp. (net)		109		140	122	127	485	329	509	424	489	532		488		409	
JV and assoc.		62		66	134	165	138	124	(61)	(110)	(213)	(162)		(148)		(172)	
Minority interests														192		249	
Earnings:	7.4%	747	8.8%	697	1,181	752	159	660	1,212	742	2,896	1,664	8.6%	1,758	9.1%	1,892	9.0%
Dividend Paid/% of FCF:	12.7%	157	9.5%	157	216	294	304	318	427	486	512	512	11.8%	633	23.2%	741	24.4%
Common Stock/% of FCF:		(6)	-0.3%	15	0	0	0	0	(2,567)	(1,008)	571	0	0.0%	0	0.0%	353	11.6%
Stmnt of CFs		(6)		15	0	0	0	0	(2,567)	571	0	383		0		377	
Net Business Acquisitions:											4,415	(555)		189		267	
Purchases											4,557	70		189		267	
Disposals											(142)	(625)		0		0	

Description:

Instructions: Use consolidated statement of income for most expenses.
Revenues and profits (used EBIT) use notes to consolidated income statements

Analysis:

Observations:

Balance Sheet (in mlns of EUR):

		2002	2003	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assets:	12.9%	7,781	10,897	12,968	20,563	20,180	26,662	27,127	35,979	33,337	34,830	37,714
Cash & Equivalents		680	1,340	715	698	520	610	813	1,037	1,290	668	824
Securities		98	76	21	56	109	6	99	124	37	688	156
Prepayments				123	231	189	206	170	232	218	317	343
Receivables		1,270	1,379	1,873	2,504	2,310	2,273	2,260	2,537	2,427	2,766	2,873
Other Investments				105	14	15	17	14	11	11	13	16
Inventories		765	834	1,007	1,246	1,010	1,206	1,352	1,596	1,512	1,634	1,702
Financial Assets		835	1,122	885	1,246	1,448	1,552	1,486	1,411	1,063	991	1,122
Investments in JVs							1,673	1,764	1,950	1,883	2,033	1,985
Property, Plant & Eqmt.		4,094	4,995	5,362	6,314	6,017	7,687	7,860	8,792	8,454	8,718	9,552
Intangible Assets		39	1,151	2,541	7,109	7,135	10,890	10,835	17,725	15,934	16,341	18,183
Deferred Tax Assets				336	1,145	1,427	542	474	564	508	661	958
Liabilities:	12.6%	5,144	7,730	7,564	16,092	14,829	16,321	17,353	24,288	21,935	22,421	24,179
Long term Liabilities		1,215	2,721	1,999	9,084	7,401	8,078	8,199	11,437	9,853	9,499	10,658
Provisions		981	1,367	184	981	1,142	1,644	1,503	2,348	1,923	1,904	2,181
Employee Benefits				646	688	634	687	1,174	1,632	1,202	1,443	1,289
Current Liabilities		2,555	2,910	4,193	5,058	5,356	5,623	6,159	7,800	8,003	8,532	8,516
Minority Interests		393	732	542	281	296	289	318	1,071	954	1,043	1,535
Shareholder's Equity:	13.4%	2,637	3,167	5,404	4,471	5,351	10,341	9,774	11,691	11,402	12,409	13,535

Description: I don't include non-controlling interests as part of "shareholder's equity" because although it is equity and represents a buffer before liabilities and a joint claim on net profits, it is not part of the equity to which I am entitled.

Instructions: Use consolidated statement of financial position

Analysis: Balance sheet indicates acquisition growth through debt and share issuance.

Observations: Int'l Assets start out with long term assets first. Very logically issues assets in order of importance.
I will gradually reformat the balance sheet out of the US order.

Description & Analysis of Debt Levels (in mlns):

Summary:	Debt is a four-letter word. Debt causes the years of repayment of capital to equity shareholders to stretch out into the more distant future. Even worse, debt can cause the best business model to become the property of bondholders in a rough economic environment.		
Total Debt-Capital:	The measure of total debt to total capital is useful when book value is a good measure of a firm's worth. This is particularly true of traditional businesses where property, plant and equipment are important. Further, it helps to have this ratio in capital intensive businesses with cyclical earnings.		
	Total Debt:	8,516	Here, deferred income taxes have been excluded.
	Total Capital:	22,051	Here, deferred income taxes have been excluded.
	Ratio:	38.62%	
Long Term Debt-Cap.:	The measure of long term debt to total capital is useful when total debt is distorted by the high presence of current assets being financed by current liabilities. Again, the measure works best within a traditional industry setting. The ratio helps position the equity shareholders.		
	L. T. Debt:	10,658	Here, the current liabilities have been excluded.
	L. T. Capital:	24,193	Here, the current liabilities have been excluded.
	Ratio:	44.05%	
Net Income Payback:	The measure of how quickly debt is repaid by net income is a conservative measure, as it includes some debt, such as current liabilities that are financed by current assets and excludes some sources of cash, such as noncash amortization numbers.		
	Total Debt:	8,516	
	Net Income:	2,048	
	Years Payback:	4.2	
	L.T. Debt:	10,658	
	Net Income:	2,048	
	Years Payback:	5.2	
Addback Net Inc. Payback:	The measure of how quickly debt is repaid by addback net income is a good measure, as it starts with GAAP net income and adds back expenses on an after-tax basis that are clearly discretionary, such as business acquisitions to better analyze the strength of the repayment stream.		
	L.T. Debt:	10,658	
	Net Income:	2,048	
	Addback:	0	Merger charges, writedowns above the line, dep. Amort below the line less capex
	Years Payback:	5.2	
	The debt situation at HEINY exceeds ACM limits. Yet, the stability of cash flows makes it viable for purchase.		

Description & Analysis of Pension Issues(in mlns):

Summary:	Corporate defined benefit or "pension" plans are a major obligation of companies. Because of the actuarial changes involved, obligations can move significantly. As a result, corporations have steadily moved toward defined contribution plans as they froze or terminated pension plans. These obligations are measured in two ways: accumulated and projected. As the name implies, projected is what is likely and a greater number than accumulated. This obligation is typical in three categories: US, non-US and post-retirement. There are assets which are set up to fund these plans. The difference is the funded status. This number provides an indication of the additional potential obligation of the company and is included in the balance sheet - typical in "other assets" and "other liabilities." That may not be the accurate value of the obligation in the event that assumptions are unreasonable. Because pensions are funded over time, it is less likely to have an immediate funding need that cripples the company or its earnings. Rather than focus on these assumptions, we estimate the size of plan's underfunding relative to the market value of the company. The greatest financial risk involves companies which are small relative to these funding requirements. For our purposes, we set this limit at 25% for the total underfunded as a percentage of market capitalization.		
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Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Pension Plan	Yes	Yes								
Frozen:	No	No								
Taft-Hartley	No	No								
Underfunded	Yes	Yes								
Amount:	1,443	1,289								
Market Cap:	40,115	40,115								
Ratio:	3.60%	3.21%								

Description & Analysis of Stock Options (in mlns):

Summary:	Stock options are a difficult form of compensation to assess. Heavy use of stock options creates stock issuance and a demand for stock repurchasing in some industries. This can be dilutive to shareholders if no repurchasing occurs or can absorb cash flows in the event that repurchasing occurs to offset issuance. Uses "share-based incentive" language		
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FASB ASC 718	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
After tax Expense	48.0	33.0								
Net profits:	1,758.0	2,048.0								
%	2.7%	1.6%								
Cash net of tax	0.0	377.0								
Net share repurchase	0.0	353.0								
Difference	0.0	24.0								
% of Net profits	0.0%	1.2%								

Industry Overview

The beer industry is almost an oligopoly, created by the high cost of a brewery - \$800 million. The industry has watched as other industries have created excess capacity and severely damaged their own pricing power. Miller created such dynamics, but has closed a US brewery. The combination of these three companies domestically dominates the industry. The companies are owners or partners in almost all of the strong foreign brands, as BUD is co-owner of Corona, for example. Yet, HEINY introduces how much different the beer environment is globally. The brands are significantly entrenched in other countries, creating a more difficult environment in which to gain market share. This is compounded by how different and less developed mass media is around the world. While Coke and Pepsi had a field to themselves, beer companies were already significantly entrenched, particularly in Western Europe, at the founding of the U.S. These preferences are much more engrained and difficult to convert. However HEINY has proven successful.

Industry Comparisons

Operating Statistics:

Company	Yrs.Paybk	Sales	ROC	Operating Margin
HEINY	5.20	23,027	8.87%	23.00%
BUD	5.28	58,200	6.97%	37.00%
TAP	6.50	4,200	5.50%	24.00%
CABGY	8.00	11,000	4.00%	20.00%

Market Statistics:

Company	P/B	P/E	Divd. Yld.	EV/Sales
HEINY	2.76	18.8	1.97%	2.42
BUD	3.43	18.0	3.71%	4.71
TAP	1.20	18.0	2.60%	3.10
CABGY	1.50	22.0	1.75%	1.80

Qualitative Characteristics

Positives:

Negatives:

Product/Service:

Pricing Power:	Good, careful investment
Durability:	None
Brand Appeal:	Extremely well-known
Unique Importance:	Premium brand globally
Role Of Media:	Advertising is critical: it does this well
Toll Bridge:	For some
Global Opportunity:	Yes
Competition:	Limited
Economic Risk:	Not really; beer sales hold in "bad times"
Government Role:	None
Role Of Technology:	Very limited
Supply/Demand:	

Not for others
Could have a competitor build a brewery
Can change based on brand, flavor or alcohol type; could also be a health trend
Pension plans in old companies.
Capital expenditures are high during changing times
Holding Company
Slow growth.
Family run for four generations

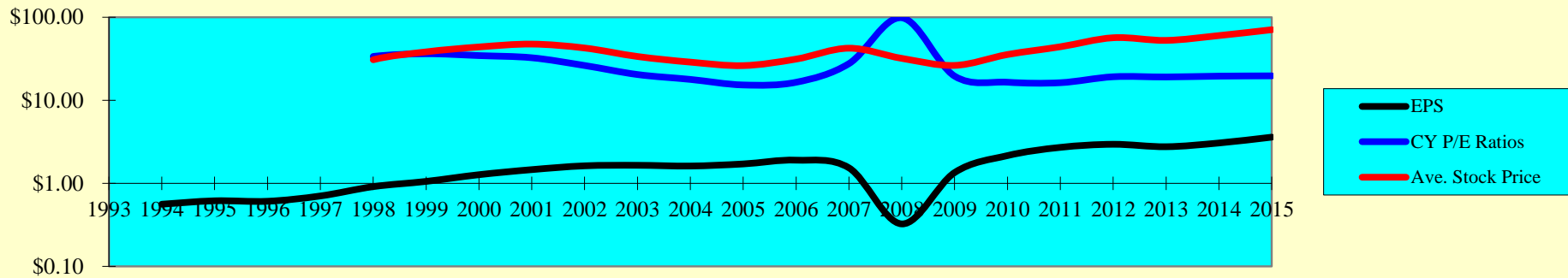
Financial:

Business Model:	Volume opportunity
High Capital Reinv.:	
Effective As Public:	Yes
Ownership:	
Growth:	
Concentration:	Global

Management:

Reasonable

Average Stock Price vs. Average P/E vs. EPS



	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EPS		€ 0.56	€ 0.62	€ 0.61	€ 0.70	€ 0.91	€ 1.05	€ 1.27	€ 1.46	€ 1.62	€ 1.65	€ 1.61	€ 1.71	€ 1.90	€ 1.54	€ 0.32	€ 1.35	€ 2.16	€ 2.71	€ 2.95	€ 2.76	€ 3.06	€ 3.59
CY P/E Ratios		0.00	0.00	0.00	26.21	33.66	36.24	34.45	32.44	26.17	20.39	17.81	15.26	16.45	27.56	98.29	19.48	16.47	16.25	19.16	19.05	19.50	19.65
Ave. Stock Price		0.00	0.00	0.00	18.45	30.70	38.20	43.75	47.40	42.50	33.60	28.75	26.10	31.25	42.30	31.90	26.25	35.50	44.00	56.50	52.50	60.00	70.60

Price/Earnings Ratio: used - € 3.79
 Eighteen year average low 19.2
 Eighteen year average high 27.1
 If we set the purchase at the ave. Eighteen year low P/E,
 the price implied is: € 72.59
 If we set the sell at the ave. Eighteen year high P/E,
 the price implied is: #####

Price/Sales Ratio: used - € 36.39
 Eighteen year average low 1.58
 Eighteen year average high 2.24
 If we set the purchase at the ave. Eighteen year low P/S,
 the price implied is: € 57.65
 If we set the sell at the ave. Eighteen year high P/S,
 the price implied is: € 81.49

Price/Book Ratio: used - € 25.68
 Eighteen year average low 3.69
 Eighteen year average high 5.24
 If we set the purchase at the ave. Eighteen year low P/B,
 the price implied is: € 94.79
 If we set the sell at the ave. Eighteen year high P/B,
 the price implied is: #####

Price/Cash Flow Ratio: used - € 6.26
 Eighteen year average low 8.4
 Eighteen year average high 13.4
 If we set the purchase at the ave. Eighteen year low P/CF,
 the price implied is: € 52.78
 If we set the sell at the ave. Eighteen year high P/CF,
 the price implied is: € 83.99

Initial Rate of Investment		
	Current Price	€ 71.00
	Current EPS	€ 3.79
	Initial ROI	5.33%

Valuation as an Equity Bond:		
	Current BV	€ 25.68
	Current ROE	15.13%
	Retained %	60.00%
	Net BV Growth	9.08%
	BV in Year 10	€ 61.24
	EPS in Year 10	€ 9.27
	Valueat20 P/E	€ 185.32
	Total Dividends	€ 25.55
	Total F.Value	€ 210.87
	Purchaseat14%	€ 56.88

Relative Value to Investment In T-Bonds		
	Current EPS	€ 3.79
	T-Bond Rate	4.00%
	Relative Value	€ 94.65

Valuation on Earnings Growth:		
	Current EPS	€ 3.79
	EPS in Year 10	€ 8.96
	Ave. P/E Ratio	20.00
	Valueat20.P/E	€ 204.80
	Price Return	11.18%
	Dividend Return	1.97%
	Total Return	13.15%
	Purchaseat14%	€ 55.24
	Sell@5%	€ 125.73

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