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Tas

09 November 2015

The Board of Directors
Desnoes & Geddes Limited
214 Spanish Town Road
KINGSTON 11

ATTENTION: MR. PETER MELHADO

Dear Sirs:

Engagement Background

Ernst & Young Services Limited ("EYSL") was engaged by the Board of Directors of Desnoes and Geddes (D&G) to prepare an opinion on the fairness of the offer by Heineken N.V. from a financial point of view to the minority shareholders of D&G

Purpose of the fairness opinion

A fairness opinion is a professional statement on the result of a decision-making process, especially on the financial fairness of a transaction price or of a valuation. Determining a business value or the value of shares in an entity is therefore not the objective of a fairness opinion.

This fairness opinion has been prepared to provide information for consideration by the Board of Directors to determine the reasonableness of the offer (the Purpose) but does not constitute a recommendation to any party as to any course of action they might take. Despite any conclusions reached herein, the circumstances of individual shareholders will determine what course of action they will take in responding to the proposed Transaction.

All amounts are stated in Jamaican dollars unless otherwise stated.

Effective Date of the Fairness Opinion

The effective date of the fairness opinion is 09 November 2015.

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Proposed Transaction

On 7 October 2015, Heineken International B.V. (Heineken), a wholly-owned subsidiary of Heineken N.V., acquired the entire issued share capital of Udiam Holdings AB (now known as Heineken Sweden AB), a subsidiary of Diageo. Heineken Sweden's total shareholding in D&G was approximately 57.87% excluding 27,702 shares which Diageo held directly in D&G, which were also acquired by Heineken. Heineken paid a total of US$421,000,000 to Diageo for Heineken Sweden which equated to US$0.259 per share. Prior to Heineken's acquisition of 57.87% shareholding in D&G, Heineken N.V had already owned approximately 15.45% of D&G's shares making it, directly or indirectly, an approximately 73.32% owner of D&G.

As required in the Jamaica Stock Exchange (JSE) rules and Securities Regulations, Heineken N.V. made an offer on 6 November 2015 to the minority shareholders at US$0.259 per share.

EY Credentials and Independence

Ernst & Young Global

Ernst & Young (EY) is a global organisation with 212,000 people in 150 countries in 728 offices. With more than 1,500 dedicated valuation professionals in approximately 60 countries worldwide, and market-leading practices in many countries, the Ernst & Young valuation and business modelling network is well placed to serve our clients. Our valuation practitioners have in depth industry knowledge. This breadth of deep sector-specific experience and understanding enables our professionals to apply their commercial judgment and technical skills to a variety of valuation situations.

About Ernst & Young Caribbean (EYC) & Jamaica

Ernst & Young has been operating in Jamaica for over 30 years. The Ernst & Young offices in the Caribbean including our EY practice in Jamaica have been integrated into a single operating structure for over 10 years. Our Caribbean firm serves clients throughout the region – Barbados, the British Virgin Islands, Curacao, Aruba, St. Maarten, Jamaica, Trinidad & Tobago, Guyana, Haiti, Belize and the OECS countries of Anguilla, Antigua and Barbuda, Dominica, Montserrat, Grenada, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines.

Independence of EYSL

EYSL has developed this fairness opinion on the basis of an independent review and analysis of the Transaction. The fairness conclusion reached is that of the valuation professionals within EYSL.

To the best of our knowledge:

(i) EYSL or the team on this engagement does not hold, or beneficially own, any interest in D&G;

(ii) EY has not provided audit services to D&G over the last two years;

(iii) EYSL has not previously provided valuation services to D&G;

(iv) In future, EY may provide professional services to D&G and/or affiliates in the ordinary course of business.

Our compensation is not contingent on the conclusions reached, an action or event resulting from the use of or relating to the Fairness Opinion or the outcome of the contemplated transaction or the opinion provided.

Scope of review

In connection with developing this fairness opinion, EYSL has had discussions with the management of D&G and the Directors and relied upon information obtained from those discussions as well as from the results of applying both general financial review procedures and specific activities including:

A. The review of:

   i. The Takeover Bid Offer Circular dated 06 November 2015 and terms of the proposed Transaction;

   ii. Annual reports and audited financial statements of D&G for the years ended 30 June 2011-2015. We also received and reviewed supporting schedules and explanations for the period included in our analysis.

   iii. Investment property valuations and fixed asset schedules.

   iv. Unaudited interim financial reports for the period ended September 30, 2015.

   v. Management budget for 2015/2016 and the of 5-Year projections of D&G, including capital expenditure budget.

   vi. Other corporate, industry and financial market information, economic conditions and other analysis as EYSL considered necessary or appropriate in the circumstances.

B. Undertaking a valuation analysis and evaluation of the Transaction for assessing fairness from a financial point of view to the minority shareholders of D&G.

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Approach to the evaluation of fairness

In considering the fairness of the offer Heineken made to the minority shareholders of D&G, EYSL performed a valuation analysis of D&G as at 30 September 2015. The Income Approach was used as the primary approach and Market Approach as the secondary approach. Our valuation analysis was conducted from a market participant point of view. In this context, market participants would include potential buyers that have the financial capability, including international brewers such as Heineken.

The income approach focuses on the income producing capability of the company. The underlying premise of this approach is that the value of an entity can be measured by the present worth of the net economic benefits to be received. We applied the income approach using the Capitalised Free Cash Flow for Firm (FCFF) and the Discounted Cash Flow Method.

In applying the market approach, we considered the relevant transaction multiples and trading multiples observed in the market.

Assumptions and limitations

EYSL has relied upon the completeness, accuracy and fair presentation of all of the financial and other information obtained by it from public sources, and from D&G for purposes of developing this fairness opinion. This fairness opinion is conditional upon the completeness and accuracy of such information. Subject to the exercise of professional judgement and except as expressly described herein, we have not attempted to verify the completeness, accuracy or fair presentation of any of the information relied upon in developing this assessment of financial fairness.

This fairness opinion is based upon securities markets, economic, business and financial conditions as of the reference date of 30 September 2015. Senior officers of D&G have represented to us that the information provided by them to us is true and correct in all material respects as of the reference date and that from that date to the date of this report there have been no changes in facts material to the fairness conclusion.

The fairness opinion has been prepared for the specific Purpose identified above and is not to be used in any other context without the express written consent of EY. This fairness opinion is developed as of a specific date on the basis of identifiable information and EYSL has not undertaken to update it to any other date. Should information relevant to the fairness conclusions become available to EYSL subsequent to the date of this report, EYSL reserves the right, but will be under no obligation, to revise this report.

In completing the fairness opinion EYSL has made assumptions with respect to economic, industry, and future performance of D&G and expectations that are matters over which EYSL has no control.

Evaluations of transaction fairness are inherently and inescapably a matter of implicit or explicit perceptions of the potential future economic performance of the entity and the environment in which that performance will take place. Recognizing that those perceptions are developed under conditions where neither contractual nor other bases exist to ensure that actual operating results will conform to the assumptions employed for valuation purposes, this analysis necessarily works with contingent and uncertain information and there is a corresponding degree of uncertainty in the resultant estimates of value. In some measure this uncertainty is recognized in the process of specifying the valuation results as a range. It must accordingly be recognized that EYSL does not warrant that the projections and estimates employed in developing this fairness opinion represent commitments as to what the future performance of the entities will be. The fairness opinion is considered to be a reasonable evaluation on the basis of the information and assumptions upon which it is predicated and as of the time when it was developed. However, should significant deviations from these assumptions emerge in the future, the evaluation may cease to be representative.

EYSL believes that an evaluation of the fairness of a proposed Transaction from a financial point of view must be considered as a whole and that selecting portions of the analysis and report without considering the other factors and analyses may create a misleading view of the evaluation process.

EYSL has not been engaged to provide and has not provided an opinion: i) as to the fairness of the Offer for individual shareholders who may need advice from their own financial advisors in relation to their shareholdings in D&G; ii) as to the fairness of the process underlying the Arrangement; iii) on the tax structure or attributes relating to the Offer; iv) on the investment or strategic merit of future operations.

EYSL was not required to assess the impact or the degree of risk associated with the occurrence of certain events subsequent to the transaction. They include Purchaser's intent to delist D&G Shares from the Jamaica Stock Exchange which will, in addition to tax implications, have an impact on the marketability of the shares.

The Fairness Opinion is not to be construed as a recommendation to any Director or Security holder to support or reject the proposed Offer. The Fairness Opinion does not provide assurance that the best possible price was obtained for assets included in the Offer.

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Fairness Conclusion

Heineken's Offer Price of US$0.259 (or J$30.65, when converted at the weighted average purchase rate as at the valuation date of September 30, 2015 of $118.35) is higher than the range of values between J$8.88 and J$11.66 per ordinary share of D&G, which is based on our value analysis under the income approach. As a secondary approach, we considered the market approach using Enterprise Value/EBITDA, Enterprise Value/Sales and Price/Book Value multiples. The market multiples implied by the Offer Price of US$0.259 provided Enterprise Value/EBITDA, Enterprise Value/Sales and Price/Book Value multiples of 20.9, 6.2 and 7.7 respectively, which are higher than the average market multiples observed for international brewers as well as the multiples we considered appropriate for D&G in our valuation analysis. In addition, we reviewed historical prices quoted on the JSE for five years ending 6 October 2015. Heineken's Offer Price to minority shareholders and the price paid to Diageo for the 57.87% shareholding of US$0.259 (at the weighted average purchase rate published by BOJ of J$118.42/US$) reflected a 338% premium over the J$7 price traded on 6 October 2015, the day prior to announcing the takeover. This premium is significantly higher than the average control premium observed in local and international stock markets.

Based upon the foregoing and subject to the stated assumptions and limitations, it is our opinion that the Offer of US$0.259 per share by Heineken to the minority shareholders of D&G is fair from a financial point of view.

Yours truly,

Anura Jayatillake
Director