Ahold

Fourth Quarter and Full Year Results 2011

Analyst meeting

March 1, 2012

Albert Heijn · etos · Gall & Gall · albert. · albert · hypernova · ICA · pingo doce · Stop&Shop · Giant · GIANT · MARTIN'S · Peapod

Safe harbor

In today's meeting and call statements may be made that do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differmaterially from those included in such statements. Such risks and uncertainties are discussed in Ahold's summary report fourth quarter and full year 2011 and they are discussed in Ahold's public filings and other disclosures, which are available on Ahold's website.

The introduction will be followed by a Q&A session and any views expressed by those asking questions are not necessarily the views of Ahold.

Agenda

- Introduction — Dick Boer
- Financial review — Jeff Carr
- Business highlights — Dick Boer
- Q&A — Corporate Executive Board

Introduction

Dick Boer

CEO

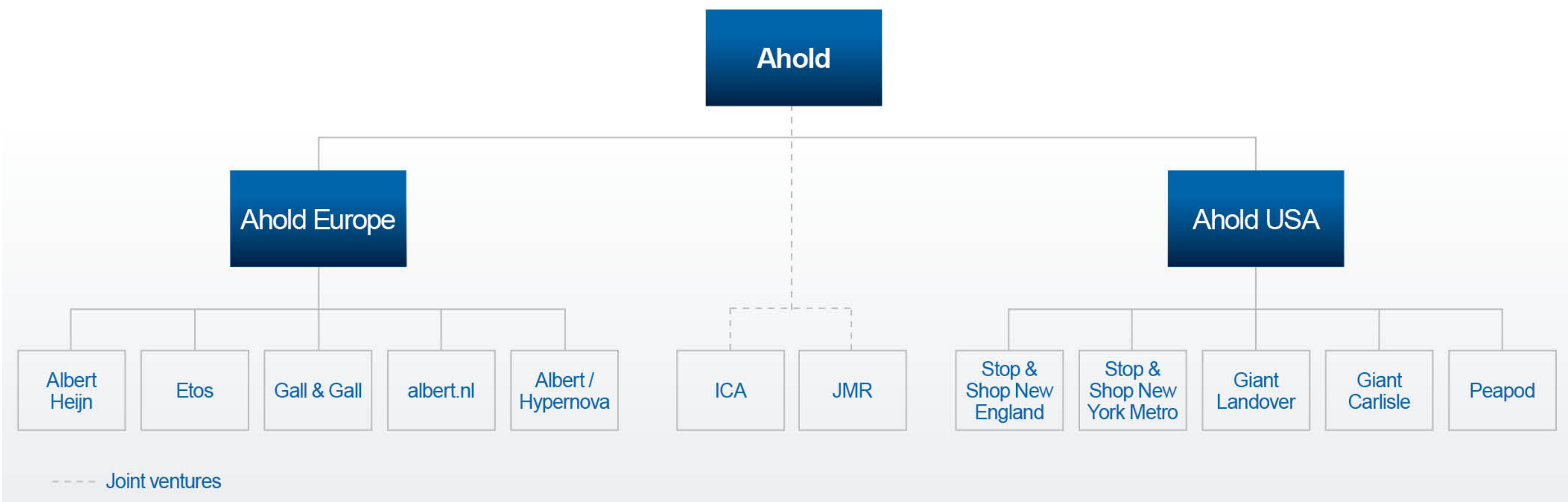
2011 was another successful year for Ahold

- **5.5%** sales growth (at constant exchange rates)
- **4.8%** underlying retail operating margin
- **€ 1.0 billion** net income (up 19%)
- **€ 0.40** dividend per share (up 38%)
- Ahold USA gained **market share** and Albert Heijn maintained market share in a further consolidating market
- Deployed a number of **growth** initiatives

Reshaping retail and going for growth

- New **leadership** team in place and a simplified **organization**

CEO CFO CCDO CCGC COO Ahold Europe COO Ahold USA



Ahold strategic framework

Our vision

- Better choice
- Better value
- Better life
- Every day

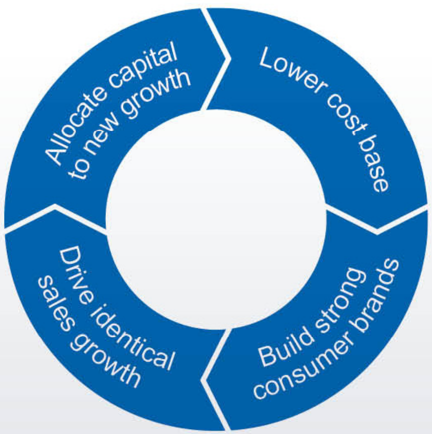
Our ambition

Reshaping retail and going for growth

Our values

- Putting the customer first
- Doing what's right
- Loving what we do
- Making ideas happen
- Getting better every day

Our business model



Our strategy

Six strategic pillars

1 Increasing customer loyalty

2 Broadening our offering

3 Expanding geographic reach

4 Simplicity

5 Responsible retailing

6 People performance

Our brands

Albert Heijn, Etos, Gall & Gall, albert., albert, hypernova, ICA, pingo doce, Stop&Shop, Giant, GIANT, MARTIN'S, Peapod

Our strong foundation

Financial review

Fourth quarter and full year results 2011

Jeff Carr

CFO

Operating performance

(in millions of euros)

	Quarter 4			Full Year		
	2011	2010	Growth	2011	2010	Growth
Sales	7,290	6,975	4.5%	30,271	29,530	2.5%
Gross Profit Margin	26.2%	26.5%	(0.3)	26.2%	26.8%	(0.6)
Underlying Retail Margin	5.0%	4.7%	0.3	4.8%	4.9%	(0.1)
Operating Profit	**328**	**295**	**11.2%**	**1,347**	**1,336**	**0.8%**
Operating Profit Margin	4.5%	4.2%	0.3	4.4%	4.5%	(0.1)

- Robust sales performance, up 4.3% in quarter 4 and 5.5% for full year (at constant exchange rates)
- Cost savings program ahead of schedule (€300 million cost reductions 2010-2011)

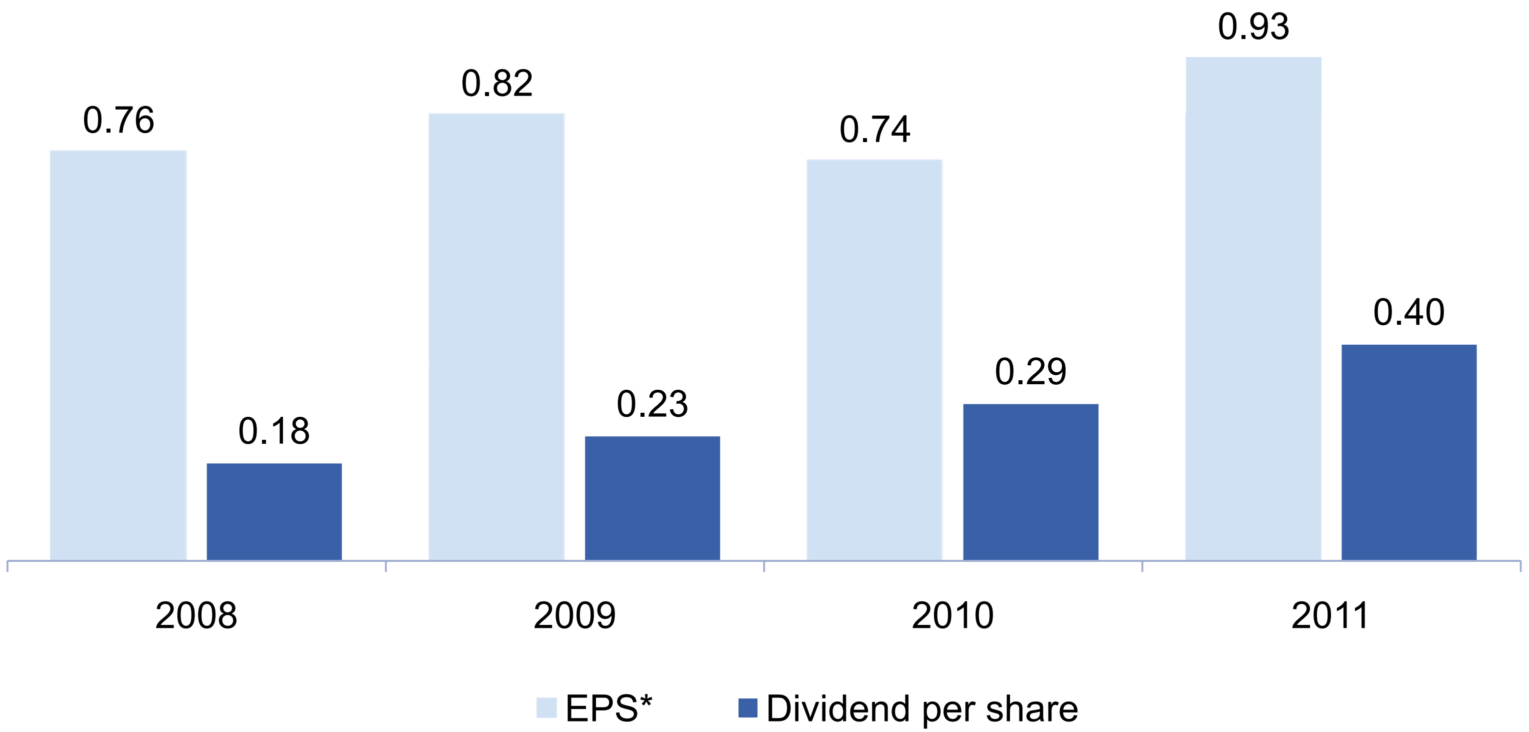
Net income

(in millions of euros)

	Quarter 4			Full Year		
	2011	2010	Growth	2011	2010	Growth
Operating Profit	**328**	**295**	**11.2%**	**1,347**	**1,336**	**0.8%**
Financing Costs	(55)	(72)	23.6%	(316)	(259)	(22.0%)
Profit Before Tax	**273**	**223**	**22.4%**	**1,031**	**1,077**	**(4.3%)**
Income Tax	(42)	(51)	17.6%	(140)	(271)	48.3%
Income from Joint Ventures	43	(3)	n/a	141	57	147.4%
Net Income Continuing Operations	**274**	**169**	**62.1%**	**1,032**	**863**	**19.6%**
Net Income	270	154	75.3%	1,017	853	19.2%

- Tax benefit of €109 million resulted in effective tax rate of 13.6%

Strong dividend growth

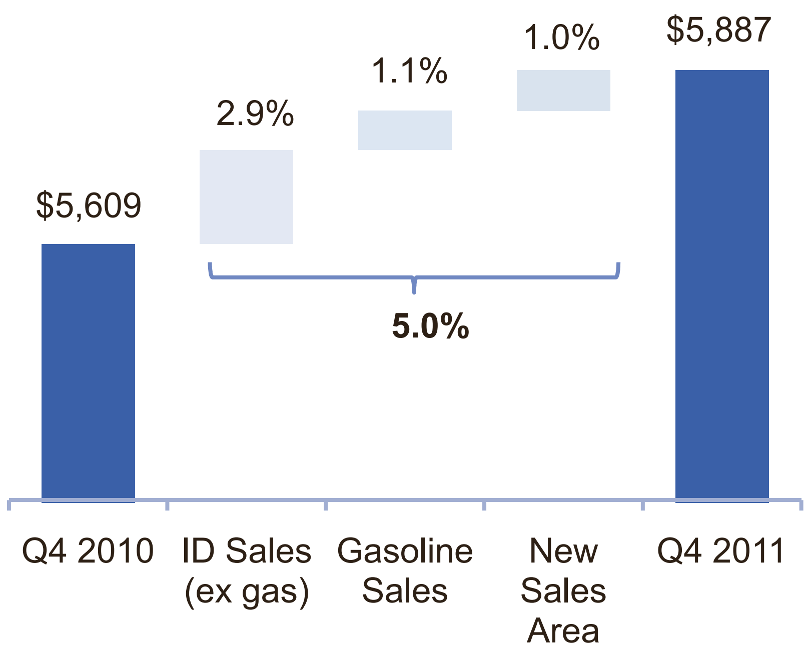


- EPS growth of 26% and dividend per share growth of 38%
- Pay out ratio of 41% of adjusted income from continuing operations

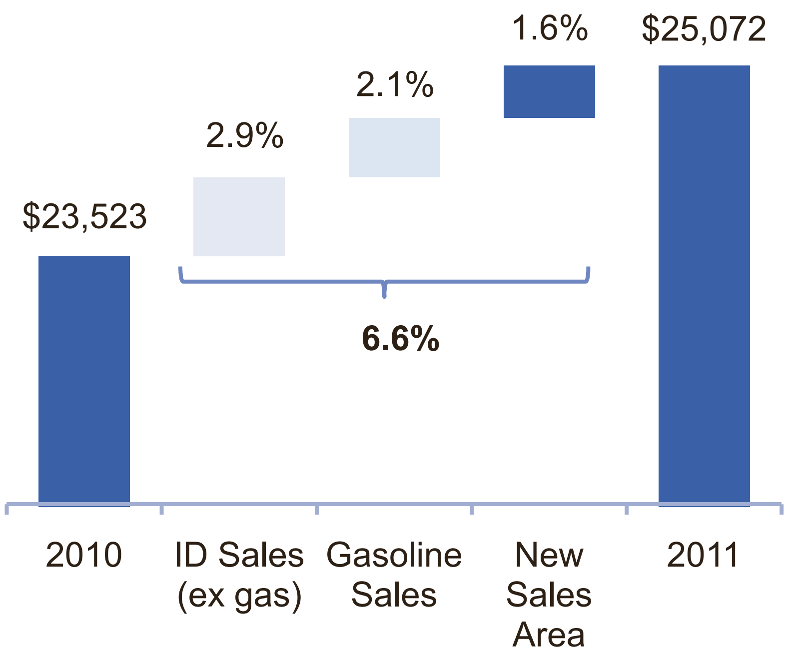
* Income per common share from continuing operations (basic)

Sales development – Ahold USA

(in millions of US dollars)



Quarter 4



Full Year

- Good sales development across all banners; ex Ukrops stores continue to gain market share

Performance – Ahold USA

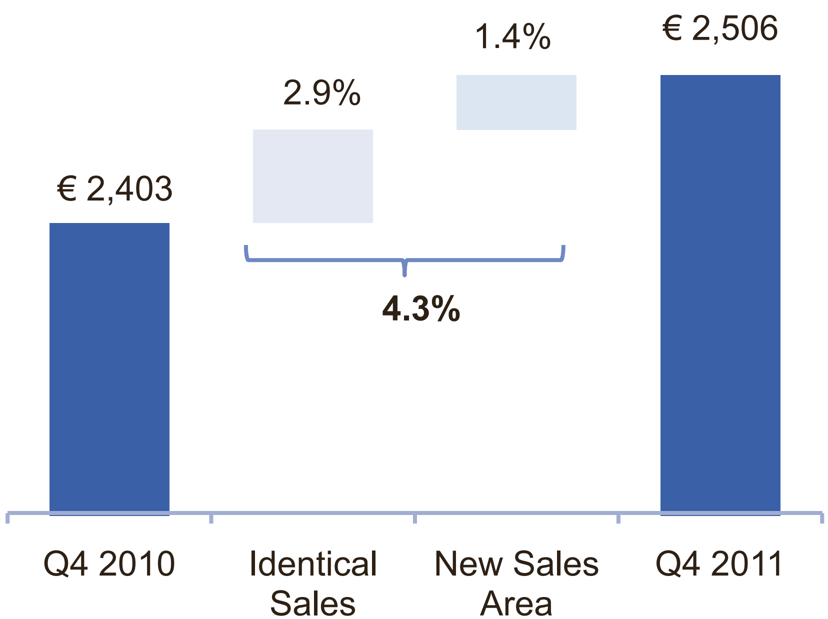
(in millions of US dollars)

	Quarter 4			Full Year		
	2011	2010	Growth	2011	2010	Growth
Sales	**5,887**	**5,609**	**5.0%**	**25,072**	**23,523**	**6.6%**
Operating Profit	225	180	25.0%	1,021	941	8.5%
Operating Profit Margin	3.8%	3.2%	0.6	4.1%	4.0%	0.1
Adjustments						
Impairments	(16)	(26)		(30)	(23)	
Gains & Losses on Sale of Real Estate	1	3		5	12	
Restructuring Charges	1	(12)		(21)	(26)	
Underlying Operating Profit	239	215	11.2%	1,067	978	9.1%
Underlying Operating Profit Margin	**4.1%**	**3.8%**	**0.3**	**4.3%**	**4.2%**	**0.1**

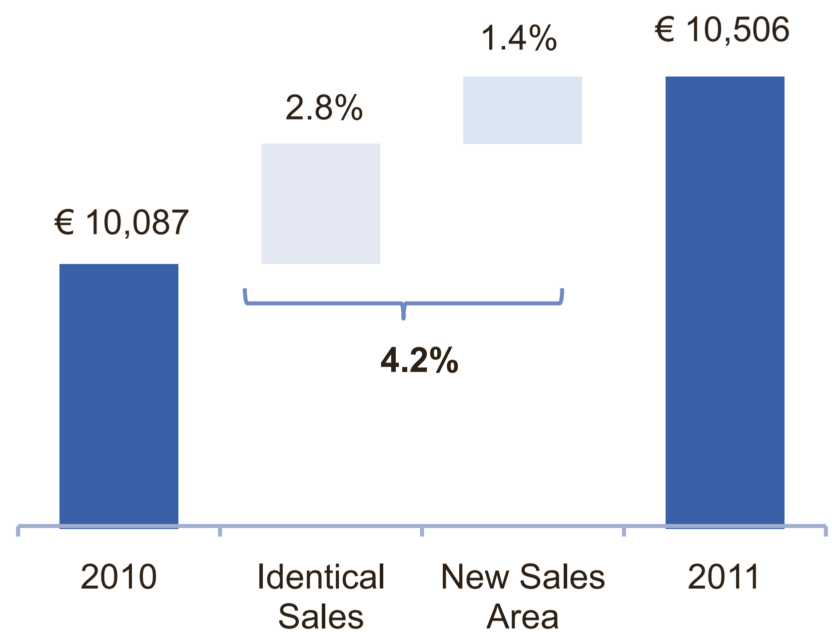
- Control of operating expenses resulted in 10bps improvement in full year profit margin

Sales development – The Netherlands

(in millions of euros)



Quarter 4



Full Year

- Increase in sales area driven by 32 new stores (13 AH including 2 in Belgium)

Performance – The Netherlands

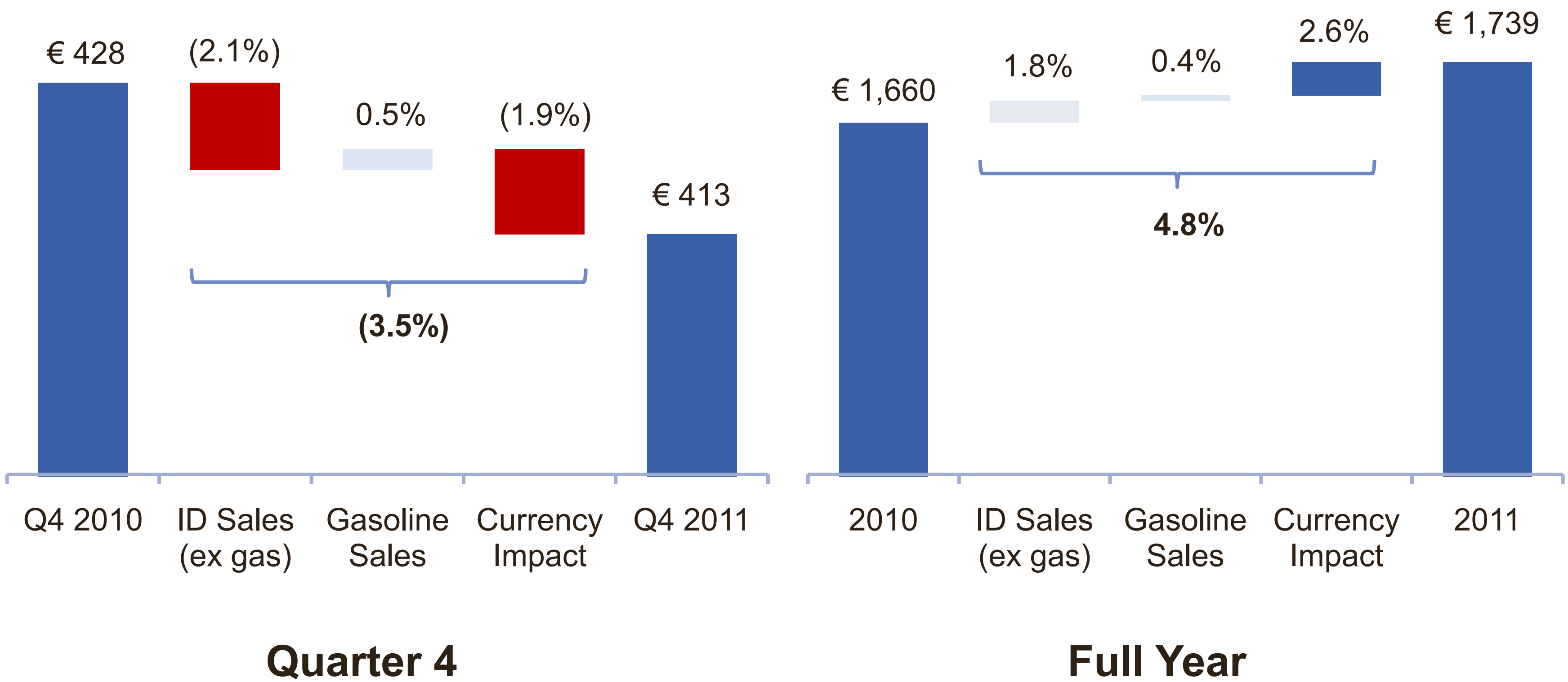
(in millions of euros)

	Quarter 4			Full Year		
	2011	2010	Growth	2011	2010	Growth
Sales	**2,506**	**2,403**	**4.3%**	**10,506**	**10,087**	**4.2%**
Operating Profit	174	159	9.4%	675	688	(1.9%)
Operating Profit Margin	6.9%	6.6%	0.3	6.4%	6.8%	(0.4)
Adjustments						
Impairments	0	(2)		0	(6)	
Gains & Losses on Sale of Real Estate	1	1		9	3	
Underlying Operating Profit	173	160	8.1%	666	691	(3.6%)
Underlying Operating Profit Margin	**6.9%**	**6.7%**	**0.2**	**6.3%**	**6.9%**	**(0.6)**

- First half margins impacted by cost inflation, strong final quarter

Sales development – Other Europe

(in millions of euros)



- Supermarkets with positive ID sales, Compact hyper remodeling program in place

Performance – Other Europe

(in millions of euros)

	Quarter 4			Full Year		
	2011	2010	Growth	2011	2010	Growth
Sales	**413**	**428**	**(3.5%)**	**1,739**	**1,660**	**4.8%**
Operating Profit	7	8	(12.5%)	18	10	80.0%
Operating Profit Margin	1.7%	1.9%	(0.2)	1.0%	0.6%	0.4
Adjustments						
Impairments	(1)	(3)		(2)	(4)	
Gains & Losses on Sale of Real Estate	0	0		0	2	
Restructuring Charges	0	0		0	(4)	
Underlying Operating Profit	8	11	(27.3%)	20	16	25.0%
Underlying Operating Profit Margin	**1.9%**	**2.6%**	**(0.7)**	**1.2%**	**1.0%**	**0.2**

- Control of operating expenses resulted in 20bps improvement in full year profit margin

Pension plans

(in millions of euros)

Summary position	YE 2011	YE 2010	YE 2009
Company plans surplus (defined benefit plans)	255	81	(78)
Multi employer plans deficit	(729)	(628)	(705)

- Group cash contribution (defined benefit plans) will increase by €28 million in 2012
- US frozen plan intended to be settled in 2012/13

Free cash flow

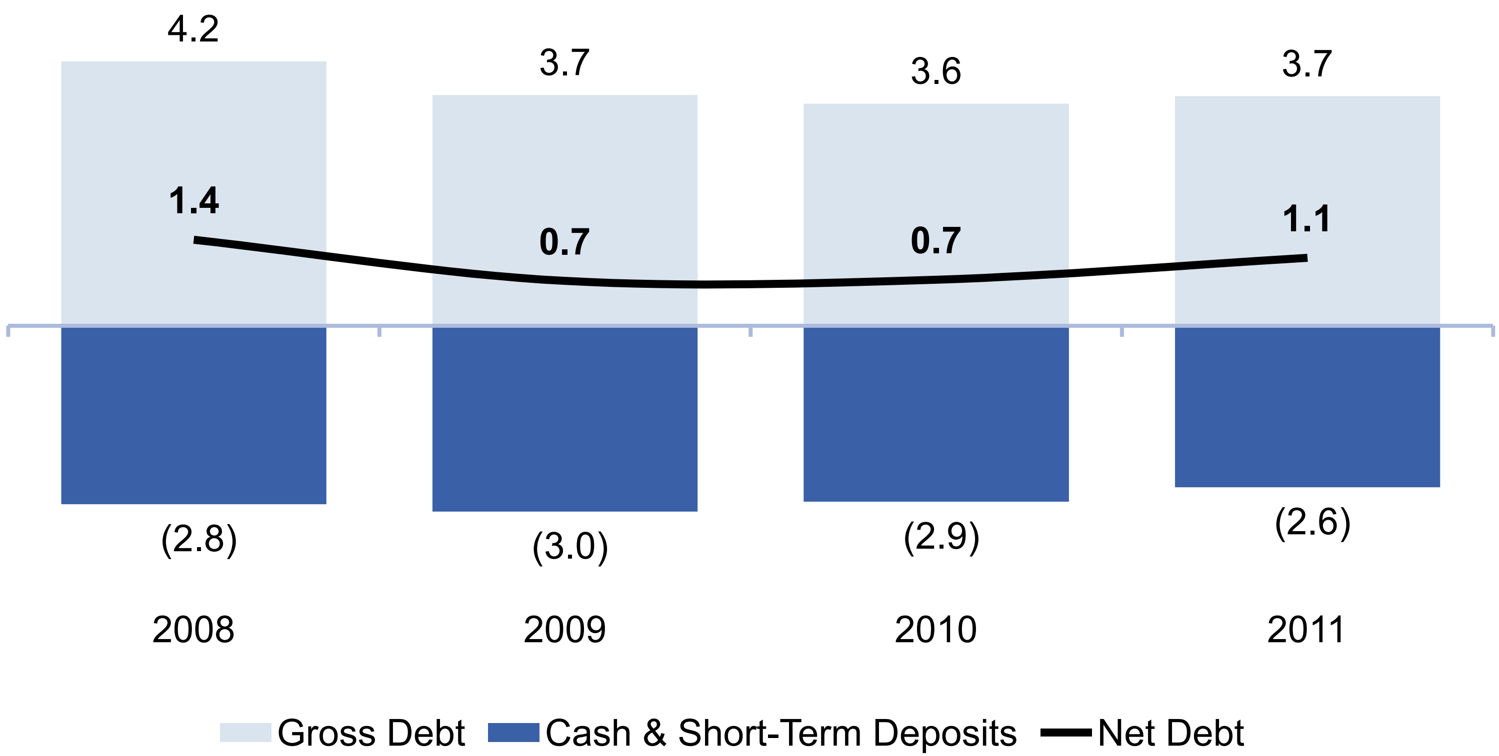
(in millions of euros)

Full Year	Actual	Better / (Worse) Than Last Year
Operating Cash Flow	2,023	(67)
Changes in Working Capital	(26)	(169)
Net Investment	(732)	106
Net Interest Paid	(218)	53
Dividends from Joint Ventures	130	19
Income Tax Paid	(212)	(89)
Free Cash Flow	**965**	**(147)**

- CAPEX of €0.9 billion included €0.1 billion of new finance leases
- Outflow of €1.2 billion from share buy back and dividends this year

Gross and net debt

(in billions of euros)



- Net debt remains low and cash position continues to be inefficient

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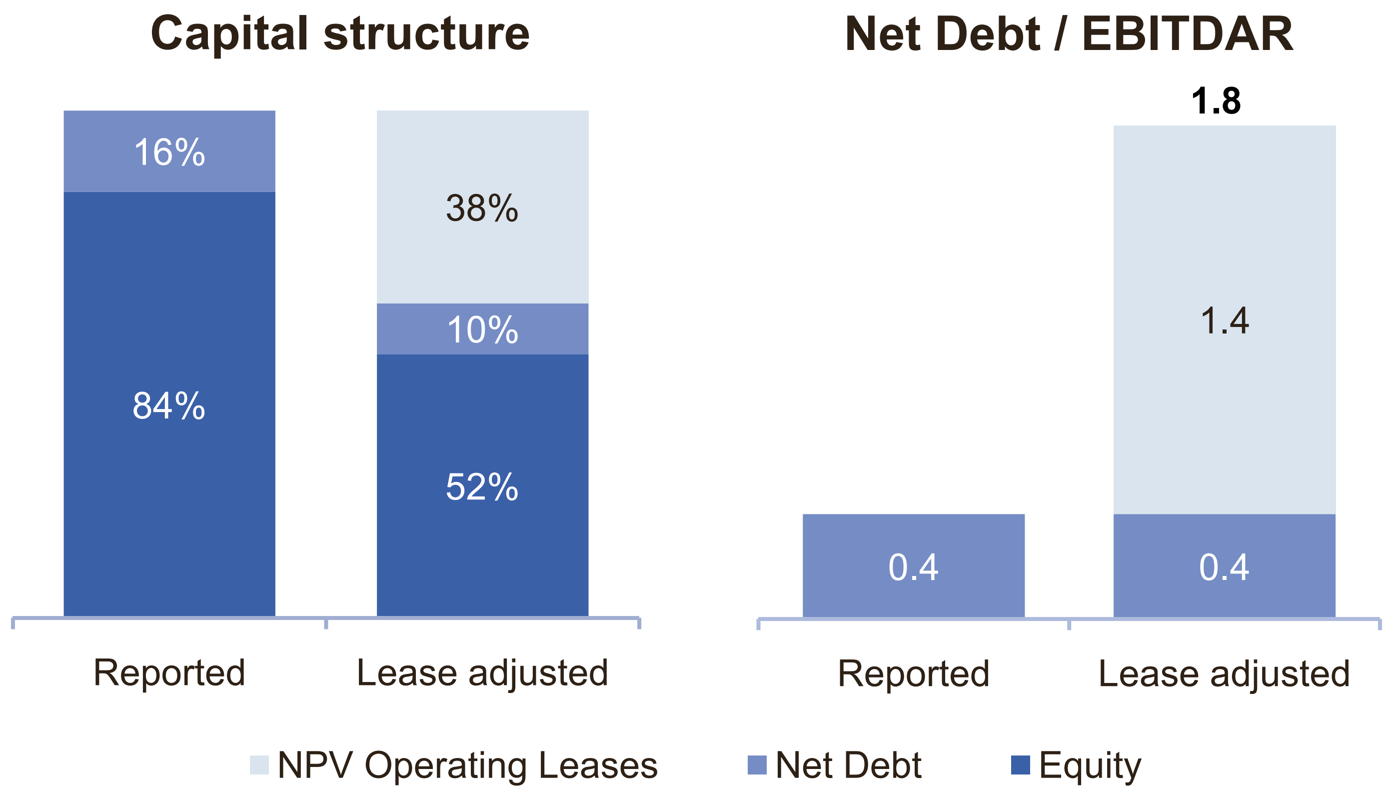
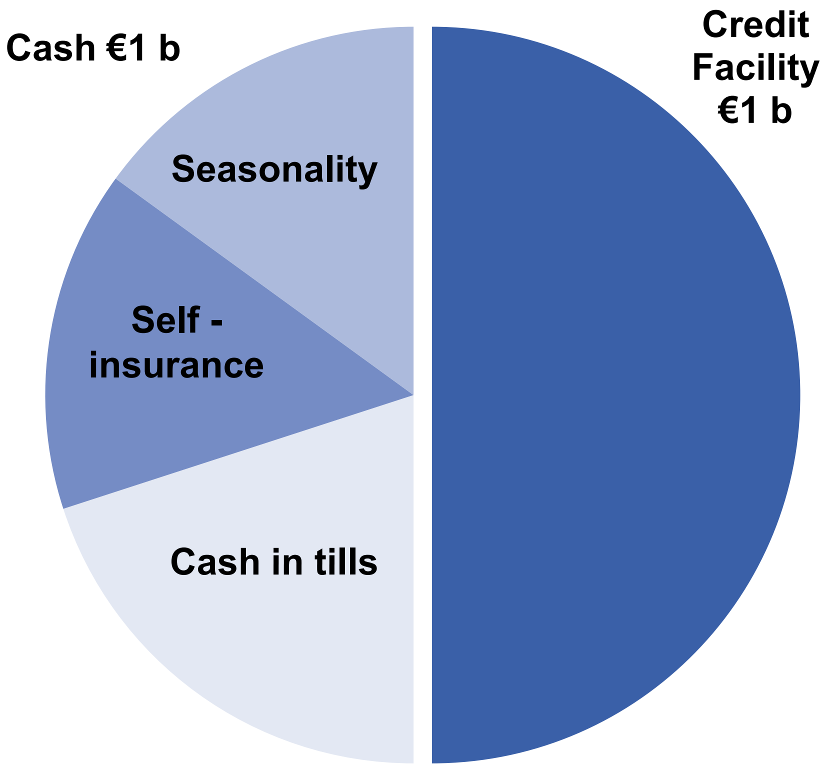
Capital structure on a lease-adjusted basis



- Committed to investment grade credit rating
- Comfortable with net lease-adjusted debt / EBITDAR around 2.0

Liquidity

Split of expected operating level of liquidity



- Total liquidity today is €3.6 billion of cash (€2.6 billion) and amounts available under our committed credit facility (€1.0 billion)
- Under normal conditions we expect to operate with liquidity around €2 billion
- Evenly split cash and undrawn portion of committed credit facility

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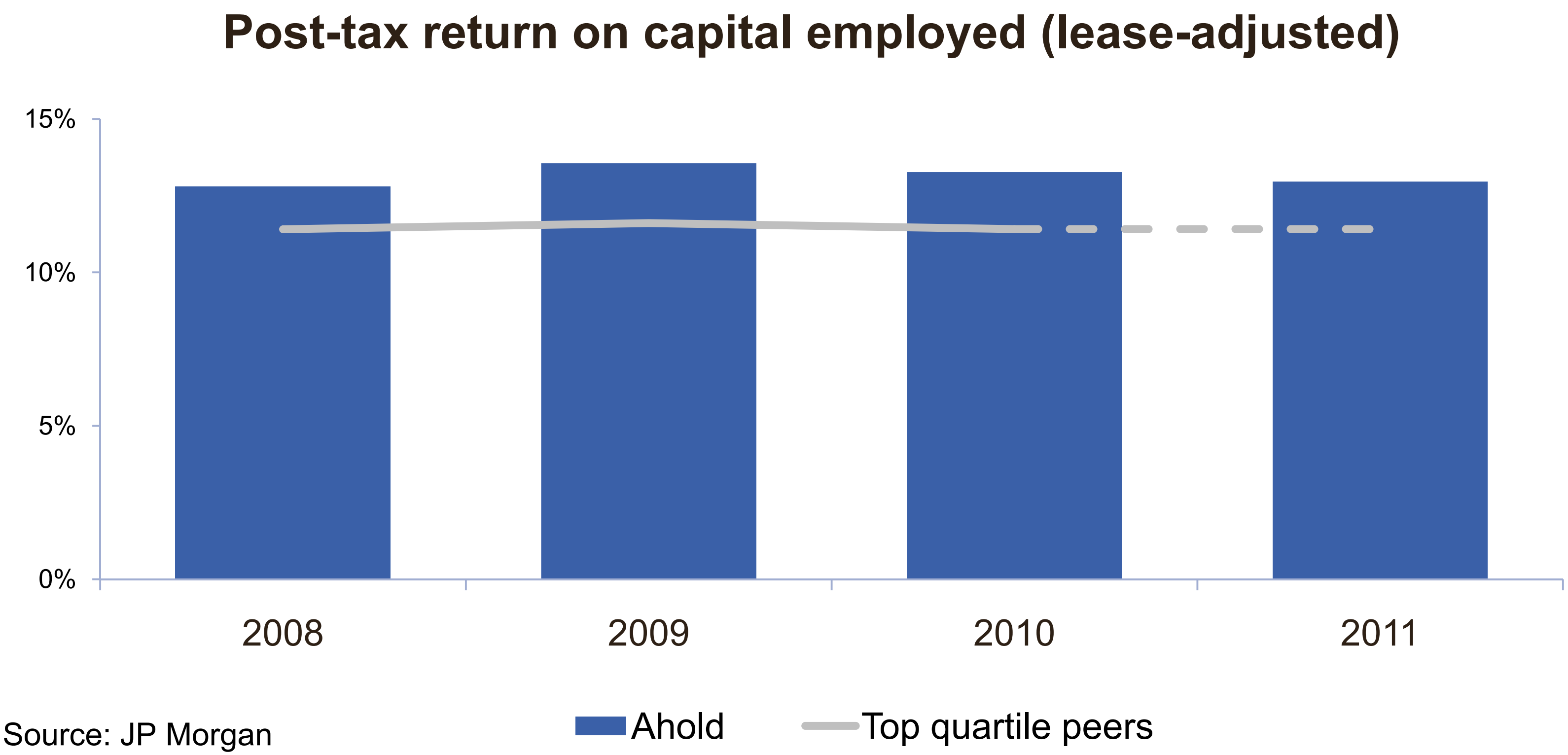
Significant cash outflows

	€ billion
Common and Pref Share Dividend	0.4
Completion of current Share Buyback program	0.3
€407 notes repayment (coupon 5.875%)	0.4
Acquisitions	0.5
Other	0.2
First half outflows (indicative)	**1.8**

- Cash will be used to support the strategy for growth, reduce debt, and return to shareholders

Maintain strong capital discipline



Source: JP Morgan

- Our decisions around capital allocation will maintain top quartile returns compared to the industry

Summary

Solid fourth quarter

- Sales growth 4.5% (4.3% at constant exchange rates)
- Operating income € 328 million (up 11%)

Capital structure

- Committed to investment grade rating
- Revised dividend policy
- Net lease-adjusted debt/EBITDAR around 2.0
- Liquidity of circa € 2 billion
- Strong capital discipline

Guidance 2012

- Space addition (excl. acquisitions) – 2%
- Capital investments (excl. acquisitions) – € 0.9 billion*
- Net interest – € 220 to € 240 million*
- Tax – Effective tax rate in mid-twenties

* At constant exchange rates

Business highlights

Dick Boer

CEO

Our ambitions to grow

2011 — Reshaping retail – going for growth — 2016

Creating growth	1. Increasing customer loyalty	• Contribute to ID sales growth by at least 1-2%
	2. Broadening our offering	• Increase own brand penetration to ~40% in US • Minimum of 200 convenience stores (AH To Go) • Triple online sales and drive profitability
	3. Expanding geographic reach	• Continued focus on current markets, surrounding markets and new geographies • > 50 supermarkets in Belgium
Enabling growth	4. Simplicity	• EUR 350 million cost reduction 2012-2014
	5. Responsible retailing	• Established CR goals and scorecard
	6. People performance	• 215,000 employee smiles • Millions of customer smiles

Attractive returns to shareholders

Our businesses will be our customers' favorite place to shop

Our strategy

Strategic Pillars

Creating growth

1. Increasing customer loyalty
2. Broadening our offering
3. Expanding geographic reach

Enabling growth

4. Simplicity
5. Responsible retailing
6. People performance

- Building on our fantastic programs and partnerships

- Touching every aspect of the customer shopping experience

Contribute to ID sales growth by at least 1-2%

Our businesses will be our customers' favorite place to shop

2011

- 80 million personalized offers to US customers
- Mobile SCANIT! Piloted at 50 stores
- Albert Heijn's sent 350,000 personalized offers
- Etos voted best drugstore again

2012

- **200 million personalized offers sent over 4 million US customers**
- **Further rollout of Mobile SCANIT!**
- **Personalized offers in the Netherlands**
- **125 years Albert Heijn**

We are providing our customers alternatives based on their changing needs

Our strategy

Strategic Pillars

Creating growth
- 1. Increasing customer loyalty
- **2. Broadening our offering**
- 3. Expanding geographic reach

Enabling growth
- 4. Simplicity
- 5. Responsible retailing
- 6. People performance

Supermarkets
- Strengthen our supermarkets through assortment and local offering

Small stores
- Increase depth of market coverage through small stores

Online
- Accelerate our online business

- **Increase own brand penetration to ~40% in US**
- **Minimum of 200 convenience stores (AH To Go)**
- **Triple online sales and drive profitability**

We are providing our customers alternatives based on their changing needs
United States

2011	2012

2011

- US own brands penetration increased by 140 bps
- Project 100: pilots delivered 2-4 % sales uplift in groceries and general merchandise
- Peapod online:
  - Expansion into Manhattan and Philadelphia
  - 20 millionth order
  - Third online Pick up point

2012

- **Relaunch of Simply Enjoy, Care One and Smart Living.**
- **Project 100: 50 Stop & Shop and Giant Landover stores**
- **Peapod online:**
  - **Virtual store on transit stations by Peapod**
  - **Additional Pick-up point pilots**

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We are providing our customers alternatives based on their changing needs
Europe

2011

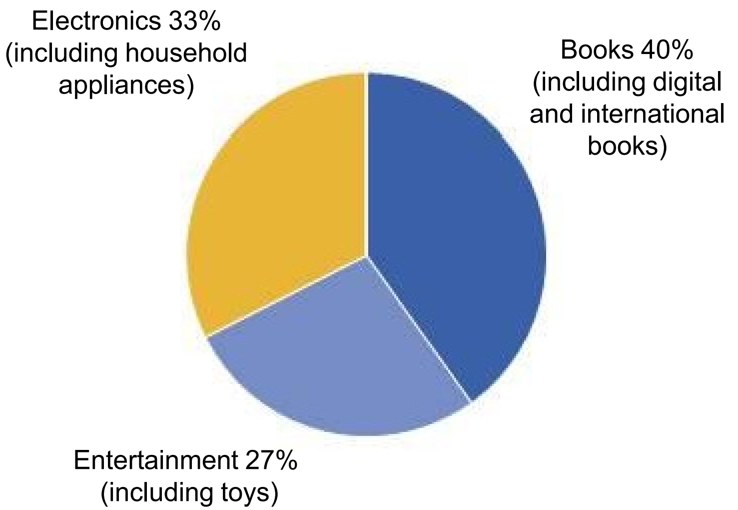
- Gall & Gall's introduced own brand in October, penetration already reached 5% at year end
- Appie smartphone was voted best app of its type
- New format compact hyper showed promising results

2012

- **New format Albert Heijn to go store roll out in The Netherlands and Germany**
- **10 new format compact hypers in the Czech Republic**
- **First pickup point in the Netherlands expected in Q3**

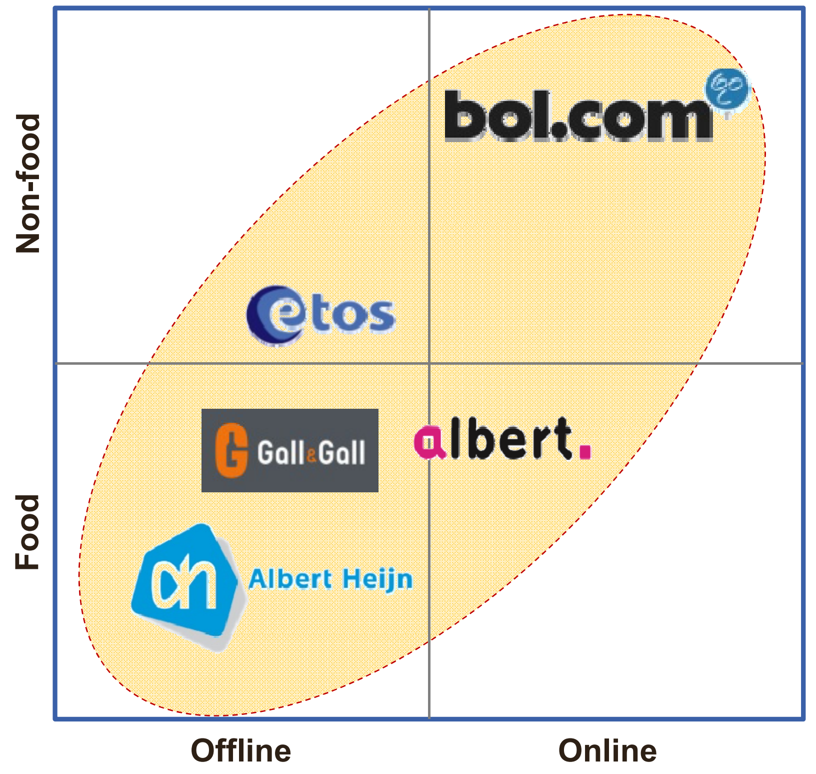
bol.com expands Ahold's product offering and online capabilities

bol.com main product category breakdown[1]



Net sales 2011: €355 mln
Consumer sales 2011: €376 mln

Extending online non-food product offering



[1] Based on net sales

bol.com brings unique assets and capabilities…

Strong brand ✓

New categories ✓

Long-tail offering ✓

Multiple fast-growing business models ✓
Including Digital, 2nd Hand and 3rd party marketplace

Proven and continuously evolving platform ✓

Talented management and employees ✓

We are bringing our shopping experience to more people

Our strategy

Strategic Pillars

Creating growth
- 1. Increasing customer loyalty
- 2. Broadening our offering
- **3. Expanding geographic reach**

Enabling growth
- 4. Simplicity
- 5. Responsible retailing
- 6. People performance

scale

skill

- Expand in our current markets
- Expand into surrounding markets
- Enter new geographies

- **Minimum 50 super-markets in Belgium**
- **Rigorous assessment of value adding opportunities in existing and new markets**

We are bringing our shopping experience to more people

2011

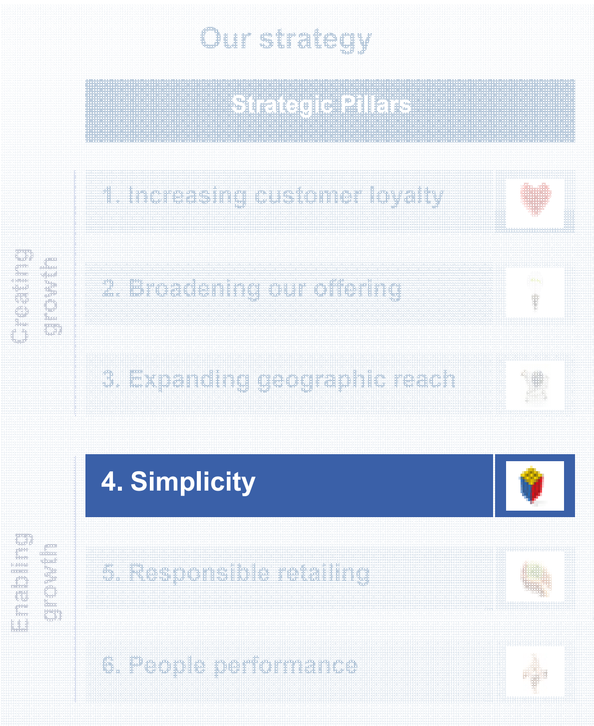
- Ukrop's:
  - Grew market share by 120 bps
  - Contributed to EBIT by year end
- Fill in acquisition:
  - Foodtown stores
  - King Kullen stores
- Surrounding market expansion:
  - First 2 Belgium Albert Heijn stores

2012

- **Recent fill in acquisitions:**
  - **16 Genuardi's***
  - **2 Fresh&Green**
- **10 Albert Heijn stores in Belgium**
- **Opening Albert Heijn to go in Germany**

* Pending regulatory approval

Simplicity is enabling our growth by increasing speed, lowering costs, and reducing risk

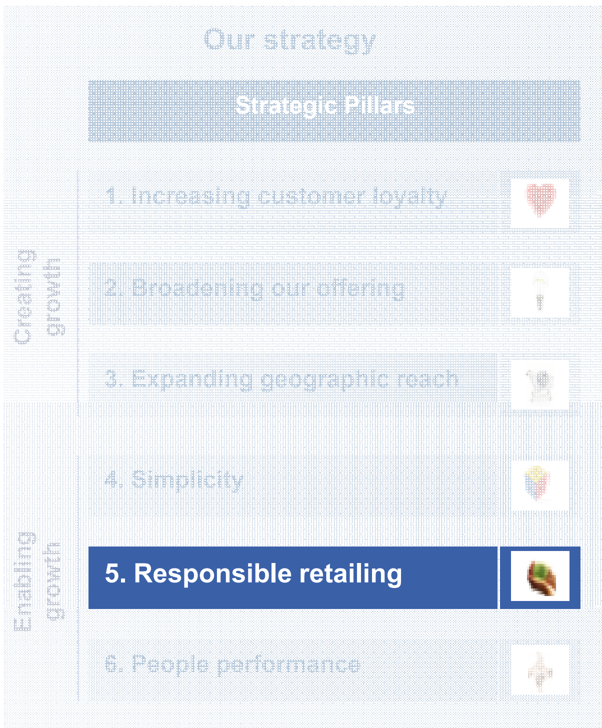


- Common Ahold retail model
- Converge our systems
- Culture of simplicity

- **€ 350 million cost reduction 2012-2014**
- **> 50% reduction in systems**

Ahold

We care about the future now



- Accelerate our move from Corporate Responsibility to Responsible Retailing

- Engage our customers and our employees

Some highlights:

- **20% reduction of CO_2/sqm sales area in own operations**
- **100% of six critical commodities Own Brand sourced sustainably**
- **>25% of total food sales healthy choice products**
- **100% of our operating companies have community engagement programs**
- **100% of our operating companies have CR employee program**

We are attracting, engaging and developing the best people to accelerate our growth

Our strategy

Strategic Pillars

Creating growth
1. Increasing customer loyalty
2. Broadening our offering
3. Expanding geographic reach

Enabling growth
4. Simplicity
5. Responsible retailing
6. People performance

- Build a bench strength to grow
- Increase capability building and transfer
- Accelerate performance

- **215,000 employee smiles**
- **Millions of customer smiles**

Our joint ventures, ICA and JMR, continued to perform well

- ICA Sweden solid, Baltic's improved, turnaround Norway continuing.
- New management expected to deliver further improvements

- JMR performed relatively well under very difficult economic circumstances

Reshaping retail at Ahold: We are on track

Questions & answers