

February 27, 2014

Summary Report

Fourth quarter and Full year 2013

Highlights

Fourth quarter

- Sales €7.5 billion, down 1.1% at constant exchange rates
- Underlying operating income €320 million, down 7.5% at constant exchange rates
- Underlying operating margin 4.3% (Q4 2012: 4.6%)
- Operating income €311 million, up 3.8% at constant exchange rates

Full year

- Sales €32.6 billion, up 2.0% at constant exchange rates
- Online net sales over €1 billion, up 16.9% on an identical basis
- Underlying operating income €1,379 million, down 0.5% at constant exchange rates
- Net income €2,537 million, of which €1,751 million related to ICA
- Free cash flow €1,109 million, up 5.5%
- Dividend increased by 7% to €0.47 per share

Zaandam, the Netherlands – Ahold today published its summary report for the fourth quarter and full-year 2013.

CEO Dick Boer said: “In the fourth quarter our sales remained broadly flat at constant exchange rates, adjusted for the impact of Hurricane Sandy in 2012 and VAT from tobacco sales in the Netherlands in 2013, reflecting a low level of inflation and pressure on volumes. Our underlying operating margin was somewhat under pressure, while our free cash flow remained strong at €0.5 billion.

“In a challenging environment customers remained focused on value and were cautious in their spending, particularly in the second half of the year. For the year we grew sales by 2.0% at constant exchange rates and slightly increased market share in all our major markets. Supported by good progress on our cost savings program, underlying operating income remained almost flat at constant exchange rates. Free cash flow exceeded last year’s record at €1.1 billion. As a result, the Board has proposed a 7% increase in our dividend to €0.47, reflecting a payout of 51%, slightly above the top end of our dividend policy range.

“In 2013, we continued to implement our Reshaping Retail strategy, leveraging changing consumer needs and pursuing growth opportunities in both existing and new markets. We also continued to rapidly expand our online businesses, achieving strong double-digit sales growth.

“After the successful divestment of our stake in ICA, our shareholders approved a €1 billion capital repayment and reverse stock split in an Extraordinary General Meeting on January 21, 2014. We expect to complete the transaction by the end of the first quarter. This is in addition to our €2 billion share buyback program that is to be completed by December 2014.

“We remain committed to our financial guidelines for leverage, liquidity and credit rating. Going forward we aim to maintain a balance between investing in profitable growth, returning cash to our shareholders and reducing debt, and we will continue to move toward a more efficient capital structure.

“While we expect economic conditions to gradually improve, we remain cautious in our outlook for the food retail sector in 2014. Our ongoing focus on expanding our online businesses is expected to continue to result in strong sales growth. We will continue to look for ways to simplify our business in order to reduce costs so that we can invest in our value proposition and offer customers a better shopping experience every day.”

Group performance

€ million, except per share data	Q4 2013	Q4 2012 ¹	% Change	% Change constant rates	2013	2012 ¹	% Change	% Change constant rates
Net sales	7,472	7,798	(4.2)%	(1.1)%	32,615	32,682	(0.2)%	2.0%
Underlying operating income	320	355	(9.9)%	(7.5)%	1,379	1,412	(2.3)%	(0.5)%
Operating income	311	306	1.6%	3.8%	1,239	1,336	(7.3)%	(5.6)%
Income from continuing operations	225	201	11.9%	13.7%	805	869	(7.4)%	(5.9)%
Net income	215	240	(10.4)%	(8.2)%	2,537	915	177.3%	181.2%
Basic earnings per share	0.22	0.23	(4.3)%	(4.0)%	2.48	0.88	181.8%	186.9%

1. As explained further under Note 2 to the enclosed summary financial statements, the prior year's results have been restated to reflect certain changes in presentation, the classification of the Company's investment in ICA and operations in Slovakia as discontinued operations, and the amendments resulting from the retrospective application of IAS 19 revised "Employee Benefits."

We continue to make progress on our Reshaping Retail strategy at Ahold, which involves taking advantage of rapid changes in consumer behavior, shopping trends and the retail landscape to create opportunities for our businesses. We remain focused on improving our competitive position through cost reductions and the overall simplification of our processes.

In 2013:

- We made strong progress on our €600 million cost reduction program for 2012-2014 and have realized €485 million in cost savings to date, primarily through further optimized store processes and improved sourcing.
- Our U.S. business further improved their own-brand product lines, now representing 37% of sales, and is well on track to its target of 40% of total sales by 2016.
- Our online businesses (Peapod, albert.nl and bol.com) reported net sales of €1,086 million, comprising food sales of €596 million, up 13.5% at constant exchange rates, and non-food sales of €490 million, up 23.0% (on an identical basis from the date of acquisition in 2012).
- Albert Heijn converted 24 former C1000 supermarkets to its store network, bringing the total number of converted stores to 39.
- 2 million customers subscribed to Albert Heijn's new loyalty card.
- In Belgium we operated 19 supermarkets, eight more than last year. Our customers have also voted us the best regional supermarket chain in Belgium, reporting the highest score of the country.
- We sold our 60% stake in ICA to our former joint venture partner.
- We announced the divestment of our Slovakian business, which enables local management to focus on its continued successful improvement of the Czech business.

Fourth quarter 2013 (compared to fourth quarter 2012)

Net sales were €7.5 billion, down 1.1% at constant exchange rates. Excluding the effect of a change in Dutch legislation regarding VAT on tobacco, net sales decreased by 0.8%. During the quarter, Ahold USA experienced a sales decline of 2.1%, measured in U.S. dollars, and the Netherlands achieved 0.7% growth, or 1.6% excluding the negative effect of the change in VAT on tobacco. Sales in the Czech Republic decreased 1.9% in local currency terms.

Underlying operating income was €320 million, down €35 million and down 7.5% at constant exchange rates. Contributing to the decline was an increase in pension costs of €10 million and the impact of some €10 million due to the lower U.S. dollar. Underlying operating margin was 4.3%, compared to 4.6% last year.

Operating income was €311 million, up 1.6% and 3.8% at actual and constant exchange rates, respectively. This included a net reversal of €3 million of restructuring and related charges (Q4 2012: charges of €43 million), €25 million of impairment charges (Q4 2012: €9 million), offset by €3 million of gains on the sale of assets (Q4 2012: €3 million) and a provision release of €10 million (\$14 million) related to the settlement of a multi-employer pension withdrawal liability.

Income from continuing operations was €225 million, which was €24 million higher than last year primarily as a result of an increase in net financial expense of €15 million and lower income taxes of €40 million. The increase in net financial expense over last year includes €9 million of increased interest charges from our defined benefit pension plans and €11 million of valuation adjustments related to notes and derivatives. The lower income taxes result mainly from one-time transactions and from movements in income tax contingency reserves.

Net income was €215 million, down €25 million. The decline was due to lower income from discontinued operations, primarily related to our former joint-venture ICA, from which we recorded income of €59 million in Q4 2012.

Our free cash flow was €485 million, up €142 million compared to 2012, primarily due to a payment last year of €100 million to settle the U.S. Frozen Plan.

Net debt decreased by €168 million during the quarter to a negative net debt of €942 million.

Full year 2013 (compared to full year 2012)

Net sales were €32.6 billion, down 0.2%. At constant exchange rates, net sales increased by 2.0%.

Underlying operating income was €1,379 million, down 2.3% at actual exchange rates and down 0.5% at constant exchange rates. Underlying operating margin was 4.2%, compared to 4.3% last year.

Operating income was €1,239 million, down €97 million or 7.3% at actual exchange rates and down 5.6% at constant exchange rates. This included charges of €53 million (\$68 million) related to multi-employer pension plan settlements, primarily with the New England Teamsters and Trucking Industry Pension Fund; increased impairment charges of €46 million; offset by decreased restructuring and related charges of €19 million; increased gains on the sale of assets of €7 million; and a gain of €9 million (\$12 million) on the settlement of the U.S. Frozen Plan.

Income before income taxes was down €180 million to €948 million, caused by the items mentioned above and an increase in net financial expense of €83 million over last year. This increase reflects €41 million of higher interest charges for our defined benefit pension plans, an €11 million one-time adjustment to a financial liability and €35 million of valuation adjustments related to notes and derivatives.

Income from continuing operations decreased €64 million (7.4%) to €805 million, for the reasons indicated above, offset by a €114 million reduction in income taxes, reflecting the effect of lower income, one-time transactions and from movements in income tax contingency reserves.

Net income was €2,537 million, up €1,622 million. Contributing to this increase was a result from discontinued operations of €1,751 million related to ICA.

Free cash flow was €1,109 million, which was €58 million higher than last year. The increase was primarily due to lower capital expenditures of €99 million and lower interest paid of €18 million, offset by lower operating cash flows from continuing operations of €61 million.

Performance by segment

Ahold USA

In the fourth quarter, net sales were \$6.0 billion, down 2.1%. Identical sales decreased 2.1% (2.0% excluding gasoline) reflecting the sales effect of Hurricane Sandy last year and a challenging fourth quarter. Underlying operating margin was 4.0%, compared to 4.3% last year when we recorded a benefit of \$26 million related to Ahold's portion of a settlement of litigation with Visa and Mastercard. Our U.S. operations have made strong progress with their Simplicity initiatives, both in sourcing and operations.

For the full year, net sales were \$26.1 billion, up 1.1%. Identical sales were up 0.2% (0.3% excluding gasoline). Our U.S. businesses gained market share during the year¹. Underlying operating margin was 4.1%, compared to 4.2% last year.

The Netherlands

In the fourth quarter, net sales increased 0.7% to €2.7 billion. Excluding the negative effect of a change in the legislation relating to VAT on tobacco, net sales increased 1.6%. Identical sales excluding VAT on tobacco sales decreased 1.0%. Identical sales at Albert Heijn were lower as our customers bought fewer items per visit. Strong growth was achieved by our online operations, albert.nl and bol.com; our continued expansion in Belgium; and Albert Heijn's franchise operation, from the conversion of former C1000 stores. Our operations in the Netherlands achieved an underlying operating margin of 5.5%, compared to 6.1% last year. Pension cost increased €9 million compared to 2012 as a result of lower discount rates; the impact on the operating profit margin was a negative 0.3%, but with no effect on free cash flow. Excluding these pension costs, the underlying margin was 0.3% lower than last year.

For the full year, net sales increased 4.0% to €11.5 billion. Identical sales excluding VAT on tobacco were up 0.6%. Market share for the year was slightly ahead of 2012, despite a decline in the fourth quarter¹. Underlying operating margin was 5.4%, compared to 5.6% last year. Pension cost increased €41 million compared to 2012 and the impact on the operating profit margin was a negative 0.4%. Excluding these pension costs, the underlying margin was 0.2% higher than last year.

Czech Republic

In the fourth quarter, net sales decreased 7.9% to €338 million impacted by a significantly weaker Czech crown. In local currency, net sales decreased 1.9%. Identical sales decreased 2.2% (2.4% excluding gasoline) in a market that continued to focus on promotions. Profitability continued to improve, with underlying operating margin in the Czech Republic at 3.6%, compared to 3.0% last year. In local currency, the underlying operating margin was 3.4%, compared to 3.2% last year.

For the full year, net sales decreased 4.7% to €1,445 million. In local currency, net sales decreased 1.5%. Identical sales decreased 1.7% (1.5% excluding gasoline). Market share was comparable to last year¹. Underlying operating margin was 2.1%, compared to 1.8% last year (in local currency).

Corporate Center

In the fourth quarter, Corporate Center costs were €19 million, which was €1 million higher than last year. Underlying Corporate Center costs were €19 million. Excluding the effect of the Company's insurance activities, underlying Corporate Center costs were €21 million, a decrease of €2 million over last year.

For the full year, Corporate Center costs were €67 million, down €11 million; underlying Corporate Center costs were €71 million. Excluding the effect of the Company's insurance activities, underlying Corporate Center costs were €84 million, an increase of €2 million over last year.

¹ Based on Nielsen data

Debt and liquidity

Ahold's net debt was negative €942 million as of December 29, 2013, a decrease of €2,302 million from December 30, 2012. This reflects both the receipt of dividends and proceeds from the sale of ICA (€2,507 million) and our strong cash generation (free cash flow of €1,109 million), partly offset by our share buyback program (€768 million) and dividends paid (€457 million).

These movements resulted in an increase in liquidity to €5.0 billion at year-end 2013, up from €2.9 billion in 2012. Liquidity is defined as cash (including cash equivalents and short-term deposits and similar instruments) of €4.0 billion and the undrawn portion of our committed credit facility of €1.0 billion. In normal conditions we expect to operate with liquidity of around €2 billion, evenly split between cash and the undrawn portion of our committed credit facilities.

The cash received from the sale of ICA will effectively be returned to shareholders after the completion of the €1 billion capital repayment and reverse stock split approved by shareholders in an Extraordinary General Meeting of Shareholders on January 21, 2014, and the €2 billion share buyback program, to be completed by December 2014. We expect the capital repayment and reverse stock split to be completed by the end of the first quarter; final details will be published on March 14.

The high level of cash at year-end 2013 also impacted our leverage measured by net lease adjusted debt to EBITDAR, which stood at 0.9 at year end 2013, down from 1.8 in 2012. With normalized balances we are comfortable with a ratio of around 2.0.

It is our intention to move to normalized leverage and liquidity levels as we continue to take a balanced approach between investing in the business, returning cash to our shareholders, and reducing our debt to achieve a more efficient capital structure.

Dividend per share

We propose a common stock dividend of €0.47 for the financial year 2013, up 7% from last year. This represents a payout ratio of around 51%, based on the expected dividend payment on adjusted income from continuing operations.

In 2013 the ICA divestment resulted in a lower income from continuing operations. As commented above the cash received from the sale of ICA is being returned to shareholders. These shareholder returns will result in the reduction of our outstanding shares and dividend payment. The payout ratio of 51% is marginally outside our dividend policy to target a payout ratio in the range of 40-50% of adjusted income from continuing operations, due to the temporary impact of the ICA sale.

Interest, pension cost, tax rate and capital expenditure expectations

During 2013, net interest expense (excluding interest on defined benefit pension plans) was €218 million, which was within our 2013 guidance of €200 million to €220 million. At current exchange rates, we expect net interest expense for 2014 to continue to be in the range of €200 million to €220 million, excluding pension interest.

Pension costs in underlying operating income are expected to be €114 million in 2014, €13 million less than in 2013. Total cash contributions to pension plans are expected to decrease by €22 million to €161 million in 2014.

We anticipate the effective tax rate to be in the mid-twenties in 2014.

Capital expenditures in 2013 were €830 million, compared to our guidance of €900 million. Capital expenditures in 2014, excluding acquisitions, are expected to be around €0.9 billion.

Other financial and operating information

Identical / comparable sales growth (% year-over-year)¹

	Q4 2013 Identical	Q4 2013 Identical excluding gasoline	Q4 2013 Comparable	2013 Identical	2013 Identical excluding gasoline	2013 Comparable
Ahold USA	(2.1)%	(2.0)%	(2.0)%	0.2%	0.3%	0.3%
The Netherlands ²	(1.0)%	(1.0)%		0.6%	0.6%	
Czech Republic	(2.2)%	(2.4)%		(1.7)%	(1.5)%	

1. For the definition of identical and comparable sales see section "Other information" – "Use of non-GAAP financial measures."

2. Identical sales growth in the Netherlands excludes the VAT on tobacco sales. For the definition of identical sales, excluding VAT from tobacco sales see section "Other information" – "Use of non-GAAP financial measures."

Underlying operating income¹

	Q4 2013	Q4 2012 (restated) ²	% Change	2013	2012 (restated) ²	% Change
\$ million						
Ahold USA	243	262	(7.3)%	1,064	1,096	(2.9)%
Average U.S. dollar exchange rate (euro per U.S. dollar)	0.7346	0.7709	(4.7)%	0.7533	0.7782	(3.2)%

	Q4 2013	Q4 2012 (restated) ²	% Change	2013	2012 (restated) ²	% Change
€ million						
Ahold USA	177	202	(12.4)%	801	852	(6.0)%
The Netherlands	150	164	(8.5)%	619	615	0.7%
Czech Republic	12	11	9.1%	30	27	11.1%
Corporate Center	(19)	(22)	13.6%	(71)	(82)	13.4%
Ahold Group	320	355	(9.9)%	1,379	1,412	(2.3)%

1. For the definition of underlying operating income see section "Other information" – "Use of non-GAAP financial measures."

2. See Note 2 for a further explanation of the restatements.

Underlying operating margin

Underlying operating margin is defined as underlying operating income as a percentage of net sales.

	Q4 2013	Q4 2012 (restated) ¹	2013	2012 (restated) ¹
Ahold USA	4.0%	4.3%	4.1%	4.2%
The Netherlands	5.5%	6.1%	5.4%	5.6%
Czech Republic	3.6%	3.0%	2.1%	1.8%
Ahold Group	4.3%	4.6%	4.2%	4.3%

1. See Note 2 for a further explanation of the restatements.

Store portfolio (including franchise stores)

	End of 2012	Opened / acquired	Closed / sold	End of 2013
Ahold USA	772	9	(14)	767
The Netherlands ¹	1,996	73	(13)	2,056
Czech Republic	282	2	-	284
Continuing operations of Ahold Group	3,050	84	(27)	3,107
Slovakia	24	-	-	24
Total	3,074	84	(27)	3,131

1. The number of stores at the end of 2013 includes 1,124 specialty stores (Etos and Gall & Gall) (2012: 1,105). During 2013, 24 C1000 stores were converted to the Albert Heijn banner.

EBITDA¹

(€ million)	Q4 2013	Q4 2012 (restated) ²	% Change	2013	2012 (restated) ²	% Change
Ahold USA	291	240	21.3%	1,207	1,287	(6.2)%
The Netherlands	205	254	(19.3)%	857	874	(1.9)%
Czech Republic	20	21	(4.8)%	66	68	(2.9)%
Corporate Center	(19)	(18)	(5.6)%	(66)	(76)	13.2%
EBITDA by segment	497	497	-	2,064	2,153	(4.1)%
Share in income (loss) of joint ventures	(3)	3	(200.0)%	10	8	25.0%
Income (loss) from discontinued operations	(10)	39	(125.6)%	1,732	46	n/m
Total EBITDA	484	539	(10.2)%	3,806	2,207	72.5%

1. For the definition of EBITDA see section "Other information" – "Use of non-GAAP financial measures."

2. See Note 2 for a further explanation of the restatements.

Free cash flow¹

€ million	Q4 2013	Q4 2012 (restated) ²	2013	2012 (restated) ²
Operating cash flows from continuing operations	742	632	2,051	2,112
Purchase of non-current assets	(237)	(258)	(811)	(910)
Divestments of assets / disposal groups held for sale	9	8	52	51
Dividends from joint ventures ²	22	15	27	21
Interest received	1	1	6	11
Interest paid	(52)	(55)	(216)	(234)
Free cash flow	485	343	1,109	1,051

1. For the definition of free cash flow see section "Other information" – "Use of non-GAAP financial measures."

2. See Note 2 for a further explanation of the restatements.

Net debt

€ million	December 29, 2013	October 6, 2013	December 30, 2012
Loans	1,307	1,343	1,431
Finance lease liabilities	1,069	1,081	1,179
Cumulative preferred financing shares	497	497	497
Non-current portion of long-term debt	2,873	2,921	3,107
Short-term borrowings and current portion of long-term debt	148	145	139
Gross debt	3,021	3,066	3,246
Less: Cash, cash equivalents, and short-term deposits and similar instruments ^{1,2}	3,963	3,840	1,886
Net debt	(942)	(774)	1,360

1. Short-term deposits and similar instruments include investments with a maturity of between three and twelve months. The balance of these instruments at December 29, 2013, was €1,467 million and is presented within Other current financial assets in the consolidated balance sheet.

2. Book overdrafts, representing the excess of total issued checks over available cash balances within the Group cash concentration structure, are classified in accounts payable and do not form part of net debt. These balances amounted to €166 million, €136 million and €170 million as of December 29, 2013, October 6, 2013, and December 30, 2012, respectively.

Auditor's involvement

The full-year 2013 and 2012 information in the summary financial statements, as set out on pages 11 to 32 of this summary report, is based on Ahold's 2013 financial statements, as included in the 2013 Annual Report (the Financial Statements), which have not yet been published. In accordance with article 2:395 of the Netherlands Civil Code, we state that our auditor, PricewaterhouseCoopers Accountants N.V., has issued an unqualified opinion on the Financial Statements, dated February 26, 2014. For a better understanding of the Company's financial position and results and of the scope of the audit of PricewaterhouseCoopers Accountants N.V., this report should be read in conjunction with the Financial Statements. We plan to publish the Financial Statements on March 4, 2014. The General Meeting of Shareholders has not yet adopted the Financial Statements.

Consolidated income statement

€ million, except per share data	Note	Q4 2013	Q4 2012 (restated) ¹	2013	2012 (restated) ¹
Net sales	4	7,472	7,798	32,615	32,682
Cost of sales	5	(5,485)	(5,730)	(23,933)	(24,064)
Gross profit		1,987	2,068	8,682	8,618
Selling expenses		(1,440)	(1,474)	(6,293)	(6,225)
General and administrative expenses		(236)	(288)	(1,150)	(1,057)
Total operating expenses	5	(1,676)	(1,762)	(7,443)	(7,282)
Operating income	4	311	306	1,239	1,336
Interest income		2	1	7	10
Interest expense		(51)	(55)	(225)	(234)
Interest income (expense) on defined benefit pension plans		(5)	4	(24)	17
Other financial expenses		(17)	(6)	(49)	(1)
Net financial expenses		(71)	(56)	(291)	(208)
Income before income taxes		240	250	948	1,128
Income taxes	6	(12)	(52)	(153)	(267)
Share in income (loss) of joint ventures	7	(3)	3	10	8
Income from continuing operations		225	201	805	869
Income (loss) from discontinued operations	8	(10)	39	1,732	46
Net income attributable to common shareholders		215	240	2,537	915
Earnings per share					
Net income per share attributable to common shareholders					
Basic		0.22	0.23	2.48	0.88
Diluted		0.21	0.22	2.39	0.85
Income from continuing operations per share attributable to common shareholders					
Basic		0.23	0.19	0.79	0.84
Diluted		0.22	0.19	0.77	0.81
Weighted average number of common shares outstanding (in millions)					
Basic		993	1,038	1,021	1,040
Diluted		1,045	1,099	1,072	1,100
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.7346	0.7709	0.7533	0.7782

1. See Note 2 for a further explanation of the restatements.

Consolidated statement of comprehensive income

€ million	Note	Q4 2013	Q4 2012 (restated) ¹	2013	2012 (restated) ¹
Net income		215	240	2,537	915
Remeasurements of defined benefit pension plans					
Remeasurements before taxes	10	107	(128)	230	(1,204)
Income taxes		(31)	31	(83)	331
Other comprehensive income (loss) that will not be reclassified to profit or loss		76	(97)	147	(873)
Currency translation differences in foreign interests:					
Currency translation differences before taxes from:					
Continuing operations		(61)	(42)	(149)	(56)
Discontinued operations		-	(15)	30	29
Cumulative translation differences from divestments transferred to net income	8	-	-	(82)	-
Income taxes		1	-	1	-
Cash flow hedges:					
Fair value losses in the year		(12)	(53)	(10)	(89)
Transfers to net income		23	33	70	45
Income taxes		(3)	5	(15)	11
Other comprehensive income (loss) of joint ventures - net of income taxes:					
Share of other comprehensive income (loss) from:					
Continuing operations		-	1	-	1
Discontinued operations		-	6	-	(8)
Other comprehensive loss transferred to net income	8	-	-	9	-
Other comprehensive loss reclassifiable to profit or loss		(52)	(65)	(146)	(67)
Total other comprehensive income (loss)		24	(162)	1	(940)
Total comprehensive income (loss) attributable to common shareholders		239	78	2,538	(25)
Attributable to:					
Continuing operations		249	48	849	(92)
Discontinued operations		(10)	30	1,689	67
Total comprehensive income (loss) attributable to common shareholders		239	78	2,538	(25)

1. See Note 2 for a further explanation of the restatements.

Consolidated balance sheet

€ million	Note	December 29, 2013	December 30, 2012 (restated) ¹	January 1, 2012 (restated) ¹
Assets				
Property, plant and equipment		5,712	6,038	5,984
Investment property		543	565	593
Intangible assets		1,563	1,569	836
Investments in joint ventures		197	1,017	1,059
Other non-current financial assets		415	420	995
Deferred tax assets		411	512	534
Other non-current assets		33	35	34
Total non-current assets		8,874	10,156	10,035
Assets held for sale		28	-	-
Inventories		1,450	1,492	1,466
Receivables		665	793	751
Other current financial assets		1,520	43	336
Income taxes receivable		11	47	27
Other current assets		98	155	175
Cash and cash equivalents	11	2,496	1,886	2,438
Total current assets		6,268	4,416	5,193
Total assets		15,142	14,572	15,228
Equity and liabilities				
Equity attributable to common shareholders	9	6,520	5,146	5,810
Loans		1,307	1,431	1,489
Other non-current financial liabilities		1,882	1,930	1,813
Pensions and other post-employment benefits		348	643	352
Deferred tax liabilities		123	98	256
Provisions		585	646	664
Other non-current liabilities		235	251	230
Total non-current liabilities		4,480	4,999	4,804
Liabilities related to assets held for sale		48	-	-
Accounts payable		2,387	2,667	2,436
Other current financial liabilities		262	236	648
Income taxes payable		97	134	136
Provisions		191	256	253
Other current liabilities		1,157	1,134	1,141
Total current liabilities		4,142	4,427	4,614
Total equity and liabilities		15,142	14,572	15,228
Year-end U.S. dollar exchange rate (euro per U.S. dollar)		0.7277	0.7566	0.7724

1. See Note 2 for a further explanation of the restatements.

Consolidated statement of changes in equity

€ million	Share capital	Additional paid-in capital	Currency translation reserve	Cash flow hedging reserve	Other reserves including accumulated deficit ¹	Equity attributable to common shareholders
Balance as of January 1, 2012	330	9,094	(265)	(93)	(3,189)	5,877
Adjustments ²	-	-	-	-	(67)	(67)
As restated²	330	9,094	(265)	(93)	(3,256)	5,810
Net income (restated) ²	-	-	-	-	915	915
Other comprehensive loss (restated) ²	-	-	(27)	(33)	(880)	(940)
Total comprehensive income (loss)(restated) ²	-	-	(27)	(33)	35	(25)
Dividends	-	-	-	-	(415)	(415)
Share buyback	-	-	-	-	(277)	(277)
Cancellation of treasury shares	(12)	(381)	-	-	393	-
Share-based payments	-	-	-	-	53	53
Balance as of December 30, 2012²	318	8,713	(292)	(126)	(3,467)	5,146
Net income	-	-	-	-	2,537	2,537
Other comprehensive income (loss)	-	-	(200)	45	156	1
Total comprehensive income (loss)	-	-	(200)	45	2,693	2,538
Dividends	-	-	-	-	(457)	(457)
Share buyback	-	-	-	-	(768)	(768)
Share-based payments	-	-	-	-	61	61
Balance as of December 29, 2013	318	8,713	(492)	(81)	(1,938)	6,520

1. Other reserves include the remeasurements of defined benefit pension plans.

2. See Note 2 for a further explanation of the restatements.

Consolidated statement of cash flows

€ million	Note	Q4 2013	Q4 2012 (restated) ¹	2013	2012 (restated) ¹
Operating income		311	306	1,239	1,336
Adjustments for:					
Depreciation, amortization, write-downs and impairments	5	219	288	916	946
Gains on the sale of assets / disposal groups held for sale	5	(3)	(3)	(28)	(21)
Share-based compensation expenses		11	11	43	40
Operating cash flows before changes in operating assets and liabilities		538	602	2,170	2,301
Changes in working capital:					
Changes in inventories		(21)	(28)	(13)	(27)
Changes in receivables and other current assets		34	(65)	73	(11)
Changes in payables and other current liabilities		213	301	(21)	177
Changes in other non-current assets, other non-current liabilities and provisions		(32)	(139)	(42)	(194)
Cash generated from operations		732	671	2,167	2,246
Income taxes paid - net		10	(39)	(116)	(134)
Operating cash flows from continuing operations		742	632	2,051	2,112
Operating cash flows from discontinued operations		1	6	(16)	(2)
Net cash from operating activities		743	638	2,035	2,110
Purchase of non-current assets		(237)	(258)	(811)	(910)
Divestments of assets / disposal groups held for sale		9	8	52	51
Acquisition of businesses, net of cash acquired	3	(6)	2	(9)	(701)
Divestment of businesses, net of cash divested	8	(7)	3	2,352	(43)
Changes in short-term deposits and similar instruments		(644)	39	(1,472)	155
Dividends received from joint ventures		22	15	27	21
Interest received		1	1	6	11
Other		(1)	(2)	(1)	(1)
Investing cash flows from continuing operations		(863)	(192)	144	(1,417)
Investing cash flows from discontinued operations	8	(1)	-	135	135
Net cash from investing activities		(864)	(192)	279	(1,282)
Interest paid		(52)	(55)	(216)	(234)
Repayments of loans		(3)	(3)	(21)	(459)
Repayments of finance lease liabilities		(18)	(22)	(73)	(74)
Dividends paid on common shares	9	-	-	(457)	(415)
Share buyback	9	(292)	-	(768)	(277)
Other cash flows from derivatives		-	(1)	(19)	110
Other	11	10	8	(75)	17
Financing cash flows from continuing operations		(355)	(73)	(1,629)	(1,332)
Financing cash flows from discontinued operations		(1)	(3)	(4)	(7)
Net cash from financing activities		(356)	(76)	(1,633)	(1,339)
Net cash from operating, investing and financing activities	11	(477)	370	681	(511)
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.7346	0.7709	0.7533	0.7782

1. See Note 2 for a further explanation of the restatements.

For the reconciliation between net cash from operating, investing and financing activities and cash and cash equivalents as presented in the balance sheet, see Note 11.

Notes to the consolidated summary financial statements

1. The Company and its operations

The principal activity of Koninklijke Ahold N.V. (“Ahold” or the “Company” or “Group” or “Ahold Group”), a public limited liability company with its registered seat in Zaandam, the Netherlands, is the operation of retail stores in the United States and Europe through subsidiaries and joint ventures.

2. Accounting policies

Basis of preparation

These summary financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting.” The accounting policies applied in these summary financial statements are consistent with those applied in Ahold’s 2013 consolidated financial statements.

Ahold’s reporting calendar is based on 13 periods of four weeks, with 2013 and 2012 each comprising 52 weeks. The fourth quarters of 2013 and 2012 are each comprised of 12 weeks. The financial year of Ahold’s unconsolidated joint venture JMR - Gestão de Empresas de Retalho, SGPS, S.A. (“JMR”) corresponds to the calendar year.

Changes in presentation

In Q1 2013, Ahold changed the presentation of its income statement to a framework that provides a better alignment between expense categories and functions. The change resulted in certain reclassifications within the 2012 income statement. In the Q4 2012 income statement, this change decreased cost of sales by €31 million (full-year 2012: €133 million) and increased selling expenses and general and administrative expenses by €22 million (full-year 2012: €87 million) and €9 million (full-year 2012: €46 million), respectively. Furthermore, the comparative 2012 expenses by nature figures have been changed to conform to the current year presentation.

In Q1 2013, Ahold’s investment in ICA met the criteria to be classified as a discontinued operation and, accordingly, income of €59 million that was previously reported in Q4 2012 as share of income from joint ventures (full-year 2012: €75 million) has been reclassified to income from discontinued operations.

In Q4 2013, Ahold’s investment in Slovakia met the criteria to be classified as a discontinued operation and, accordingly, €19 million that was previously reported in Q4 2012 as loss from continuing operations (full-year 2012: €26 million loss) has been reclassified to income from discontinued operations. In the Q4 2012 income statement, this change decreased net sales by €37 million (full-year 2012: €159 million), cost of sales by €27 million (full-year 2012: €119 million), selling expenses by €9 million (full-year 2012: €40 million) and general and administrative expenses by €20 million (full-year 2012: €24 million).

The tables at the end of this note outline the effects on Ahold’s comparative 2012 amounts.

New and revised IFRSs effective in 2013

The amendment to IAS 1, “Presentation of Financial Statements,” as part of the “Annual Improvements to IFRSs 2009-2011 Cycle,” became effective in 2013. These amendments require Ahold to group the items in other comprehensive income on the basis of whether they are potentially able to be subsequently reclassified to profit or loss (reclassification adjustments). The presentation of Ahold’s consolidated statement of comprehensive income has been adjusted to comply with these amendments; however the amendments have no effect on Ahold’s financial position or performance.

IAS 19, “Employee Benefits,” (as revised June 2011) became effective for the Company as of January 1, 2013. Ahold has applied the revised standard retrospectively and in accordance with the transitional provisions as set out in IAS 19.173 (as revised). These transitional provisions do not have an effect on future periods.

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant changes relate to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and therefore eliminate the “corridor approach” permitted under the previous version of IAS 19, and accelerate the recognition of past service costs. All actuarial gains and losses are recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated balance sheet to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 have been replaced with a “net-interest” amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. IAS 19 (as revised) introduces certain changes in the presentation of the defined benefit cost, including more extensive disclosures. In addition to the IAS 19 amendments, Ahold has changed its presentation of the net-interest amount to be within net financial expenses, instead of the previous presentation within operating expenses. The effect of these changes is presented below.

IAS 19 also requires that all administration costs be expensed as incurred. In Q4 2013, Ahold has prospectively changed the way it accounts for the contributions it makes to prepay disbursement costs that will be incurred when future benefits are paid to beneficiaries. These costs were previously included in the defined benefit obligation of the pension plan for the Netherlands, but will now be expensed as contributions are made.

IFRS 13, “Fair value measurement,” became effective for the Company as of January 1, 2013. It is applied prospectively. IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across all IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within the IFRSs. Upon the adoption of the standard, Ahold has recognized the effect of non-performance risk, including the Company’s own credit risk, in the measurement of its financial liabilities at fair value. The adoption of IFRS 13 does not have a significant effect on Ahold’s financial position or performance. For more information about financial instruments and fair value measurements, see *Note 12*.

In addition, the following new and amended IASB pronouncements have been adopted by Ahold. The initial application of these pronouncements has been assessed and they do not have any significant effect on Ahold’s financial position or performance.

- IFRS 10, “Consolidated financial statements” and amendments to IAS 27, “Separate financial statements”
- IFRS 11, “Joint arrangements” and amendments to IAS 28, “Investments in associates and joint ventures”
- IFRS 12, “Disclosures of interests in other entities”

The restatements to Ahold's 2012 comparative amounts for the changes in presentation and adoption of IAS 19 (as revised) are as follows:

€ million, except per share data	Q4 2012 as reported	Changes in presentation	IAS 19 restatement	Q4 2012 as restated
Consolidated income statement line items				
Net sales	7,835	(37)	-	7,798
Cost of sales	(5,788)	58	-	(5,730)
Gross profit	2,047	21	-	2,068
Selling expenses	(1,457)	(13)	(4)	(1,474)
General and administrative expenses ¹	(434)	11	135	(288)
Operating Income	156	19	131	306
Interest income	1	-	-	1
Interest expense	(55)	-	-	(55)
Interest income (expense) on defined benefit pension plans	-	-	4	4
Other financial expense	(6)	-	-	(6)
Income before income taxes	96	19	135	250
Income taxes	2	-	(54)	(52)
Share in income (loss) of joint ventures	61	(59)	1	3
Income (loss) from continuing operations	159	(40)	82	201
Income (loss) from discontinued operations	(1)	40	-	39
Net income attributable to common shareholders	158	-	82	240
Net income per share attributable to common shareholders				
Basic	0.15	-	0.08	0.23
Diluted	0.15	-	0.07	0.22
Income from continuing operations per share attributable to common shareholders				
Basic	0.15	(0.04)	0.08	0.19
Diluted	0.15	(0.03)	0.07	0.19

1. In Q4 2012, Ahold incurred a settlement loss of €121 million when lump sum payments were made to participants in the Frozen Plan in the United States. The majority of this loss represented actuarial losses, which upon the adoption of amendments to IAS 19, have been recognized in other comprehensive income. The effect of adopting the amendments to IAS 19 is that Ahold has recognized a settlement gain of €6 million.

€ million, except per share data	2012 as reported	Changes in presentation	IAS 19 restatement	2012 as restated
Consolidated income statement line items				
Net sales	32,841	(159)	-	32,682
Cost of sales	(24,317)	252	1	(24,064)
Gross profit	8,524	93	1	8,618
Selling expenses	(6,161)	(47)	(17)	(6,225)
General and administrative expenses	(1,176)	(22)	141	(1,057)
Operating Income	1,187	24	125	1,336
Interest income	10	-	-	10
Interest expense	(236)	2	-	(234)
Interest income (expense) on defined benefit pension plans	-	-	17	17
Other financial income (expense)	(1)	-	-	(1)
Income before income taxes	960	26	142	1,128
Income taxes	(211)	-	(56)	(267)
Share in income (loss) of joint ventures	81	(75)	2	8
Income (loss) from continuing operations	830	(49)	88	869
Income (loss) from discontinued operations	(3)	49	-	46
Net income attributable to common shareholders	827	-	88	915
Net income per share attributable to common shareholders				
Basic	0.80	-	0.08	0.88
Diluted	0.77	-	0.08	0.85
Income from continuing operations per share attributable to common shareholders				
Basic	0.80	(0.04)	0.08	0.84
Diluted	0.78	(0.05)	0.08	0.81

€ million	Q4 2012 as reported	Changes in presentation	IAS 19 restatement	Q4 2012 as restated
Consolidated statement of comprehensive income line items				
Net income	158	-	82	240
Remeasurement defined benefit pension plans before tax	-	-	(128)	(128)
Income taxes	-	-	31	31
Other comprehensive loss that will not be reclassified to profit or loss	-	-	(97)	(97)
Other comprehensive income (loss) reclassifiable to profit or loss	(67)	-	2	(65)
Total other comprehensive loss	(67)	-	(95)	(162)
Total comprehensive income (loss) attributable to common shareholders	91	-	(13)	78

€ million	2012 as reported	Changes in presentation	IAS 19 restatement	2012 as restated
Consolidated statement of comprehensive income line items				
Net income	827	-	88	915
Remeasurement defined benefit pension plans before tax	-	-	(1,204)	(1,204)
Income taxes	-	-	331	331
Other comprehensive loss that will not be reclassified to profit or loss	-	-	(873)	(873)
Other comprehensive income (loss) reclassifiable to profit or loss	(70)	-	3	(67)
Total other comprehensive loss	(70)	-	(870)	(940)
Total comprehensive income (loss) attributable to common shareholders	757	-	(782)	(25)

€ million	January 1, 2012 as Reported	Changes in presentation	IAS 19 restatement	January 1, 2012 as restated
Consolidated balance sheet line items				
Investments in joint ventures	1,087	-	(28)	1,059
Other non-current financial assets	859	-	136	995
Deferred tax assets	394	-	140	534
Pensions and other post-employment benefits	(94)	-	(258)	(352)
Deferred tax liabilities	(199)	-	(57)	(256)
Equity attributable to common shareholders	(5,877)	-	67	(5,810)

€ million	December 30, 2012 as reported	Changes in presentation	IAS 19 restatement	December 30, 2012 as restated
Consolidated balance sheet line items				
Investments in joint ventures	1,047	-	(30)	1,017
Other non-current financial assets	1,059	-	(639)	420
Deferred tax assets	353	-	159	512
Pensions and other post-employment benefits	(110)	-	(533)	(643)
Deferred tax liabilities	(292)	-	194	(98)
Equity attributable to common shareholders	(5,995)	-	849	(5,146)

€ million	December 30, 2012 as reported	Changes in presentation	IAS 19 restatement	December 30, 2012 as restated
Consolidated statement of changes in equity				
Share capital	318	-	-	318
Additional paid-in capital	8,713	-	-	8,713
Currency translation reserve ¹	(298)	-	6	(292)
Cash flow hedging reserve	(126)	-	-	(126)
Other reserves including accumulated deficit ¹	(2,612)	-	(855)	(3,467)
Equity attributable to common shareholders	5,995	-	(849)	5,146

1. The IAS 19 restatement amounts include a further offsetting €3 million refinement from the amounts presented in Q1 2013.

€ million	Q4 2012 as reported	Changes in presentation	IAS 19 restatement	Q4 2012 as restated
Consolidated statement of cash flows line items				
Operating income	156	19	131	306
Adjustment for depreciation, amortization, write-downs and impairments	305	(17)	-	288
Operating cash flows before changes in operating assets and liabilities	469	2	131	602
Changes in inventories	(27)	(1)	-	(28)
Changes in receivables and other current assets	(64)	(1)	-	(65)
Changes in payables and other current liabilities	308	(7)	-	301
Changes in non-current assets, other non-current liabilities and provisions	(8)	-	(131)	(139)
Cash generated from operations	678	(7)	-	671
Operating cash flows from continuing operations	639	(7)	-	632
Operating cash flows from discontinued operations	(1)	7	-	6
Repayments of finance lease liabilities	(23)	1	-	(22)
Other cash flows from derivatives	-	(1)	-	(1)
Other cash flows from financing activities	6	2	-	8
Financing cash flows from continuing operations	(75)	2	-	(73)
Financing cash flows from discontinued operations	(1)	(2)	-	(3)

€ million	2012 as reported	Changes in presentation	IAS 19 restatement	2012 as restated
Consolidated statement of cash flows line items				
Operating income	1,187	24	125	1,336
Adjustment for depreciation, amortization, write-downs and impairments	968	(22)	-	946
Operating cash flows before changes in operating assets and liabilities	2,174	2	125	2,301
Changes in inventories	(24)	(3)	-	(27)
Changes in receivables and other current assets	(9)	(2)	-	(11)
Changes in payables and other current liabilities	180	(3)	-	177
Changes in non-current assets, other non-current liabilities and provisions	(71)	2	(125)	(194)
Cash generated from operations	2,250	(4)	-	2,246
Operating cash flows from continuing operations	2,116	(4)	-	2,112
Operating cash flows from discontinued operations	(6)	4	-	(2)
Purchase of non-current assets	(911)	1	-	(910)
Dividends received from joint ventures	157	(136)	-	21
Investing cash flows from continuing operations	(1,282)	(135)	-	(1,417)
Investing cash flows from discontinued operations	-	135	-	135
Interest paid	(236)	2	-	(234)
Repayments of finance lease liabilities	(75)	1	-	(74)
Other cash flows from derivatives	111	(1)	-	110
Other cash flows from financing activities	16	1	-	17
Financing cash flows from continuing operations	(1,335)	3	-	(1,332)
Financing cash flows from discontinued operations	(4)	(3)	-	(7)

New accounting policies not yet effective for 2013

During 2013, the following new and amended IASB pronouncements have been issued and, subject to EU endorsement, will become effective for the company in future years.

- IFRS 9, "Financial instruments"
The Company anticipates that the application of IFRS 9 in the future may have an impact on amounts reported in respect of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until a detailed review has been completed.
- Narrow scope amendments to IAS 19, "Employee Benefits," entitled "Defined Benefit Plans: Employee Contributions (Amendments to IAS 19),"
Based on the Company's preliminary assessment, the adjustment will result in an increase of the defined benefit obligation by approximately €26 million and a decrease in other comprehensive income for the year.

3. Business combinations

On August 14, 2012, Ahold announced that its Albert Heijn division had completed the acquisition of 78 C1000 and four Jumbo stores from Jumbo for €290 million in cash, with €264 million paid by December 29, 2013, (2013: credit €1 million and 2012: €265 million) and the remainder to be settled as agreements are reached with the franchisees. During the fourth quarter of this year, Ahold reached agreement with 10 franchisees (39 franchisees in total) and 13 stores were converted and opened under the Albert Heijn banner (39 stores converted in total). The remaining 43 franchisee-owned stores are to be converted to the Albert Heijn banner over a period of time, in close cooperation with the entrepreneurs. Goodwill recognized in the amount of €129 million at December 29, 2013 (2013: €76 million and 2012: €53 million), which will not be deductible for tax purposes, represents expected synergies from the combination of operations, as well as the ability to expand Ahold's geographic reach. The amounts recognized in the financial statements for the stores converted less than 12 months ago were determined on a provisional basis.

The 39 individual stores that were converted to the Albert Heijn banner have contributed €50 million to Q4 2013 net sales (full-year 2013: €149 million) and an insignificant amount to net income.

Other acquisitions

Ahold completed several other minor acquisitions with a total purchase consideration of €16 million, including several stores acquired in the Netherlands for €10 million.

The allocation of the fair value of the net assets acquired and the goodwill arising from the acquisitions during 2013 is as follows:

€ million	Jumbo	Other	Total
Property plant & equipment	-	4	4
Goodwill	76	5	81
Other intangible assets	(77)	-	(77)
Current assets	-	12	12
Current liabilities	-	(5)	(5)
Total purchase consideration	(1)	16	15
Assets given up	-	(6)	(6)
Acquisition of business, net of cash	(1)	10	9

A reconciliation of Ahold's goodwill balance, which is presented within intangible assets, is as follows:

€ million	
As of December 30, 2012	
At cost	772
Accumulated impairment losses	(3)
Opening carrying amount	769
Acquisitions through business combinations	81
Impairment losses	(1)
Exchange rate differences	(12)
Closing carrying amount	837
As of December 29, 2013	
At cost	841
Accumulated impairment losses	(4)
Carrying amount	837

4. Segment reporting

Ahold's retail operations are presented in three reportable segments. In addition, Other retail, consisting of Ahold's unconsolidated joint venture JMR, and Ahold's Corporate Center are presented separately. Ahold's previously reported segment "Other Europe" has been renamed "Czech Republic" following the classification of Ahold's business in Slovakia as a discontinued operation.

Reportable segment	Included in the Reportable segment
Ahold USA	Stop & Shop New England, Stop & Shop New York Metro, Giant Landover, Giant Carlisle and Peapod
The Netherlands	Albert Heijn, Albert Heijn Belgium, Albert Heijn Germany, Etos, Gall & Gall, bol.com and albert.nl
Czech Republic	Albert
Other	Included in Other
Other retail	Unconsolidated joint venture JMR (49%)
Corporate Center	Corporate Center staff (the Netherlands, Switzerland and the United States)

Net sales

Net sales per segment are as follows:

	Q4 2013	Q4 2012 (restated) ¹	% change	2013	2012 (restated) ¹	% change
\$ million						
Ahold USA	6,013	6,142	(2.1)%	26,118	25,845	1.1%
Average U.S. dollar exchange rate (euro per U.S. dollar)	0.7346	0.7709	(4.7)%	0.7533	0.7782	(3.2)%
CZK million						
Czech Republic	9,035	9,209	(1.9)%	37,522	38,084	(1.5)%
Average Czech crown exchange rate (euro per Czech crown)	0.03745	0.03973	(5.7)%	0.03854	0.03979	(3.1)%
€ million						
Ahold USA	4,418	4,733	(6.7)%	19,676	20,112	(2.2)%
The Netherlands	2,716	2,698	0.7%	11,494	11,054	4.0%
Czech Republic	338	367	(7.9)%	1,445	1,516	(4.7)%
Ahold Group	7,472	7,798	(4.2)%	32,615	32,682	(0.2)%

1. See Note 2 for a further explanation of the restatements.

The net sales of Ahold's unconsolidated joint venture JMR amounted to €891 million and €854 million for Q4 2013 and Q4 2012, respectively (full-year 2013: €3,432 million and full-year 2012: €3,295 million).

Operating income

Operating income (loss) per segment is as follows:

	Q4 2013	Q4 2012 (restated) ¹	% change	2013	2012 (restated) ¹	% change
\$ million						
Ahold USA	233	144	61.8%	883	944	(6.5)%
Average U.S. dollar exchange rate (euro per U.S. dollar)	0.7346	0.7709	(4.7)%	0.7533	0.7782	(3.2)%
€ million						
Ahold USA	170	112	51.8%	663	735	(9.8)%
The Netherlands	148	201	(26.4)%	612	652	(6.1)%
Czech Republic	12	11	9.1%	31	27	14.8%
Corporate Center	(19)	(18)	(5.6)%	(67)	(78)	14.1%
Ahold Group	311	306	1.6%	1,239	1,336	(7.3)%

1. See Note 2 for a further explanation of the restatements.

Ahold USA

Operating income in 2013 included:

- \$31 million (€22 million) of impairment charges (full-year 2013: \$100 million (€75 million))
- \$2 million (€2 million) of gains on sale of assets (full-year 2013: \$34 million (€25 million))
- a multi-employer pension withdrawal liability in the amount of \$82 million (€63 million) in Q1 (see Note 10)
- \$9 million (€7 million) gains on the final settlement of the U.S. Frozen Plan in Q1

- Net restructuring charges related to the closure of stores in New Hampshire of \$30 million (€23 million), consisting of charges in Q3 of \$53 million (€39 million) and a net reversal in Q4 of \$23 million (€16 million)
- \$12 million (€9 million) write down of intangible assets and related costs in Q4
- \$14 million (€10 million) reversal of a multi-employer withdrawal liability in Q4
- \$6 million (€4 million) from other minor restructurings in Q4 (full-year 2013: \$14 million (€10 million))

Operating income in 2012 included:

- \$10 million (€8 million) of impairments (full-year 2012: \$46 million (€36 million))
- \$1 million (€1 million) of gains on sale of assets (full-year 2012: \$5 million (€4 million))
- \$116 million (€88 million) write-down of capitalized software development costs in Q4
- \$7 million (€5 million) gain related to the settlement of the US Frozen plan in Q4
- \$2 million (€2 million) of business acquisition costs related to the acquisition of the former Genuardi's stores in Q2

The Netherlands

Q4 2013 operating income included €4 million of impairment charges (full-year 2013: €9 million) and €2 million of gains on sale of assets (full-year 2013: €2 million).

Q4 2012 operating income included €1 million of impairments (full-year 2012: €1 million), €2 million gain on sale of assets (full-year 2012: €7 million), and a €36 million curtailment gain for the Dutch pension plan. Further, 2012 included €5 million of restructuring and related activities, which includes €1 million of business acquisition costs related to the transaction with Jumbo.

Czech Republic

Q4 2013 operating income included €1 million of impairment reversals (full-year 2012: €1 million) and €1 million of losses on sale of assets (full-year 2013: nil).

Corporate Center

Corporate Center costs for Q4 2013 were €19 million, up €1 million compared to the same period last year (full-year 2013: €67 million, down €11 million). Excluding the effect of the Company's insurance activities, Corporate Center costs were €21 million, €2 million higher than last year (full-year 2013: €80 million, €2 million higher than last year). 2013 Corporate Center costs included €1 million of gains on the sale of assets, a €1 million gain from the release of a restructuring-related provision and a \$3 million (€2 million) gain on the final settlement of the U.S. Frozen Plan (see *Note 10*).

Corporate Center costs in 2012 included a €10 million gain on the sale of investments in associates, offset by €6 million of acquisition costs related to the acquisition of bol.com.

5. Expenses by nature

The aggregate of cost of sales and operating expenses is specified by nature as follows:

€ million	Q4 2013	Q4 2012 (restated) ¹	2013	2012 (restated) ¹
Cost of product	5,247	5,490	22,912	23,079
Labor costs	1,043	1,061	4,705	4,544
Other operational expenses	550	538	2,334	2,284
Depreciation and amortization	186	191	825	817
Write-down of intangible assets under development	8	88	8	92
Rent expenses and income - net	105	118	537	514
Impairment losses and reversals - net	25	9	83	37
Gains on the sale of assets - net	(3)	(3)	(28)	(21)
Total	7,161	7,492	31,376	31,346

1. The comparative 2012 expenses by nature figures have been changed to conform to the current year presentation. See Note 2 for a further explanation of the restatements.

6. Income taxes

Ahold's effective tax rate in its consolidated income statement differed from the statutory income tax rate of the Netherlands of 25.0% in 2013 and 2012. The following table reconciles the statutory income tax rate with the effective income tax rates in the consolidated income statement.

€ million	2013	%	2012	%
Income before income taxes	948		1,128	
Income tax expense at statutory tax rates	(237)	25.0%	(282)	25.0%
<i>Adjustments to arrive at effective income tax rates:</i>				
Rate differential (local rates versus the statutory rate of the Netherlands)	(38)	4.0%	(32)	2.8%
Deferred tax income related to recognition of deferred tax assets - net	40	(4.2)%	5	(0.4)%
Reserves, (non-)deductibles and discrete items	82	(8.7)%	42	(3.7)%
Total income taxes	(153)	16.1%	(267)	23.7%

"Rate differential" indicates the effect of Ahold's taxable income being generated and taxed in jurisdictions where tax rates differ from the statutory tax rate in the Netherlands. "Reserves, (non-)deductibles, and discrete items" include one-time transactions. During 2013, a tax benefit of €37 million was recognized from movements in income tax contingency reserves.

7. Share in income (loss) of joint ventures

The Company's share in income of joint ventures is net of income taxes and is specified as follows:

€ million	Q4 2013	Q4 2012 (restated) ¹	2013	2012 (restated) ¹
JMR	(4)	2	9	5
Other	1	1	1	3
Total	(3)	3	10	8

1. See Note 2 for a further explanation of the restatements.

8. Assets and liabilities held for sale and discontinued operations

Income from discontinued operations is specified as follows:

€ million	Q4 2013	Q4 2012 (restated) ¹	2013	2012 (restated) ¹
ICA	-	59	137	75
Slovakia	9	(19)	(3)	(26)
Other	2	-	2	-
Operating results from discontinued operations ²	11	40	136	49
ICA	-	-	1,614	-
Slovakia	(20)	-	(20)	-
BI-LO and Bruno's	1	1	3	3
Other ³	(2)	(2)	(1)	(6)
Results on divestments ⁴	(21)	(1)	1,596	(3)
Income from discontinued operations, net of income taxes	(10)	39	1,732	46

1. See Note 2 for a further explanation of the restatements.

2. Operating results from discontinued operations are after net income tax benefits of €8 million and nil for the fourth quarter and full year of 2013 and 2012, respectively.

3. Includes adjustments to the result on various past divestments.

4. Results on divestments are after net income tax benefits of €9 million and nil for the fourth quarter and full year of 2013 and 2012, respectively.

ICA

The 2013 operating results from discontinued operations includes Ahold's proportionate share in the operating results of ICA for the month of January 2013 of a €2 million loss, as well as a dividend of €142 million less the effect of a cash flow hedge of €3 million.

On February 10, 2013, Ahold reached a sale agreement with Hakon Invest regarding its 60% holding in ICA for SEK 20 billion. The transaction was completed on March 27, 2013, and subsequently Ahold recorded a gain of €1,614 million as a result on divestment of ICA as presented below:

€ million	
Proceeds net of cost to sell	2,368
Net assets divested	(828)
Results on divestment before recycling of currency exchange differences and other items	1,540
Currency exchange differences transferred from equity	82
Other items previously recognized in other comprehensive income	(9)
Results on divestments before income taxes	1,613
Income taxes	1
Result on divestment of ICA	1,614

Slovakia

On November 14, 2013, it was announced that Ahold had reached an agreement with Condorun regarding the sale of Ahold's Slovakian business. In relation hereto Ahold has agreed to pay an amount of €44 million.

Upon signing a binding sale agreement and qualification as held for sale, the disposal group was measured at fair value less cost to sell resulting in the recognition of an impairment of €16 million and an onerous contract provision for the loss on divestment of €12 million, offset by a net tax benefit of €9 million. Also included in the results on divestment of Slovakia was €1 million of transaction costs.

The cash flows from divestment of businesses as presented in the cash flow statement are as follows:

€ million	Q4 2013	Q4 2012	2013	2012
Proceeds from ICA	-	-	2,368	-
Transaction costs paid for the divestment of Slovakia	(1)	-	(1)	-
Net cash flows related to other past divestments	(6)	3	(15)	(43)
Divestment of businesses, net of cash divested	(7)	3	2,352	(43)

9. Equity attributable to common shareholders

Dividend on common shares

On April 17, 2013, the General Meeting of Shareholders approved the dividend over 2012 of €0.44 per common share (€457 million in the aggregate). This dividend was paid on May 2, 2013.

With respect to the current year, the Management Board, with the approval of the Supervisory Board, proposes a common stock dividend of €0.47 per common share for the financial year 2013, up 7% from last year. This represents a payout ratio of around 51%, based on the expected dividend payment on adjusted income from continuing operations. This dividend is subject to approval by the General Meeting of Shareholders and has not been included as a liability in the consolidated balance sheet as of December 29, 2013. The payment of this dividend will not have income tax consequences for the Company.

Share buyback

On February 28, 2013, Ahold announced its decision to return €500 million to its shareholders by way of a share buyback program to be completed over a 12-month period. Subsequently, on June 4, 2013, Ahold announced an extension to this program of an additional €1.5 billion, for a total share buyback of €2 billion, expected to be completed by the end of 2014. The total number of shares repurchased under this program over the period from March 11, 2013, through December 29, 2013, was 61,008,851 common shares (Q4 2013: 22,065,281). Shares were repurchased for a total amount of €768 million (Q4 2013: €292 million), at an average price of €12.58 per share.

Capital repayment and reverse stock split

On November 14, 2013, Ahold announced a proposal to return €1 billion to shareholders through a capital repayment and reverse stock split. The proposal required changes to Ahold's Articles of Association needing shareholder approval and is also subject to a two-month creditor objection period. Shareholder approval was given in an Extraordinary General Meeting held on January 21, 2014.

The number of outstanding common shares as of December 29, 2013, was 982,493,067 (December 30, 2012: 1,038,507,411).

10. Pensions and other post-employment benefits

On September 14, 2012, Ahold received approval from the U.S. Internal Revenue Service to terminate the U.S. Frozen Plan. Plan participants had the opportunity to elect a lump sum or annuity payment option if the present value of their benefit was in excess of \$5,000; all other participants were paid in lump sums. Lump sum settlements were made in mid-December, 2012, while the purchase of annuity contracts occurred in Q1 2013. A settlement gain of €6 million was recognized in 2012 when the lump sum payments were made and an estimate of the settlement expense of the annuity contracts was recognized. In Q1 2013, a gain of €9 million (\$12 million) was recognized, representing an adjustment to the 2012 annuity estimate. Of this gain, €7 million (\$9 million) was recognized in Ahold USA and €2 million (\$3 million) in the Corporate Center.

During Q4 2013, the Company's defined benefit plans were remeasured to their funded status with the effect being recognized in other comprehensive income. The remeasurement of the defined benefit obligation was based on the discount rate as of the end of the year; while the plan asset fair values were remeasured to the most recent valuations available at the end of the year.

During Q1 2013, Stop & Shop reached an agreement with the New England Teamsters and Trucking Industry Pension Fund (NETTI) to settle Stop & Shop's pension liabilities in the fund, an estimate of which was disclosed in *Note 23* to Ahold's 2012 financial statements. This agreement follows NETTI's restructuring to create a new future benefit service "pool." Employers who participate in the new pool will be responsible only for the pension benefits of their own employees, without regard to any previous fund liabilities in the original pension pool. Under the settlement agreement, Stop & Shop has moved its employees into the new pool, effective March 31, 2013, without any loss of benefits for its employees and will settle its liability and payment obligations in the original pension pool through the payment of \$100 million (€76 million), payable in two equal installments of \$50 million, the first paid on June 22, 2013, and the second due by April 30, 2025. Accordingly, Stop & Shop has recorded a pre-tax liability for the discounted amount of the remaining settlement liability of \$33 million (€25 million).

In Q4 2013, Ahold changed the way it accounts for the contributions it makes to prepay disbursement costs that will be incurred when future benefits are paid to beneficiaries. These costs were previously included in the defined benefit obligation of the pension plan for the Netherlands, but will now be expensed as contributions are made. This change has resulted in a reduction of the 2013 year-end defined benefit obligation of €102 million, which has been treated as a remeasurement and recognized within other comprehensive income.

Ahold participates in 13 multi-employer pension plans that are defined benefit plans on the basis of the terms of the benefits provided. These plans are accounted for as defined contribution plans and are not included on Ahold's consolidated balance sheet. Ahold's participation in these plans varies from less than 2% to over 50%. As of December 29, 2013, based on the latest available information received from these plans (generally as of December 31, 2012) adjusted for market trends and conditions through the end of 2013, Ahold's estimated proportionate share in plans with a deficit position is €559 million (2012: €754 million) and its proportionate share in plans with a surplus position is €78 million (2012: €22 million). This is based on an estimated total net deficit of these plans of €4.4 billion (2012: €9.2 billion) and the relative amount of contributions made by Ahold in relation to the total amount of contributions made to these plans. It is not a direct obligation of Ahold. While this is our best estimate, based upon information available to us, it is imprecise and not necessarily reliable.

11. Cash flow

The following table presents the reconciliation between the statement of cash flows and the cash and cash equivalents as presented on the balance sheet:

€ million	2013	2012
Cash and cash equivalents at the beginning of the year	1,886	2,438
Restricted cash	(22)	(31)
Cash and cash equivalents at the beginning of the year, excluding restricted cash	1,864	2,407
Net cash from operating, investing and financing activities	681	(511)
Effect of exchange rate differences on cash and cash equivalents	(48)	(32)
Restricted cash	4	22
Cash and cash equivalents related to discontinued operations	(5)	-
Cash and cash equivalents of continuing operations at the end of the year	2,496	1,886

Included in Other financing cash flows is the €92 million (\$124 million) Q1 2013 settlement paid to Vornado. Refer to *Note 34* of Ahold's 2012 Annual Report for more information on the litigation.

12. Financial instruments

Fair values of financial instruments

The following table presents the fair values of financial instruments, based on Ahold's categories of financial instruments, including current portions, compared to the carrying amounts at which these instruments are included on the balance sheet:

€ million	December 29, 2013		December 30, 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans receivable	37	44	38	54
Accounts receivable	666	666	800	800
Reinsurance assets	136	136	109	109
Total loans and receivables	839	846	947	963
Cash and cash equivalents	2,496	2,496	1,886	1,886
Short-term deposits and similar instruments	1,467	1,467	-	-
Derivatives	284	284	282	282
Available for sale	4	4	4	4
Total financial assets	5,090	5,097	3,119	3,135

€ million	December 29, 2013		December 30, 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Notes	(970)	(1,169)	(1,056)	(1,348)
Other loans	(3)	(4)	(5)	(4)
Financing obligations ¹	(346)	(356)	(381)	(420)
Mortgages payable	(10)	(12)	(11)	(12)
Finance lease liabilities	(1,143)	(1,468)	(1,254)	(1,731)
Cumulative preferred financing shares	(497)	(539)	(497)	(535)
Dividend cumulative preferred financing shares	(24)	(24)	(24)	(24)
Accounts payable	(2,387)	(2,387)	(2,667)	(2,667)
Short-term borrowings	(52)	(52)	(42)	(42)
Interest payable	(24)	(24)	(25)	(25)
Reinsurance liabilities	(152)	(152)	(121)	(121)
Other	(48)	(54)	(2)	(2)
Total financial liabilities at amortized cost	(5,656)	(6,241)	(6,085)	(6,931)
Derivatives	(182)	(182)	(177)	(177)
Total financial liabilities	(5,838)	(6,423)	(6,262)	(7,108)

1. The fair value of financing obligations as of December 30, 2012, includes a decrease of €153 million in order to correct the amount previously disclosed in Ahold's 2012 Annual Report.

Financial assets and liabilities measured at fair value in the balance sheet

Of Ahold's categories of financial instruments, only derivatives, assets available for sale and reinsurance assets (liabilities) are measured and recognized on the balance sheet at fair value. These fair value measurements are categorized within Level 2 of the fair value hierarchy. The Company uses inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The fair value of derivative instruments is measured by using either a market or income approach (mainly present value techniques). Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates that match the maturity of the contracts. Interest rate swaps are measured at the present value of expected future cash flows. Expected future cash flows are discounted by using the applicable yield curves derived from quoted interest rates.

The valuation of Ahold's derivatives instruments is adjusted for the credit risk of the counterparty (counterparty credit risk) and of the reporting entity (own credit risk) in accordance with IFRS13. The valuation adjustment for counterparty credit risk requires a Credit Valuation Adjustment ("CVA") and a Debit Valuation Adjustment ("DVA") for an adjustment to own credit risk. The CVA / DVA calculations have been added to the risk-free fair value of Ahold's interest and cross currency swaps. The valuation technique for the CVA / DVA calculation is based on relevant observable market inputs.

The carrying amount of receivables, cash and cash equivalents, accounts payable, short-term deposits and similar instruments, and other current financial assets and liabilities approximate their fair values because of the short-term nature of these instruments and, for receivables, because of the fact that any recoverability loss is reflected in an impairment loss. The fair values of quoted borrowings are based on year-end ask-market quoted prices. The fair value of other non-derivative financial assets and liabilities that are not traded in an active market are estimated using discounted cash flow analyses based on market rates prevailing at year end. The fair value calculation method and the conditions for redemption and conversion of the cumulative preferred financing shares are disclosed in Note 22 of Ahold's 2013 Annual Report. The accrued interest is included in other current financial liabilities and not in the carrying amounts of non-derivative financial assets and liabilities.

13. Commitments and contingencies

A comprehensive overview of commitments and contingencies as of December 30, 2012, was included in *Note 34* of Ahold's 2012 consolidated financial statements, which were published as part of Ahold's 2012 Annual Report on March 6, 2013. Except as disclosed below, there have been no significant changes to this overview during 2013.

U.S. Foodservice – Waterbury litigation

On August 30, 2013, the U.S. Court of Appeals for the Second Circuit (“Second Circuit”) issued its decision with respect to the U.S. Foods (formerly known as U.S. Foodservice) appeal of class certification with respect to the litigation described as “U.S. Foodservice – Waterbury litigation” in *Note 34* of Ahold's 2012 consolidated financial statements, which were published as part of Ahold's 2012 Annual Report on March 6, 2013. The Second Circuit affirmed the decision of the U.S. District Court in Connecticut (“District Court”) certifying a class consisting of any person in the United States who purchased products from U.S. Foodservice pursuant to an arrangement that defined a sale price in terms of a cost component plus a markup (“cost-plus contract”), and for which U.S. Foodservice used a so-called “Value Added Service Provider” or “VASP” transaction to calculate the cost component (the “Class Members”). The effect of the District Court's class certification order, if it is not reversed, vacated or otherwise modified, is to increase the potential liability exposure because it allows the named Plaintiffs to litigate breach of contract claims and claims under the Racketeer Influenced and Corrupt Organizations Act (RICO) on behalf of all Class Members. A RICO claim, if it were to be successful, could lead to an award to the Plaintiffs of three times their compensatory damages. Parties are conducting discovery on the merits of the case with the trial currently expected to begin in late 2015 or 2016. Ahold cannot at this time provide a reliable estimate of any of its potential liability in connection with the indemnification obligation mentioned in *Note 34* of Ahold's 2012 consolidated financial statements, because there are significant uncertainties regarding the possible outcomes of the litigation. Ahold believes that there are substantial defenses to these claims and it will continue to vigorously defend its interests in the pending litigation. Also, as is customary for this type of litigation, the dispute may be resolved through mediation and / or direct settlement negotiations with Plaintiffs. Any negotiated or court-imposed resolution of this dispute may have a material adverse effect on Ahold's consolidated financial position.

14. Subsequent events

Capital repayment and reverse stock split

At an Extraordinary General Meeting held on January 21, 2014, Ahold's shareholders approved a proposal to return €1 billion to shareholders through a capital repayment and reverse stock split. This is further explained in *Note 9*.

Use of non-GAAP financial measures

This summary report includes the following non-GAAP financial measures:

- **Net sales at constant exchange rates.** Net sales at constant exchange rates exclude the effect of using different currency exchange rates to translate the financial information of Ahold subsidiaries or joint ventures to euros. Ahold's management believes this measure provides a better insight into the operating performance of Ahold's foreign subsidiaries or joint ventures.
- **Net sales in local currency.** In certain instances, net sales are presented in local currency. Ahold's management believes this measure provides a better insight into the operating performance of Ahold's foreign subsidiaries.
- **Identical sales.** Net sales from exactly the same stores and online sales in existing market areas, in local currency for the comparable period.
- **Identical sales, excluding gasoline net sales.** Because gasoline prices have experienced greater volatility than food prices, Ahold's management believes that by excluding gasoline net sales, this measure provides a better insight into the growth of its identical store sales.
- **Identical sales, excluding VAT from tobacco sales.** Until July 1, 2013, Value Added Tax (VAT) on tobacco products sold in the Netherlands was levied over the retail price at the same time as the excise duties were due. From July 1, 2013, levying VAT on tobacco products was aligned with the mechanism of levying VAT on all other consumer products. The result is a reduction in recognized net sales related to tobacco products without a corresponding reduction in volume or gross margin. Ahold's management believes that excluding the pre- as well as the post-July 1, 2013, VAT from tobacco sales in the measure of identical sales provides a better insight into the growth of its identical store sales.
- **Comparable sales.** Identical sales plus net sales from replacement stores in local currency. Comparable sales are only reported for Ahold USA.
- **Underlying operating income.** Total operating income, adjusted for impairments of non-current assets, gains and losses on the sale of assets, restructuring and related charges, and other items. Ahold's management believes this measure provides better insight into the underlying operating performance of Ahold's operations.

The reconciliation from the underlying operating income per segment to the operating income per segment is as follows for Q4 2013 and Q4 2012 and for the full-years 2013 and 2012, respectively:

€ million	Underlying operating income Q4 2013	Impairments	Gains (losses) on the sale of assets	Restructuring and related charges	Other	Operating income Q4 2013
Ahold USA	177	(22)	2	3	10	170
The Netherlands	150	(4)	2	-	-	148
Czech Republic	12	1	(1)	-	-	12
Corporate Center	(19)	-	-	-	-	(19)
Ahold Group	320	(25)	3	3	10	311

The Other item for Ahold USA of €10 million is the reversal of a multi-employer withdrawal liability.

€ million	Underlying operating income Q4 2012 (restated) ¹	Impairments (restated) ¹	Gains on the sale of assets	Restructuring and related charges (restated) ¹	Other	Operating income Q4 2012 (restated) ¹
Ahold USA	202	(8)	1	(83)	-	112
The Netherlands	164	(1)	2	36	-	201
Czech Republic	11	-	-	-	-	11
Corporate Center	(22)	-	-	4	-	(18)
Ahold Group	355	(9)	3	(43)	-	306

1. See Note 2 for a further explanation of the restatements.

€ million	Underlying operating income 2013	Impairments	Gains on the sale of assets	Restructuring and related charges	Other	Operating income 2013
Ahold USA	801	(75)	25	(42)	(46)	663
The Netherlands	619	(9)	2	-	-	612
Czech Republic	30	1	-	-	-	31
Corporate Center	(71)	-	1	1	2	(67)
Ahold Group	1,379	(83)	28	(41)	(44)	1,239

The Other items for Ahold USA of €46 million are the total of a multi-employer plan settlement charge in the amount of €53 million offset by gains on the settlement of annuity charges for the U.S. Frozen Plan of €7 million. These are further explained in Note 10.

€ million	Underlying operating income 2012 (restated) ¹	Impairments (restated) ¹	Gains on the sale of assets	Restructuring and related charges (restated) ¹	Other	Operating income 2012 (restated) ¹
Ahold USA	852	(36)	4	(85)	-	735
The Netherlands	615	(1)	7	31	-	652
Czech Republic	27	-	-	-	-	27
Corporate Center	(82)	-	10	(6)	-	(78)
Ahold Group	1,412	(37)	21	(60)	-	1,336

1. See Note 2 for a further explanation of the restatements.

- **Operating income in local currency.** In certain instances, operating income is presented in local currency. Ahold's management believes this measure provides better insight into the operating performance of Ahold's foreign subsidiaries.
- **Earnings before interest, taxes, depreciation and amortization (EBITDA).** Net income before net financial expense, income taxes, depreciation and amortization. However, EBITDA does not exclude write-downs and impairments. EBITDA allows investors to analyze the profitability between companies and industries by eliminating the effects of financing (i.e., net financial expense) and capital investments (i.e., depreciation and amortization).

The reconciliation from EBITDA per segment to operating income per segment is as follows for Q4 2013 and Q4 2012 and for the full-years 2013 and 2012, respectively:

€ million	EBITDA Q4 2013	Depreciation and amortization	Operating income Q4 2013	EBITDA Q4 2012 (restated) ¹	Depreciation and amortization	Operating income Q4 2012 (restated) ¹
Ahold USA	291	(121)	170	240	(128)	112
The Netherlands	205	(57)	148	254	(53)	201
Czech Republic	20	(8)	12	21	(10)	11
Corporate Center	(19)	-	(19)	(18)	-	(18)
Total	497	(186)	311	497	(191)	306

1. See Note 2 for a further explanation of the restatements.

€ million	EBITDA 2013	Depreciation and amortization	Operating income 2013	EBITDA 2012 (restated) ¹	Depreciation and amortization	Operating income 2012 (restated) ¹
Ahold USA	1,207	(544)	663	1,287	(552)	735
The Netherlands	857	(245)	612	874	(222)	652
Czech Republic	66	(35)	31	68	(41)	27
Corporate Center	(66)	(1)	(67)	(76)	(2)	(78)
Total	2,064	(825)	1,239	2,153	(817)	1,336

1. See Note 2 for a further explanation of the restatements.

- **Adjusted income from continuing operations.** Adjusted income from continuing operations is income from continuing operations adjusted for significant non-recurring items. This measure is a component of Ahold's dividend policy, whereby the dividend payout ratio has been set to be 40-50% of adjusted income from continuing operations.

The calculation of adjusted income from continuing operations for 2013 and 2012 is as follows:

€ million	2013	2012 (restated) ¹
Income from continuing operations	805	869
Add-back (after tax):		
Multi-employer pension plan settlement with the New England Teamsters and Trucking Industry Pension Fund	39	-
Movements in income tax contingency reserves	(37)	-
Write-down of capitalized software development costs	-	52
Adjusted income from continuing operations	807	921

- **Free cash flow.** Operating cash flows from continuing operations minus net capital expenditures minus net interest paid plus dividends received. Ahold's management believes this measure is useful because it provides insight into the cash flow available to, among other things, reduce debt and pay dividends.
- **Net debt.** Net debt is the difference between (i) the sum of loans, finance lease liabilities, cumulative preferred financing shares and short-term debt (i.e., gross debt) and (ii) cash, cash equivalents, and short-term deposits and similar instruments. In management's view, because

cash, cash equivalents and short-term deposits and similar instruments can be used, among other things, to repay indebtedness, netting this against gross debt is a useful measure for investors to judge Ahold's leverage. Net debt may include certain cash items that are not readily available for repaying debt.

- **Return on capital employed (ROCE).** ROCE is calculated as the sum of underlying operating income and the 50% gross rent add back, divided by the annual rolling average of the sum of property plant and equipment, intangible assets, working capital components, and gross rent expense multiplied by eight.
- **Gross rent.** Gross rent comprises all of the rent that Ahold is required to pay to third parties and is not corrected for rent income Ahold receives from other third parties.
- **Net lease-adjusted debt / EBITDAR.** Net debt increased by the present value of future operating lease commitments over underlying operating income before depreciation, amortization, and gross rent expense. Ahold's management believes this measure is useful because it provides insight into Ahold's leverage, adjusted for the impact of operating leases that count for a significant part of Ahold's capital structure.
- **Liquidity.** Cash and cash equivalents, short-term deposits and similar instruments, and undrawn funds available under the committed credit facility. Ahold's management believes this measure is useful because it provides insight into funds available to manage the company.

Management believes that these non-GAAP financial measures allow for a better understanding of Ahold's operating and financial performance. These non-GAAP financial measures should be considered in addition to, but not as substitutes for, the most directly comparable IFRS measures.

Vesting of shares under the GRO plan

On February 28, 2014, a maximum of 2.3 million conditional shares granted in 2011 to Ahold employees under the mid-term component of the Global Reward Opportunity (GRO) equity-based long-term incentive plan, 2.8 million performance shares granted in 2009 to Ahold employees under the long-term component of the GRO plan, and 0.1 million matching shares granted in 2009 to Ahold employees under the mid-term component of the GRO plan are expected to vest. Vesting is subject to the participant being employed by the Company on the applicable vesting date. On the vesting date, participants are eligible, subject to the GRO plan rules, to sell all or part of the shares vested.

On April 17, 2014, a maximum of 0.2 million conditional shares granted in 2011 to members of the Management Board under the mid-term component of the GRO plan and 0.2 million performance shares granted in 2009 to members of the Management Board under the long-term component of the GRO plan are expected to vest with continuing and retired Board members who received the grants. Except to finance tax due on the vesting date, members of the Management Board cannot sell the conditional shares for a period of at least five years following the grant date, or until the end of their employment, if this period is shorter.

The Company will use treasury shares for delivery of the vested shares.

Financial calendar

Ahold's financial year consists of 52 or 53 weeks and ends on the Sunday nearest to December 31.

Ahold's 2013 financial year consists of 52 weeks and ends on December 29, 2013. The quarters in 2013 were:

First quarter (16 weeks)	December 31, 2012, through April 21, 2013
Second quarter (12 weeks)	April 22 through July 14, 2013
Third quarter (12 weeks)	July 15 through October 6, 2013
Fourth quarter (12 weeks)	October 7 through December 29, 2013

Ahold's 2014 financial year consists of 52 weeks and ends on December 28, 2014. The quarters in 2014 are:

First quarter (16 weeks)	December 30, 2013 through April 20, 2014
Second quarter (12 weeks)	April 21 through July 13, 2014
Third quarter (12 weeks)	July 14 through October 5, 2014
Fourth quarter (12 weeks)	October 6 through December 28, 2014

Ahold Finance U.S.A., LLC

The annual report for 2013 of Ahold's wholly owned subsidiary Ahold Finance U.S.A., LLC is available at www.ahold.com.

2014/4

Cautionary notice

This summary report includes forward-looking statements, which 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 differ materially from those included in such statements. These forward-looking statements include, but are not limited to, statements as to Ahold's dividend, Reshaping Retail Strategy, capital repayment and reverse stock split, share buyback, leverage and credit rating, balance between investing in profitable growth and returning cash to shareholders, capital structure, online business, Ahold improving its competitive position through cost reductions and the overall simplification of its processes, Ahold's continued investments in growth in existing and new markets and rapid expansion, market conditions, Ahold's investments in competitiveness, new accounting policies, Ahold's divestment of its Slovak operations, Stop & Shop's agreement with NETTI and the vesting of GRO shares and the use of treasury shares for their delivery. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Ahold's ability to control or estimate precisely, such as the effect of general economic or political conditions, fluctuations in exchange rates or interest rates, increases or changes in competition, Ahold's ability to implement and complete successfully its plans and strategies, the benefits from and resources generated by Ahold's plans and strategies being less than or different from those anticipated, changes in Ahold's liquidity needs, the actions of competitors and third parties and other factors discussed in Ahold's public filings and other disclosures. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this summary report. Ahold does not assume any obligation to update any public information or forward-looking statements in this summary report to reflect subsequent events or circumstances, except as may be required by applicable laws. Outside the Netherlands, Koninklijke Ahold N.V., being its registered name, presents itself under the name of "Royal Ahold" or simply "Ahold."

