



The background image shows an elderly man and woman in a grocery store. The man, wearing a tan hat and glasses, is holding a handheld device. The woman, wearing glasses and a brown jacket, is looking at the device. They are standing in front of a display of green vegetables, including artichokes and Brussels sprouts. The store has large windows and bright lighting.

Second quarter 2015 results

August 20, 2015

Group highlights Q2 2015

- Sales of €8.7 billion, up 17.1% (up 3.1% at constant exchange rates)
- Sales excluding gas up 4.8% at constant exchange rates
- Underlying operating margin of 3.8%, down 0.1 percentage points
- Strong free cash flow of €367 million, up €297 million
- Sales in the Netherlands up 6.8%, due to a strong performance by Albert Heijn and the impact of growth initiatives, resulting in increased transactions and higher volumes
- Sales in the United States excluding gas up 2.1% at constant exchange rates, reflecting an improved customer proposition
- Consumer online sales up 22.8% at constant exchange rates, driven by ongoing investments
- Ahold and Delhaize announced their intention to merge on June 24, 2015, combining two highly complementary businesses to create a stronger, international food retailer

Group performance

(in millions of euros)

	Quarter 2			
	2015	2014	Change	Change*
Net sales	8,688	7,420	17.1%	3.1%
Net sales growth excluding gas				4.8%
Underlying operating income	331	288	14.9%	1.9%
Underlying operating margin	3.8%	3.9%		
Operating income	301	260	15.8%	1.6%
Income from continuing operations	195	158	23.4%	9.6%
Net income	195	147	32.7%	19.0%

- Net sales excl. gas up 4.8%*, good overall performance and favorable timing of Easter
- Underlying operating margin at 3.8%
- Net income increase reflects a higher underlying operating income and additional charges booked last year related to Waterbury

* At constant exchange rates

Performance by segment

(in millions of euros)

	Quarter 2					
	Ahold USA		The Netherlands		Czech Republic	
	2015	Change*	2015	Change	2015	Change*
Net sales	5,398	(0.3)%	2,890	6.8%	400	30.2%
Net sales excl gas		2.1%		6.8%		31.8%
Underlying operating income	212	6.8%	130	(3.0)%	4	(31.9)%
Underlying operating margin	3.9%	0.2	4.5%	(0.5)	1.0%	(1.0)
Identical sales growth excl gas	1.8%	3.6	3.4%	5.1	2.1%	5.0

- Net sales in the U.S. excl gas up 2.1%, positive ID sales and a higher margin driven by Simplicity cost savings
- Strong performance in the Netherlands, with net sales up 6.8%, ID sales growth of 3.4% and margin in line with expectations
- Strong ID sales in the Czech Republic of 2.1%. Underlying operating income includes €2 million non-recurring costs, related to the SPAR acquisition

* At constant exchange rates

Operating cash flow generation

(in millions of euros)

	Quarter 2		
	2015	2014	Change
Operating cash flow*	534	468	66
Change in working capital	59	(142)	201
Income tax paid	(33)	(93)	60
Net investment	(123)	(98)	(25)
Interest and dividend joint ventures	(70)	(65)	(5)
Free cash flow	367	70	297

- Continued strong free cash flow, €297 million higher than Q2 2014
- Positive change in working capital partly due to the timing of Easter
- Lower income tax charge
- Higher net investments primarily due to higher proceeds from divestments last year
- YTD free cash flow of €553 million, up €181 million versus H1 2014

* From continuing operations before changes in working capital and income tax paid

Business highlights: Ahold USA

Acquisition of 25 A&P stores expands presence in key market

- Stop & Shop NY Metro to acquire 25 A&P stores for \$146 million*
- Capex of \$2-3 million per store falls largely within 2015 guidance
- Sales post-conversion expected to grow to comparable to NYM stores
- First 12 months slightly dilutive on underlying margin, year two and beyond no margin impact expected
- Restructuring costs of \$5-10 million expected in Q4 2015



* The agreement is subject to further terms and conditions

Customer-focused strategy delivers results

- First wave of value investment rollout completed
- Super KVIs rollout on track
- New produce department, with more attractive layout, signage and choice, launched in 167 stores
- Super KVIs and produce rollout to be completed by the end of 2016
- Fourth consecutive quarter of volume market share growth



Savory platform drives focus on health

- New print and online platform inspired by AH's *Allerhande*
- Helps customers to incorporate more fresh and healthy meals into their diets
- To be issued four times in 2016. Available in stores, online and via smart phone and tablet devices



Business highlights: the Netherlands

Albert Heijn Fresh delivers better quality

- Appealing to customers with new fresh products and concepts
- More local and regional specialties with a focus on seasonal products
- “Check Origin” sticker on produce directs customers to movie about product’s origin
- Less plastic, more appealing packaging



Assortment development improves customer offering

- Expansion and improvement of salad selection, making salads easier to choose by grouping them together



- As of June 1, almost all our fresh and frozen salmon is ASC-certified as part of our aim to make all own-brand products more sustainable

Albert Heijn introduces the *Allerhande* meal box

- Making customers’ lives easier
- Healthy, fresh meals that can be prepared within 30 minutes
- All ingredients and recipes for three meals included in one box
- Free delivery of the box through ah.nl with option to combine with other ah.nl groceries (choice of >25,000 skus)



Business highlights: bol.com

Significant growth in traffic, number of orders and average order value

- Consumer sales up more than 30%, with strong performance in electronics and home improvement & gardening categories
- Strong increase in average order values
- Number of transactions up more than 25%
- YTD four million unique customers, up 17%
- Consumer sales in Belgium up 75%



bol.com^{so}
de winkel van ons allemaal

Continued investments support our growth

- Additional marketing investments further increase customer traffic and awareness
- Continuous website improvements make shopping easier
- Growing new categories and Plaza partners increases our customer offering
- Same day pickup allows customers to collect their order at an Albert Heijn store within hours of ordering, for €1.99

Nieuw!
**Vandaag
Ophalen**

Business highlights: Czech Republic

Rollout of *Favorite* store concept for supermarkets on track

- *Favorite* stores show improved sales trends
- Empowering and engaging associates
- Main entrance to store opened up
- New layout of fruit & vegetable and bakery departments
- Rollout has been completed in August



Focus on improving performance of large stores following SPAR acquisition

- Targeted store initiatives to improve performance of large former SPAR stores
- Retain the best of both brands:
 - SPAR brands introduced under Albert brand
 - SPAR meat brand in Albert stores with focus on Czech origin



Proposed Ahold Delhaize merger...

Stronger, better, more innovative

- Strong, trusted local brands in neighboring geographies
- Superior customer offering
- Complementary base of more than 6,500 stores with enhanced scale across regions
- Market-leading offerings with broader choices in products, services and shopping anytime, anywhere
- Ability to leverage own brands and expertise to bring better value and choice

Significant value creation

- Anticipated run-rate synergies of €500 million per year, to be fully realized in the third year
- 80% of synergies to be realized after two years
- Expected to be earnings-accretive in the first year after completion

Delivering attractive returns

- Highly cash-generative businesses to continue investing in future growth
- Ability to deliver attractive returns to shareholders
- Expected to adopt dividend payout ratio of 40-50% of adjusted net income



...an exciting future together



- Balanced governance structure
- Management team focused on delivering synergies
- Creating a stronger, international food retailer and delivering value for all stakeholders, through:
 - a superior customer offering
 - attractive opportunities for our associates
 - better serving our communities
 - a compelling value proposition for shareholders

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Important additional information will be filed with the SEC

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be integrated successfully or promptly or that the combined company will not realize the expected benefits from the transaction; Ahold's or Delhaize's ability to successfully implement and complete its plans and strategies and to meet its targets; risks related to disruption of management time from ongoing business operations due to the proposed transaction; or the benefits from Ahold's or Delhaize's plans and strategies being less than anticipated. Furthermore, this communication contains Ahold's forward-looking statements as to the acquisition by Stop & Shop New York Metro of A&P stores, capital expenditure, margin dilution by the SPAR acquisition in the Czech Republic, rollout of KVIs, rollout of new produce departments in 167 Stop & Shop stores, new print and online platform at Stop & Shop inspired by AH's Allerhande, aim to make all own-brand products more sustainable, implementation of the Favorite operating model in all Ahold stores in the Czech Republic, outlook for the business, delivery of a full-year performance in line with expectations and free cash flow. 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,

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Thank you