

June 4, 2013

# Interim Report

## First quarter 2013

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- Sales €10.1 billion (up 4.4% at constant exchange rates)
  - Underlying operating income €416 million (up 0.4% at constant exchange rates)
  - Underlying operating margin 4.1% (Q1 2012: 4.3%)
  - Operating income €345 million (down €68 million due to a €63 million pension settlement)
  - Net income €1,951 million, of which €1,748 million related to ICA
  - €2.5 billion received from dividend and sale of our stake in ICA
  - Share buyback program increased to €2 billion, to be completed by end of 2014
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*Amsterdam, the Netherlands* – Ahold today published its interim report for the first quarter of 2013.

CEO Dick Boer said: “Overall sales grew by 4.4% at constant exchange rates in the first quarter. We continue to gain market share in our major markets as a result of identical sales growth, the expansion of our store network, and strong growth in our on-line business.

“In the United States, our sales, measured in US dollars, grew by 3.4% with ongoing high levels of promotional activity. We delivered a strong margin performance, thanks to strict cost control. We continue to actively manage our U.S. pension plans, and in this quarter we settled a multi-employer pension plan for €63 million that limits our liability while cost-effectively safeguarding the pensions earned by employees.

“In the Netherlands, our sales grew by 7.5% in a market where consumer confidence remains low. Our operating margin reflects additional non-cash pension charges that resulted from the revised pension accounting rules and decreased discount rates that we flagged earlier, as well as our continued investment in growth. We are pleased with the strong sales performance of our online businesses, partly driven by the success of our pick-up points, and with our expansion into Belgium.

“During the quarter our cash balances increased significantly with the dividend and proceeds from the sale of our 60% stake in ICA. We remain committed to improving the efficiency of our balance sheet and have increased our share buyback program from €500 million to €2 billion, to be completed by the end of 2014. Our focus remains on strong capital discipline combined with a balanced approach between investing in profitable growth and providing attractive returns to shareholders.

“We remain cautious in our outlook for 2013 but we are committed to deliver on our Reshaping Retail strategy.”

## Group performance

(€million, except per share data)	Q1 2013	Q1 2012 (restated) <sup>1</sup>	% change	% change constant rates
Net sales	10,117	9,716	4.1%	4.4%
Underlying operating income	416	416	-	0.4%
Operating income	345	413	(16.5)%	(16.3)%
Income from continuing operations	208	257	(19.1)%	(18.9)%
Net income	1,951	285	584.6%	583.8%
Basic earnings per share	1.88	0.27	596.3%	587.2%

<sup>1</sup> 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 as a discontinued operation, 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. We remain focused on improving our competitive position through cost reductions and the overall simplification of our processes. In the first quarter of 2013:

- We remain on target to deliver our €600 million cost reduction program, to be completed in 2014.
- We sold our 60% stake in ICA to our joint venture partner, Hakon Invest.
- Albert Heijn converted three more of the supermarkets acquired in 2012 from Jumbo to our store network in the Netherlands, bringing the total to 18 stores.
- Albert Heijn continued expanding in Belgium bringing the total number of stores today to 15.
- Our online retail operations in the United States and the Netherlands achieved strong sales growth. Peapod and albert.nl opened another six pick-up points and albert.nl expanded its geographical reach to the southern part of the Netherlands and now serves 67% of the country.

Two significant initiatives that occurred in Q1 were:

- We purchased €61 million of shares under our share buyback program, which increases to €2 billion; and
- We were able to reduce our exposure to U.S. multi-employer pension plans through negotiations with the New England Teamsters and Trucking Industry Pension Fund.

### First quarter 2013 (compared to first quarter 2012)

Net sales were €10.1 billion, up 4.1%. At constant exchange rates, net sales increased by 4.4%. We achieved solid sales growth in the United States and the Netherlands. During the quarter, Ahold USA achieved 3.4% sales growth, measured in US dollars, and the Netherlands achieved 7.5% growth, of which 3.1% was from the inclusion of bol.com. Sales in Other Europe (Czech Republic and Slovakia combined) decreased 2.9% at constant exchange rates. We gained market share in the Czech Republic in a challenging environment.

Underlying operating income was €416 million, unchanged from 2012 and up 0.4% at constant exchange rates. Underlying operating margin was 4.1% compared to 4.3% last year.

Operating income was €345 million, down 16.5% and 16.3% at actual and constant exchange rates, respectively. This included a €63 million (\$82 million) pre-tax charge at Ahold USA related to a multi-employer pension plan settlement with the New England Teamsters and Trucking Industry Pension Fund. Under the settlement agreement Stop & Shop will withdraw and settle its liability under the original pension plan pool without reducing benefits and will re-enter the pension plan and will only be responsible for the pension benefits of their own employees in the new pool.

Income from continuing operations was €208 million; €49 million lower than last year. This was driven by the multi-employer plan settlement charge and higher net financial expenses of €30 million,

partially offset by lower income taxes of €50 million. The increase in financial expenses includes €14 million of increased interest charges from our defined benefit pension plans and a one-time €11 million adjustment to a financial liability. Income per share from continuing operations was €0.20 versus €0.25 last year.

Net income was €1,951 million, up €1,666 million. Contributing to this increase was a result from discontinued operations of €1,743 million, of which €1,748 million related to ICA.

Free cash flow was €182 million. This is a decrease of €109 million compared to last year primarily due to the timing of rent payments, an increase in investments in fixed assets of €36 million, and a €31 million payment for the final settlement of the U.S. Frozen Pension Plan.

Cash and cash equivalents increased by €2,284 million to €4,170 million, due to the receipt of proceeds related to both the sale of and a dividend received from ICA, totaling €2,519 million.

Net debt decreased by €2,567 million from Q4 2012 to become negative net debt of €1,207 million.

## Performance by segment (compared to first quarter 2012)

### Ahold USA

Net sales were \$8.1 billion, up 3.4% due to solid identical growth and benefiting from the inclusion of 15 former Genuardi stores acquired last year. Identical sales growth of 1.8% (1.9% excluding gasoline) was driven by more effective promotions and the strong performance in our Stop & Shop divisions during adverse weather events. The move to selling more generic drugs had a negative effect on sales growth, however this was offset by the positive effect from the timing of New Year's Eve sales. Ahold USA gained market share in all four divisions. Underlying operating margin was 4.1% compared to 4.2% last year.

### The Netherlands

Net sales increased 7.5% to €3.5 billion. Excluding the sales of bol.com, which was acquired in Q2 2012, sales growth remained strong at 4.4%. Identical sales growth was 1.8%. Contributing to the overall sales growth were the addition of 18 former C1000/Jumbo stores to Albert Heijn and further expansion into Belgium (where we operated 12 Albert Heijn supermarkets at quarter-end versus three at the end of Q1 last year). Identical sales were driven by inflation and promotions. The combination of new stores and identical sales growth led to a substantial increase of Albert Heijn's market share. During the quarter albert.nl increased sales through additional marketing, expansion into the southern part of the Netherlands (to now service 67% of the country) and the opening of new pick-up points. Underlying operating margin was 5.3% (5.5% excluding bol.com), compared to 5.7% in the same quarter last year. The decline reflects higher pension costs as a consequence of lower discount rates.

### Other Europe (Czech Republic and Slovakia)

Net sales decreased 5.1% to €482 million. At constant exchange rates, net sales decreased 2.9%. Identical sales decreased 2.8% (1.2% excluding gasoline) primarily in Slovakia. In the Czech Republic economic conditions continued to be challenging due to an additional VAT increase, increased unemployment and strong competition. Despite these challenges, our Czech operations gained market share and improved operating profit compared to last year. Underlying operating margin in Other Europe was 1.0% compared to 0.8% last year.

### Corporate Center

Costs for the Corporate Center were €20 million for the quarter, down €2 million; underlying Corporate Center costs were €22 million. Excluding the effect of the Company's insurance activities, underlying Corporate Center costs were €23 million, a decrease of €2 million over last year.

## Other financial and operating information

### Identical / comparable sales growth (% year-over-year)<sup>1</sup>

	Q1 2013 Identical	Q1 2013 Identical excluding gasoline	Q1 2013 Comparable
Ahold USA	1.8%	1.9%	2.0%
The Netherlands	1.8%	1.8%	
Other Europe	(2.8)%	(1.2)%	

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

### Underlying operating income<sup>1</sup>

	Q1 2013	Q1 2012 (restated) <sup>2</sup>	% change
\$ million			
Ahold USA	328	328	-
Average U.S. dollar exchange rate (euro per U.S. dollar)	0.7598	0.7621	(0.3)%
€ million			
Ahold USA	247	250	(1.2)%
The Netherlands	186	186	-
Other Europe	5	4	25.0%
Corporate Center	(22)	(24)	8.3%
<b>Ahold Group</b>	<b>416</b>	<b>416</b>	<b>-</b>

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.

	Q1 2013	Q1 2012 (restated) <sup>1</sup>
Ahold USA	4.1%	4.2%
The Netherlands	5.3%	5.7%
Other Europe	1.0%	0.8%
<b>Ahold Group</b>	<b>4.1%</b>	<b>4.3%</b>

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 Q1 2013	End of Q1 2012
Ahold USA	772	3	(1)	774	759
The Netherlands <sup>1</sup>	1,996	15	(1)	2,010	1,945
Other Europe	306	-	-	306	307
<b>Ahold Group</b>	<b>3,074</b>	<b>18</b>	<b>(2)</b>	<b>3,090</b>	<b>3,011</b>

1. The number of stores at the end of Q1 2013 includes 1,114 specialty stores (Etos and Gall & Gall) (Q1 2012: 1,087).

**EBITDA<sup>1</sup>**

(€ million)	Q1 2013	Q1 2012 (restated) <sup>2</sup>	% change
Ahold USA	343	408	(15.9)%
The Netherlands	260	253	2.8%
Other Europe	17	19	(10.5)%
Corporate Center	(19)	(22)	13.6%
EBITDA by segment	601	658	(8.7)%
Share in income of joint ventures	2	3	(33.3)%
Income from discontinued operations	1,743	28	n/m
<b>Total EBITDA</b>	<b>2,346</b>	<b>689</b>	<b>240.5%</b>

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 flow<sup>1</sup>**

(€ million)	Q1 2013	Q1 2012
Operating cash flows from continuing operations	488	560
Purchase of non-current assets	(263)	(227)
Divestments of assets / disposal groups held for sale	4	10
Dividends from joint ventures	1	4
Interest received	2	4
Interest paid	(50)	(60)
<b>Free cash flow</b>	<b>182</b>	<b>291</b>

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

**Net debt**

(€ million)	April 21, 2013	December 30, 2012
Loans	1,377	1,431
Finance lease liabilities	1,179	1,179
Cumulative preferred financing shares	497	497
Non-current portion of long-term debt	3,053	3,107
Short-term borrowings and current portion of long-term debt	147	139
Gross debt	3,200	3,246
Less: Cash, cash equivalents and short-term deposits and similar instruments <sup>1</sup>	4,407	1,886
<b>Net debt</b>	<b>(1,207)</b>	<b>1,360</b>

1. 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 €117 million and €170 million as of April 21, 2013, and December 30, 2012, respectively.

## Consolidated income statement

(€ million, except per share data)	Note	Q1 2013	Q1 2012 (restated) <sup>1</sup>
Net sales	4	10,117	9,716
Cost of sales	5	(7,418)	(7,144)
<b>Gross profit</b>		<b>2,699</b>	<b>2,572</b>
Selling expenses		(1,959)	(1,871)
General and administrative expenses		(395)	(288)
Total operating expenses	5	(2,354)	(2,159)
<b>Operating income</b>	<b>4</b>	<b>345</b>	<b>413</b>
Interest income		2	3
Interest expense		(70)	(74)
Interest income (expense) on defined benefit pension plans - net		(8)	6
Other financial expense		(19)	-
Net financial expense		(95)	(65)
<b>Income before income taxes</b>		<b>250</b>	<b>348</b>
Income taxes	6	(44)	(94)
Share in income of joint ventures	7	2	3
<b>Income from continuing operations</b>		<b>208</b>	<b>257</b>
Income from discontinued operations	8	1,743	28
<b>Net income attributable to common shareholders</b>		<b>1,951</b>	<b>285</b>
Net income per share attributable to common shareholders			
Basic		1.88	0.27
Diluted		1.79	0.26
Income from continuing operations per share attributable to common shareholders			
Basic		0.20	0.25
Diluted		0.20	0.24
Weighted average number of common shares outstanding (in millions)			
Basic		1,040	1,045
Diluted		1,093	1,107
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.7598	0.7621

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

## Consolidated statement of comprehensive income

(€ million)	Note	Q1 2013	Q1 2012 (restated) <sup>1</sup>
<b>Net income</b>		<b>1,951</b>	<b>285</b>
Remeasurements of defined benefit pension plans			
Remeasurements of defined benefit pension plans before taxes	10	320	(73)
Income taxes		(88)	25
Other comprehensive income that will not be reclassified to profit or loss		232	(48)
Currency translation differences in foreign interests:			
Currency translation differences before taxes		62	(52)
Cumulative translation differences from divestments transferred to net income	8	(80)	-
Income taxes		-	-
Cash flow hedges:			
Fair value gains in the year		(45)	(37)
Transfers to net income		41	26
Income taxes		1	3
Other comprehensive income (loss) of joint ventures - net of income taxes			
Share of other comprehensive income (loss)		(1)	1
Cumulative other comprehensive loss transferred to net income	8	9	-
Other comprehensive income that may be reclassified to profit or loss		(13)	(59)
<b>Total other comprehensive income</b>		<b>219</b>	<b>(107)</b>
<b>Total comprehensive income attributable to common shareholders</b>		<b>2,170</b>	<b>178</b>

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

## Consolidated balance sheet

(€ million)	Note	April 21, 2013	December 30, 2012 (restated) <sup>1</sup>
<b>Assets</b>			
Property, plant and equipment		6,052	6,038
Investment property		557	565
Intangible assets		1,579	1,569
Investments in joint ventures		215	1,017
Other non-current financial assets		406	420
Deferred tax assets		490	512
Other non-current assets		35	35
<b>Total non-current assets</b>		<b>9,334</b>	<b>10,156</b>
Assets held for sale		6	-
Inventories		1,479	1,492
Receivables		728	793
Other current financial assets		284	43
Income taxes receivable		45	47
Other current assets		173	155
Cash and cash equivalents	11	4,170	1,886
<b>Total current assets</b>		<b>6,885</b>	<b>4,416</b>
<b>Total assets</b>		<b>16,219</b>	<b>14,572</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to common shareholders</b>	9	<b>6,817</b>	<b>5,146</b>
Loans		1,377	1,431
Other non-current financial liabilities		2,047	1,930
Pensions and other post-employment benefits		289	643
Deferred tax liabilities		153	98
Provisions		636	646
Other non-current liabilities		244	251
<b>Total non-current liabilities</b>		<b>4,746</b>	<b>4,999</b>
Accounts payable		2,431	2,667
Other current financial liabilities		747	236
Income taxes payable		140	134
Provisions		164	256
Other current liabilities		1,174	1,134
<b>Total current liabilities</b>		<b>4,656</b>	<b>4,427</b>
<b>Total equity and liabilities</b>		<b>16,219</b>	<b>14,572</b>
Quarter-end U.S. dollar exchange rate (euro per U.S. dollar)		0.7662	0.7566

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 <sup>1</sup>	Equity attributable to common shareholders
<b>Balance as of January 1, 2012</b>	<b>330</b>	<b>9,094</b>	<b>(265)</b>	<b>(93)</b>	<b>(3,189)</b>	<b>5,877</b>
Adjustments <sup>2</sup>	-	-	-	-	(67)	(67)
<b>As restated</b>	<b>330</b>	<b>9,094</b>	<b>(265)</b>	<b>(93)</b>	<b>(3,256)</b>	<b>5,810</b>
Dividends	-	-	-	-	(415)	(415)
Total comprehensive income (restated) <sup>2</sup>	-	-	(52)	(8)	238	178
Share buyback	-	-	-	-	(277)	(277)
Share-based payments	-	-	-	-	14	14
<b>Balance as of April 22, 2012<sup>2</sup></b>	<b>330</b>	<b>9,094</b>	<b>(317)</b>	<b>(101)</b>	<b>(3,696)</b>	<b>5,310</b>
<b>Balance as of December 30, 2012 (restated)<sup>2</sup></b>	<b>318</b>	<b>8,713</b>	<b>(295)</b>	<b>(126)</b>	<b>(3,464)</b>	<b>5,146</b>
Dividends	-	-	-	-	(457)	(457)
Total comprehensive income	-	-	(18)	(3)	2,191	2,170
Share buyback	-	-	-	-	(61)	(61)
Share-based payments	-	-	-	-	19	19
<b>Balance as of April 21, 2013</b>	<b>318</b>	<b>8,713</b>	<b>(313)</b>	<b>(129)</b>	<b>(1,772)</b>	<b>6,817</b>

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	Q1 2013	Q1 2012 (restated) <sup>1</sup>
Operating income		345	413
Adjustments for:			
Depreciation, amortization and impairments	5	274	252
Gains on the sale of assets / disposal groups held for sale	5	(1)	(4)
Share-based compensation expenses		11	12
Operating cash flows before changes in operating assets and liabilities		629	673
Changes in working capital:			
Changes in inventories		22	7
Changes in receivables and other current assets		56	44
Changes in payables and other current liabilities		(186)	(121)
Changes in non-current assets, other non-current liabilities and provisions		7	2
Cash generated from operations		528	605
Income taxes paid - net		(40)	(45)
Operating cash flows from continuing operations		488	560
Operating cash flows from discontinued operations		(3)	(2)
<b>Net cash from operating activities</b>		<b>485</b>	<b>558</b>
Purchase of non-current assets		(263)	(227)
Divestments of assets / disposal groups held for sale		4	10
Acquisition of businesses, net of cash acquired	3	3	(15)
Divestment of businesses, net of cash divested	8	2,372	(3)
Changes in short-term deposits and similar instruments		(237)	78
Dividends from joint ventures		1	4
Interest received		2	4
Other		-	2
Investing cash flows from continuing operations		1,882	(147)
Investing cash flows from discontinued operations	8	142	-
<b>Net cash from investing activities</b>		<b>2,024</b>	<b>(147)</b>
Interest paid		(50)	(60)
Repayments of loans		(11)	(416)
Repayments of finance lease liabilities		(22)	(20)
Change in short term loans		3	34
Share buyback	9	(61)	(277)
Change in derivatives		(8)	122
Other	11	(86)	3
Financing cash flows from continuing operations		(235)	(614)
Financing cash flows from discontinued operations		(1)	(1)
<b>Net cash from financing activities</b>		<b>(236)</b>	<b>(615)</b>
<b>Net cash from operating, investing and financing activities</b>	11	<b>2,273</b>	<b>(204)</b>
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.7598	0.7621

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”), a public limited liability company with its registered seat in Zaandam, the Netherlands, and its head office in Amsterdam, the Netherlands, is the operation of retail food stores in the United States and Europe through subsidiaries and joint ventures.

The information in these condensed consolidated interim financial statements (“financial statements”) is unaudited.

### 2. Accounting policies

#### *Basis of preparation*

These financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting.” The accounting policies applied in these financial statements are consistent with those applied in Ahold’s 2012 consolidated financial statements, except for the new standards and amendments to existing standards effective for 2013, as described below.

Ahold’s reporting calendar is based on 13 periods of four weeks, with 2013 and 2012 each comprising 52 weeks. The first quarters of 2013 and 2012 are each comprised of 16 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. Any significant transactions and/or events between JMR’s quarter-end and Ahold’s quarter-end are taken into account in the preparation of Ahold’s financial statements.

#### *Changes in presentation*

In Q1 2013, Ahold changed the internal presentation of the 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 and in Q1 2012 decreased cost of sales by €41 million and increased selling expenses and general and administrative expenses by €27 million and €14 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, €29 million that was previously reported as share of income from joint ventures has been reclassified to income from discontinued operations.

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 fair value of plan assets when they occur, and hence 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 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.

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, there has been no change in how the Company measures fair value. As a result, 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)	Q1 2012 as reported	Changes in presentation	IAS 19 restatement	Q1 2012 as restated
<b>Consolidated income statement line items</b>				
Net income	9,716	-	-	9,716
Cost of sales	(7,185)	41	-	(7,144)
<b>Gross profit</b>	<b>2,531</b>	<b>41</b>	<b>-</b>	<b>2,572</b>
Selling expenses	(1,839)	(27)	(5)	(1,871)
General and administrative expenses	(276)	(14)	2	(288)
<b>Operating Income</b>	<b>416</b>	<b>-</b>	<b>(3)</b>	<b>413</b>
Interest income	3	-	-	3
Interest expense	(74)	-	-	(74)
Interest income on defined benefit pension plans	-	-	6	6
<b>Income before income taxes</b>	<b>345</b>	<b>-</b>	<b>3</b>	<b>348</b>
Income taxes	(93)	-	(1)	(94)
Share in income of joint ventures	32	(29)	-	3
<b>Income from continuing operations</b>	<b>284</b>	<b>(29)</b>	<b>2</b>	<b>257</b>
Income (loss) from discontinued operations	(2)	29	1	28
<b>Net income attributable to common shareholders</b>	<b>282</b>	<b>-</b>	<b>3</b>	<b>285</b>
Net income per share attributable to common shareholders				
Basic	0.27	-	-	0.27
Diluted	0.26	-	-	0.26
Income from continuing operations per share attributable to common shareholders				
Basic	0.27	(0.02)	-	0.25
Diluted	0.26	(0.02)	-	0.24
<b>Consolidated statement of comprehensive income line items</b>				
<b>Net income attributable to common shareholders</b>	<b>282</b>	<b>-</b>	<b>3</b>	<b>285</b>
Remeasurement defined benefit pension plans before tax	-	-	(73)	(73)
Income taxes	-	-	25	25
Other comprehensive income that will not be reclassified to profit or loss	-	-	(48)	(48)
Other comprehensive income that may be reclassified to profit or loss	(64)	-	5	(59)
<b>Total other comprehensive income</b>	<b>(64)</b>	<b>-</b>	<b>(43)</b>	<b>(107)</b>
<b>Total comprehensive income attributable to common shareholders</b>	<b>218</b>	<b>-</b>	<b>(40)</b>	<b>178</b>

  

(€ million)	Q1 2012 as reported	Changes in presentation	IAS 19 restatement	Q1 2012 as restated
<b>Consolidated statement of comprehensive income line items</b>				
<b>Net income attributable to common shareholders</b>	<b>282</b>	<b>-</b>	<b>3</b>	<b>285</b>
Remeasurement defined benefit pension plans before tax	-	-	(73)	(73)
Income taxes	-	-	25	25
Other comprehensive income that will not be reclassified to profit or loss	-	-	(48)	(48)
Other comprehensive income that may be reclassified to profit or loss	(64)	-	5	(59)
<b>Total other comprehensive income</b>	<b>(64)</b>	<b>-</b>	<b>(43)</b>	<b>(107)</b>
<b>Total comprehensive income attributable to common shareholders</b>	<b>218</b>	<b>-</b>	<b>(40)</b>	<b>178</b>

(€ million)	December 30, 2012 as reported	Changes in presentation	IAS 19 restatement	December 30, 2012 as restated
<b>Consolidated balance sheet line items</b>				
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)	April 22, 2012 as reported	Changes in presentation	IAS 19 restatement	April 22, 2012 as restated
<b>Consolidated statement of changes in equity</b>				
Share capital	330	-	-	330
Additional paid-in capital	9,094	-	-	9,094
Currency translation reserve	(322)	-	5	(317)
Cash flow hedging reserve	(101)	-	-	(101)
Other reserves including accumulated deficit	(3,584)	-	(112)	(3,696)
<b>Equity attributable to common shareholders</b>	<b>5,417</b>	<b>-</b>	<b>(107)</b>	<b>5,310</b>

(€ million)	December 30, 2012 as reported	Changes in presentation	IAS 19 restatement	December 30, 2012 as restated
<b>Consolidated statement of changes in equity</b>				
Share capital	318	-	-	318
Additional paid-in capital	8,713	-	-	8,713
Currency translation reserve	(298)	-	3	(295)
Cash flow hedging reserve	(126)	-	-	(126)
Other reserves including accumulated deficit	(2,612)	-	(852)	(3,464)
<b>Equity attributable to common shareholders</b>	<b>5,995</b>	<b>-</b>	<b>(849)</b>	<b>5,146</b>

(€ million)	Q1 2012 as reported	Changes in presentation	IAS 19 restatement	Q1 2012 as restated
<b>Consolidated statement of cash flows line items</b>				
Operating income	416	-	(3)	413
Changes in non-current assets, other non-current liabilities and provisions	(1)	-	3	2

### 3. Business combinations

On August 14, 2012, Ahold announced that its Albert Heijn division had completed the acquisition of 78 C1000 and 4 Jumbo stores from Jumbo for €290 million in cash, with €262 million paid to date (Q1 2013: credit €3 million and 2012: €265 million) and the remaining to be settled as agreements are reached with the franchisees. During the first quarter of this year, three of the stores were converted to the Albert Heijn banner (18 stores converted in total). The remaining 64 franchisee-owned stores will be converted to the Albert Heijn banner over a period of time, in close cooperation with the entrepreneurs. Goodwill recognized in the amount of €63 million to date (Q1 2013: €10 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 18 individual stores that were converted to the Albert Heijn banner have contributed €31 million to Q1 2013 net sales and an insignificant amount to net income.

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

(€ million)	
Goodwill	10
Reversal of other intangible assets	(13)
<b>Acquisition of business, net of cash</b>	<b>(3)</b>

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

€ million	
<b>As of December 30, 2012</b>	
At cost	772
Accumulated impairment losses	(3)
<b>Opening carrying amount</b>	<b>769</b>
Business acquisitions	10
Exchange rate differences	3
<b>Closing carrying amount</b>	<b>782</b>
<b>As of April 21, 2013</b>	
At cost	785
Accumulated impairment losses	(3)
<b>Carrying amount</b>	<b>782</b>

#### 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.

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
Other Europe	Albert (Czech Republic and Slovakia) and Hypernova (Slovakia)
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:

	Q1 2013	Q1 2012	% change
\$ million			
Ahold USA	8,068	7,803	3.4%
Average U.S. dollar exchange rate (euro per U.S. dollar)	0.7598	0.7621	(0.3)%
€ million			
Ahold USA	6,129	5,946	3.1%
The Netherlands	3,506	3,262	7.5%
Other Europe	482	508	(5.1)%
<b>Ahold Group</b>	<b>10,117</b>	<b>9,716</b>	<b>4.1%</b>

The net sales of Ahold's unconsolidated joint venture JMR amounted to €778 million and €740 million for Q1 2013 and Q1 2012, respectively.

## Operating income

Operating income (loss) per segment is as follows:

	Q1 2013	Q1 2012 (restated) <sup>1</sup>	% change
\$ million			
Ahold USA	231	319	(27.6)%
Average U.S. dollar exchange rate (euro per U.S. dollar)	0.7598	0.7621	(0.3)%
€ million			
Ahold USA	173	243	(28.8)%
The Netherlands	187	188	(0.5)%
Other Europe	5	4	25.0%
Corporate Center	(20)	(22)	9.1%
<b>Ahold Group</b>	<b>345</b>	<b>413</b>	<b>(16.5)%</b>

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

### Ahold USA

Q1 2013 operating income included \$24 million (€18 million) of impairment charges and \$9 million (€7 million) gains on the final settlement of the Frozen Plan (see Note 10). In addition, a multi-employer pension withdrawal liability in the amount of \$82 million (€63 million) was recognized during the quarter (see Note 10).

Q1 2012 operating income included \$10 million (€7 million) of impairment charges and \$1 million (€nil) of gains on the sale of assets. The effect of the adoption of IAS 19 (as revised) was an increase in operating income of \$8 million (€6 million).

### The Netherlands

Q1 2013 operating income included €1 million of gains on the sale of assets.

Q1 2012 operating income included €2 million of gains on the sale of assets. The effect of the adoption of IAS 19 (as revised) was a decrease in operating income of €9 million.

### Corporate Center

Corporate Center costs for Q1 2013 were down €2 million compared to same period last year. Excluding the effect of the Company's insurance activities, Corporate Center costs were €21 million, €2 million lower. Included in Q1 2013 operating income is \$3 million (€2 million) gains on the final settlement of the Frozen Plan (see Note 10). Q1 2012 operating income included €2 million of gains on the sale of assets.

### 5. Expenses by nature

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

€ million	Q1 2013	Q1 2012 (restated) <sup>1</sup>
Cost of product	7,103	6,856
Labor costs	1,511	1,367
Other operational expenses	723	675
Depreciation and amortization	256	245
Rent expenses and income - net	162	157
Impairment losses and reversals - net	18	7
Gains on the sale of assets - net	(1)	(4)
<b>Total</b>	<b>9,772</b>	<b>9,303</b>

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

In Q1 2013, income taxes included €12 million of one-time tax benefits, mainly arising from a ruling on an uncertain tax position. In Q1 2012, income taxes included €7 million of one-time tax charges related to previous years.

### 7. Share in income of joint ventures

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

€ million	Q1 2013	Q1 2012 (restated) <sup>1</sup>
JMR	2	2
Other	-	1
<b>Total</b>	<b>2</b>	<b>3</b>

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

## 8. Assets and liabilities held for sale and discontinued operations

Income (loss) from discontinued operations is specified as follows:

€ million	Q1 2013	Q1 2012 (restated) <sup>1</sup>
ICA	137	30
Operating results from discontinued operations	137	30
ICA	1,611	-
BI-LO and Bruno's	(1)	-
Other <sup>2</sup>	(4)	(2)
Results on divestments of discontinued operations	1,606	(2)
<b>Income from discontinued operations, net of income taxes</b>	<b>1,743</b>	<b>28</b>

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

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

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 received from ICA of SEK 1.2 billion (€142 million). The expected cash flows from the receipt of the dividend were subject to a cash flow hedge and, consequently, Ahold recognized €139 million of dividend income (€142 million dividend receivable at the date of recognition less the effect of the 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 as a result Ahold recorded a gain of €1,611 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	80
Other items previously recognized in other comprehensive income	(9)
Results on divestments before income taxes	1,611
Income taxes	-
<b>Result on divestment of ICA</b>	<b>1,611</b>

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

€ million	Q1 2013	Q1 2012
Proceeds from ICA*	2,377	-
Net cash flows related to other past divestments	(5)	(3)
<b>Divestment of businesses, net of cash divested</b>	<b>2,372</b>	<b>(3)</b>

\* excludes €9 million of accrued transaction costs.

## 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 included as a liability on the balance sheet as of April 21, 2013, and was paid on May 2, 2013.

### *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. Under this program, 5,123,446 of the Company's own shares were repurchased and delivered in the first quarter of 2013. Shares were repurchased at an average price of €11.88 per share for a total amount of €61 million. 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 number of outstanding common shares as of April 21, 2013, was 1,037,915,300 (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. The final settlement expense of the lump sum payments and an estimate of the settlement expense of the annuity contracts amounted to €121 million and were recognized in 2012. Upon the purchase of the annuity contracts 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 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 will move its employees into the new pool going forward 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, one due by June 22, 2013, and the second due by April 30, 2025. Accordingly, Stop & Shop has recorded a pre-tax liability in Q1 2013 for the discounted amount of the settlement liability of \$82 million (€63 million). Stop & Shop's withdrawal from the original pension plan pool will be effective March 31, 2013.

During the quarter, 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 quarter; while the plan asset fair values were remeasured to the most recent valuations available at the end of the quarter.

## 11. Cash flow

The changes in cash and cash equivalent balances are as follows:

€ million	Q1 2013	Q1 2012
Cash and cash equivalents at the beginning of the year	1,886	2,438
Restricted cash	(22)	(31)
Cash and cash equivalents beginning of the year, excluding restricted cash	1,864	2,407
Net cash from operating, investing and financing activities	2,273	(204)
Effect of exchange rate differences on cash and cash equivalents	11	(28)
Restricted cash	22	28
<b>Cash and cash equivalents at the end of the quarter</b>	<b>4,170</b>	<b>2,203</b>

Included in Other financing cash flows is the €92 million (\$124 million) 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	April 21, 2013		December 30, 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Loan receivable	38	51	38	54
Accounts receivable	731	731	800	800
Reinsurance assets	118	118	109	109
<b>Total loans and receivables</b>	<b>887</b>	<b>900</b>	<b>947</b>	<b>963</b>
Cash and cash equivalents	4,170	4,170	1,886	1,886
Short-term deposits and similar instruments	237	237	-	-
Derivatives	264	264	282	282
Available for sale	4	4	4	4
<b>Total financial assets</b>	<b>5,562</b>	<b>5,575</b>	<b>3,119</b>	<b>3,135</b>
Notes	(1,007)	(1,293)	(1,056)	(1,348)
Other loans	(5)	(4)	(5)	(4)
Financing obligations	(379)	(564)	(381)	(573)
Mortgages payable	(10)	(12)	(11)	(12)
Finance lease liabilities	(1,257)	(1,712)	(1,254)	(1,731)
Cumulative preferred financing shares	(497)	(567)	(497)	(535)
Dividend cumulative preferred financing shares	(31)	(31)	(24)	(24)
Accounts payable	(2,431)	(2,431)	(2,667)	(2,667)
Short-term borrowings	(45)	(45)	(42)	(42)
Dividend common stock	(457)	(457)	-	-
Interest payable	(20)	(20)	(25)	(25)
Reinsurance liabilities	(135)	(135)	(121)	(121)
Other	(103)	(123)	(2)	(2)
<b>Total financial liabilities at amortized cost</b>	<b>(6,377)</b>	<b>(7,394)</b>	<b>(6,085)</b>	<b>(7,084)</b>
Derivatives	(226)	(226)	(177)	(177)
<b>Total financial liabilities</b>	<b>(6,603)</b>	<b>(7,620)</b>	<b>(6,262)</b>	<b>(7,261)</b>

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

Of Ahold's categories of financial instruments, only derivatives and assets available for sale 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 carrying amount of receivables, cash and cash equivalents, accounts payable, short-term deposits held to maturity, 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 quarter 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 2012 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**

An overview of commitments and contingencies as of December 30, 2012 is included in *Note 34* of Ahold's 2012 consolidated financial statements, which were published as part of Ahold's Annual Report on March 6, 2013.

**14. Subsequent events***Share buyback*

On June 4, 2013, Ahold announced that it would increase its current €500 million share buyback program by an additional €1.5 billion (see *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.
- **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, including business acquisition transaction costs and other significant non-recurring transactions. Ahold's management believes this measure provides better insight into 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 Q1 2013 and Q1 2012, respectively:

	Underlying operating income	Impairments	Gains on the sale of assets	Restructuring and related charges	Other	Operating income
(€ million)	Q1 2013					Q1 2013
Ahold USA	247	(18)	-	-	(56)	173
The Netherlands	186	-	1	-	-	187
Other Europe	5	-	-	-	-	5
Corporate Center	(22)	-	-	-	2	(20)
<b>Ahold Group</b>	<b>416</b>	<b>(18)</b>	<b>1</b>	<b>-</b>	<b>(54)</b>	<b>345</b>

The Other balance for Ahold USA of €56 million is the total of a multi-employer plan settlement charge in the amount of €63 million offset by gains on the settlement of annuity charges for the Frozen Plan of €7 million. These are further explained in *Note 10*.

(€ million)	Underlying operating income Q1 2012 (restated)	Impairments	Gains on the sale of assets	Restructuring and related charges	Other	Operating income Q1 2012 (restated) <sup>1</sup>
Ahold USA	250	(7)	-	-	-	243
The Netherlands	186	-	2	-	-	188
Other Europe	4	-	-	-	-	4
Corporate Center	(24)	-	2	-	-	(22)
<b>Ahold Group</b>	<b>416</b>	<b>(7)</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>413</b>

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 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 Q1 2013 and Q1 2012, respectively:

(€ million)	EBITDA Q1 2013	Depreciation and amortization	Operating income Q1 2013	EBITDA Q1 2012 (restated) <sup>1</sup>	Depreciation and amortization	Operating income Q1 2012 (restated) <sup>1</sup>
Ahold USA	343	(170)	173	408	(165)	243
The Netherlands	260	(73)	187	253	(65)	188
Other Europe	17	(12)	5	19	(15)	4
Corporate Center	(19)	(1)	(20)	(22)	-	(22)
<b>Total</b>	<b>601</b>	<b>(256)</b>	<b>345</b>	<b>658</b>	<b>(245)</b>	<b>413</b>

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

- **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.

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.

## 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 are:

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

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### Cautionary notice

This interim 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 share buyback, management of U.S. pension plans, efficiency of Ahold's balance sheet, capital discipline, a balanced approach between investing in profitable growth and providing attractive returns, deliveries on Ahold's Reshaping Retail strategy, multi-employer pension plan settlement, conversion of C1000 and Jumbo stores and Stop & Shop's agreement with NETTI. 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 interim report. Ahold does not assume any obligation to update any public information or forward-looking statements in this interim 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."

