

Delhaize Group SA/NV

**Report of the statutory auditor of
Delhaize Group SA/NV concerning the
common draft terms of the cross-border
merger between Delhaize Group SA/NV and
Koninklijke Ahold N.V.**

(Free Translation of the original in French/Dutch)

21 January 2016

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1. INTRODUCTION

In accordance with Article 772/9 of the Belgian Companies Code, we have been mandated, as Statutory Auditor, by the Board of Directors of Delhaize Group SA/NV (the “**Board**”) to report on the common draft terms of the cross-border merger, dated 18 December 2015, between Delhaize Group SA/NV, the disappearing company, and Koninklijke Ahold N.V., the surviving company (the “**Merger Proposal**”).

The Merger Proposal was filed on 15 January 2016 with the clerk’s office of the Commercial Court in Brussels.

The objective of our report is to provide the company’s shareholders with information regarding the application of the valuation methods adopted by the Board in determining the ratio for the exchange of shares as part of the cross-border merger process and whether, under the circumstances, such methods are appropriate and not arbitrary, resulting in an exchange ratio which is relevant and reasonable. Consequently, but without limitation to the foregoing, we do not perform a valuation, and we do not express an opinion on the lawfulness and fairness of the transaction, the value of securities, or the adequacy of consideration to shareholders.

This report has been prepared exclusively in the context of the Merger Proposal as described above.

2. IDENTIFICATION OF THE COMPANIES INVOLVED

2.1. Koninklijke Ahold N.V. (surviving company)

The company “Koninklijke Ahold N.V.”, hereafter also referred to as “Ahold”, a public limited liability company, with its headquarters based at Provincialeweg 11, 1506 MA Zaandam (The Netherlands), is a company under Dutch law. The registration number of the company with the Dutch Trade Register is 35000363. Ahold is an international retailing group based in the Netherlands and active in the United States and Europe.

On 15 December 2015, the issued share capital of Ahold amounted to EUR 11.027.882,37, divided into

- (i) 834,373,134 Ahold Ordinary Shares with a nominal value of EUR 0.01 each, out of which 15,922,580 Ahold Ordinary Shares were held by Ahold in treasury and
- (ii) 268,415,103 cumulative preferred financing shares, all of which were outstanding.

On 15 December 2015, 36,076,380 Ahold ADSs were outstanding. Ahold granted the Ahold Foundation a call option to acquire such number of cumulative preferred shares in Ahold’s share capital with a nominal value of EUR 500 each, up to a total nominal value that is equal to the nominal value of all Ahold Ordinary Shares and all Ahold cumulative preferred financing shares, in each case issued and outstanding shares at the time of exercising the option minus the total nominal value of any cumulative preferred shares held by the Ahold Foundation at such time (the “Ahold Foundation Call Option”). On 15 December 2015, no such cumulative preferred shares were issued, and 1,250,000 of such cumulative preferred shares were authorized.

2.2. Delhaize Group NV/SA (disappearing company)

The company “Delhaize Group NV/SA”, hereafter also referred to as “Delhaize” or “Delhaize Group”, a public limited liability company, with its headquarters based at Osseghemstraat 53, 1080 Sint-Jans-Molenbeek (Brussels), Belgium, is a company under Belgian law. The registration number of the company with the Commercial Register (RLE) of Brussels is 0402.206.045. Delhaize is an international retailing group based in Belgium and active in the United States, Europe and Indonesia.

On 15 December 2015 the issued share capital of Delhaize amounted to EUR 51.883.430,00, divided into 103,766,860 Delhaize Ordinary Shares with no nominal value, out of which 564,768 Delhaize Ordinary Shares were held by Delhaize in treasury.

On 15 December 2015, 1,519,619 Delhaize warrants, representing Delhaize US U.S. Options, were outstanding, each giving right to one share. On 15 December 2015, 25,173,496 Delhaize ADSs were outstanding.

Following the exercise of warrants by U.S. optionees, the issued share capital of Delhaize Group SA increased on 17 December 2015 by an amount of EUR 119.046,00 to EUR 52.002.476 and the total number of Delhaize Ordinary Shares increased to 104,004,952.

3. IDENTIFICATION OF THE TRANSACTION

In accordance with Article 772/8 of the Belgian Companies Code, a special report has been prepared by the Board, dated 21 January 2016, which will be presented at the extraordinary general meeting to proceed with the cross-border merger between Delhaize Group SA/NV and Koninklijke Ahold N.V.

The extraordinary general meeting called to decide on the Merger Proposal is scheduled on 14 March 2016. The notarial deed regarding the cross-border merger will be executed before Mr. Tim Carnewal, notary at Berquin. A subsequent extraordinary general meeting will be scheduled on 31 March 2016 in case the quorum is not reached at the meeting of 14 March 2016.

As described in the Merger Proposal, the merger will have no accounting retroactive effect. The operations of Delhaize Group SA/NV will be included in the financial statements of Koninklijke Ahold N.V., the surviving company of the cross-border merger, on the Effective Time. The Effective Time has been defined by both parties as 00:00 AM Central European Time on the first day after the day of the Closing of the transaction, such Closing being defined as the day on which a Dutch civil law notary executes the Dutch notarial deed of the cross-border merger.

The Merger Proposal proposes to compensate the shareholders of Delhaize Group NV with new shares of Koninklijke Ahold N.V. at the Effective Time. The Merger Proposal specifies the following on this matter:

- *“At the Effective Time, Ahold will allot for each issued and outstanding Delhaize Ordinary Share (other than any Delhaize Ordinary Share held in treasury by Delhaize or held by Ahold, if any) 4.75 Ahold Ordinary Shares.*
- *At the Effective Time, all Delhaize Ordinary Shares shall no longer be outstanding, shall automatically be cancelled and shall cease to exist, and:*
 - a) *each book-entry position with depositary intermediaries participating in the centralized depositary and clearing system managed by Euroclear previously representing any such Delhaize Ordinary Shares (other than the Delhaize Ordinary Shares held in treasury by Delhaize and the Delhaize Ordinary Shares held by Ahold, if any) shall thereafter represent Ahold Ordinary Shares allotted for such Delhaize Ordinary Shares in the Merger in accordance with the Exchange Ratio;*
 - b) *each Delhaize Ordinary Share held in treasury by Delhaize and each Delhaize Ordinary Share held by Ahold, if any, shall no longer be outstanding and shall be cancelled and shall cease to exist, and no consideration shall be delivered in exchange therefor pursuant to Article 703, § 2, juncto Article 772/1 of the Belgian Companies Code;*
 - c) *Ahold shall register in its shareholders' register the former holder of each registered Delhaize Ordinary Share with such number of Ahold Ordinary Shares as results from the Exchange Ratio, relying on the shareholdership as appears from the share register of Delhaize at Closing, which will be presumed to be accurate, and subsequently close the electronic share register of Delhaize;*
 - d) *each Delhaize American Depositary Shares (ADS) shall no longer be outstanding and shall be cancelled in exchange for the right of the holder of such Delhaize ADS to receive, at its election, (i) a number of Ahold ADSs equal to the product of (a) the number of Delhaize Ordinary Shares represented by one Delhaize ADS (the “Delhaize ADS Ratio”) multiplied by (b) the Exchange Ratio divided by (c) the number of Ahold Ordinary Shares represented by one Ahold ADS or (ii) a number of Ahold Ordinary Shares equal to the product of (a) the Delhaize ADS Ratio multiplied by (b) the Exchange Ratio; and*
 - e) *each Delhaize Equity Award shall be treated in accordance with Schedule 6 as attached to the Special Report of the Board of Directors of Delhaize Group dated 21 January 2016.*

except that no fractional Ahold Ordinary Shares or Ahold ADSs shall be allotted, but instead:

- i) for book-entry positions (under (a) above) the intermediary of the respective shareholder shall aggregate the fractional entitlements into new Ahold Ordinary Shares or Ahold ADSs and sell the corresponding Ahold Ordinary Shares and Ahold ADSs on behalf of the holders who would otherwise have been entitled to receive a fractional Ahold Ordinary Share or Ahold ADS in the market for cash, and subsequently distribute the net cash proceeds to such holders proportionate to each such holder's fractional entitlements, and
- ii) for registered shareholders (under (c) above) the total number of newly allotted shares to each registered holder is rounded down to the nearest full number, and the balance is paid in cash. Such balance shall be calculated based on the stock market quotation of the Ahold Ordinary Shares on Euronext Amsterdam on the Closing Date, or if the Closing Date is not a trading day on Euronext Amsterdam, the last trading day before the Closing Date.

The total amount of cash payments that will be made pursuant to this bullet point, in fine, will not exceed 10% of the aggregate nominal value of the Ahold Ordinary Shares that will be allotted pursuant to the merger.

- If the number of Ahold Ordinary Shares, Ahold ADSs, Delhaize Ordinary Shares or Delhaize ADSs (or securities convertible or exchangeable into or exercisable for Ahold Ordinary Shares, Ahold ADSs, Delhaize Ordinary Shares or Delhaize ADSs) issued and outstanding changes before the Effective Time (and as permitted by the covenants with respect to the period between signing of the Merger Agreement and Closing), as a result of a reclassification, stock split (including a reverse stock split), stock dividend or distribution, recapitalisation, merger, subdivision, issuer tender or exchange offer, or other similar transaction, in each case other than as a result of a capital decrease taken by Ahold pursuant to Section 2.6 of the Special Report of the Board of Directors of Delhaize Group or a share buyback undertaken by Ahold pursuant to Section 2.7 of the Special Report of the Board of Directors of Delhaize Group, the Exchange Ratio and/or the Per ADS Merger Consideration shall be appropriately adjusted to provide to the Delhaize Shareholders and the shareholders of Ahold the same economic effect as contemplated by the Merger Agreement prior to such action(s).
- Each of Ahold, Delhaize and each of their respective affiliates or any financial intermediary intervening in the Merger transactions shall be entitled to deduct and withhold from the shares to be allotted or cash to be paid to holders of Delhaize Ordinary Shares, Delhaize ADSs or Delhaize Equity Awards such amounts as it reasonably determines it is required to deduct and withhold with respect thereto under any provisions of applicable tax laws. To the extent that amounts are so withheld and paid over to the appropriate governmental entity by Ahold, Delhaize, any of their respective affiliates or any financial intermediary, as the case may be, such withheld amounts shall be treated as having been paid to the holder of Delhaize Ordinary Shares, Delhaize ADSs or Delhaize Equity Awards in respect of which such deduction and withholding was made by Ahold, Delhaize, such affiliate or such financial intermediary, as the case may be.
- Each of Ahold and Delhaize will enter into appropriate arrangements with the depository of Ahold and the depository of Delhaize to give effect to this.”

The Merger Proposal further specifies the following with respect to the participation in profits:

“As per Effective Time, the Ahold Ordinary Shares and Ahold ADSs allotted to Delhaize Shareholders will be of the same nature and have the same rights, preferences and privileges as the existing Ahold Ordinary Shares and Ahold ADSs respectively, including with respect to entitlement to profits. All the aforementioned is without prejudice to the fact that if Closing takes place after the annual general meeting of Ahold shareholders to be held in 2016, any distributions of profits for the financial year 2015 will only accrue to the Ahold Ordinary Shares and Ahold ADSs in existence prior to the Merger. If Closing is expected to take place after the annual general meeting of Ahold shareholders to be held in 2016 and prior to the Delhaize annual general meeting of Delhaize Shareholders to be held in 2016, Delhaize shall be entitled to propose to the Delhaize Shareholders to accelerate the timing of any of its distributions of profits for the financial year 2015.”

4. VALUATION METHODS APPLIED

In order to determine the exchange ratio, the Board considered several generally accepted valuation methods.

For both Delhaize Group SA/NV and Koninklijke Ahold N.V. the Board performed a selected public company-analysis (4.1 below) as well as a discounted cash flow-analysis (4.2 below). In addition, the Board also considered additional reference points to determine the valuation of both companies, including historical trading prices of the Delhaize and Ahold ordinary shares as well as publicly available equity research analyst reports (4.3 below).

Prior to concluding on valuations and the exchange ratio, the Board also completed a relative value analysis (4.4 below) as well as a value creation analysis (4.5 below) and relative contribution analysis (4.6 below). The value creation analysis and the relative contribution analysis were conducted at the level of the Ahold-Delhaize combined company, post-merger.

The information used by the Board in the valuation of the companies and determining the exchange ratio is based on financial, economic, monetary and market data and/or conditions existing up to the date before the Merger Agreement between both companies was entered into.

The valuation methods and analyses performed are explained in detail below.

4.1. Selected Public Companies Analysis

Delhaize Group reviewed and compared certain financial information and commonly used valuation measurements for Delhaize with corresponding financial information and valuation measurements for Ahold and eight other publicly traded companies with operations in the food retail industry:

Ingles Markets Incorporated, The Kroger Co., Carrefour S.A., Casino Guichard Perrachon SA, Etablissements Franz Colruyt N.V., WM Morrison Supermarkets PLC, Metro AG, J. Sainsbury plc

Based on the closing prices of the Delhaize ordinary shares and the Ahold ordinary shares on 8 May 2015 (the last trading day prior to press reports that Ahold and Delhaize were engaged in preliminary discussions regarding a potential business combination transaction) and 22 June 2015 and the closing prices of the common stock or ordinary shares, as the case may be, of each of the other selected companies on 22 June 2015, Delhaize calculated multiples. These multiples were calculated for Delhaize, Ahold and each of the other selected companies mentioned above. The following multiples were calculated in a consistent manner

- Price / Earnings (PE) multiples (based on estimated 2015 earnings per share, or in the case of Delhaize and Ahold market capitalisation and estimated 2015 net income); and
- Enterprise value (EV), as a multiple of estimated 2015 EBITDA.

On this basis, ranges of estimated implied value per Delhaize ordinary shares were calculated. This was done by applying multiples of market capitalisation to Delhaize management's estimate of 2015 underlying net income of 15.0x to 16.5x and multiples of enterprise value to Delhaize management's estimate of 2015 underlying EBITDA of 5.5x to 6.5x. This resulted in **ranges of implied value of approximately EUR 70 to EUR 77 and EUR 67 to EUR 82 per Delhaize ordinary share, respectively.**

Furthermore, on the same basis, ranges of estimated implied value per Ahold ordinary shares were calculated. This was done by applying multiples of market capitalisation to estimated 2015 net income in the Ahold public forecasts of 16.0x to 17.5x and multiples of enterprise value to estimated 2015 EBITDA in the Ahold public forecasts of 6.5x to 7.5x. This resulted in **ranges of implied value of approximately EUR 17 to EUR 18 and EUR 16 to EUR 19 per Ahold ordinary share, respectively.**

Based on PE multiples of 15.0x to 16.5x for Delhaize and 16.0x to 17.5x for Ahold an implied exchange ratio range of 3.85 - 4.62 is derived. Based on EV multiples of 5.5x to 6.5x for Delhaize and 6.5x to 7.5x for Ahold an implied exchange ratio range of 3.54 - 5.04 is derived.

4.2. Discounted Cash Flow Model

Delhaize Group performed a discounted cash flow analysis using information contained in the Delhaize forecasts, prepared by the company's management (financial projections for 2015 to 2017 approved by the Board on 22 and 23 January 2015 and further updated to primarily reflect the latest trading performance and outlook of Delhaize and fluctuations in exchange rates and extrapolated by Delhaize to 2018) to calculate ranges of the implied value of Delhaize Group as of 30 June 2015.

In performing the discounted cash flow analysis, a range of discount rates of 7.0% to 8.0% was applied to post-tax unlevered free cash flows expected to be generated by Delhaize during the calendar years 2015 through 2018 and terminal values were estimated using a range of terminal growth rates of 0.75% to 1.25%.

This analysis resulted in a **range of implied value of approximately EUR 75 to EUR 95 per Delhaize ordinary share.**

Delhaize Group also prepared a discounted cash flow analysis of Ahold using information contained in the financial projections regarding Ahold and public filings to calculate ranges of implied value of Ahold as of 30 June 2015. The financial projections regarding Ahold were compiled by Delhaize based on an average of research analyst forecasts for 2015 through 2017 issued between 27 May 2015 and 22 June 2015 and other publicly available information relating to Ahold, and were extrapolated by Delhaize for 2018.

In performing the discounted cash flow analysis, a range of discount rates of 7.0% to 8.0% was applied to post-tax unlevered free cash flows expected to be generated by Ahold during the calendar years 2015 through 2018 and terminal values were estimated using a range of terminal growth rates of 0.75% to 1.25%.

This analysis resulted in a **range of implied value of approximately EUR 17 to EUR 22 per Ahold ordinary share.**

Based on the above ranges an implied exchange ratio range of 3.48 – 5.52 is derived.

4.3. Additional reference points used by the Board

- Historical trading prices:
 - o Reflecting a **range of approximately EUR 48 to EUR 90 per Delhaize ordinary share and an average price of approximately EUR 62 per share** during the 52-week period ended 8 May 2015, the last trading day prior to press reports that Ahold and Delhaize were engaged in preliminary discussions regarding a potential business combination transaction.
 - o Reflecting a **range of approximately EUR 12 to EUR 20 per Ahold ordinary share and an average price of approximately EUR 15 per share** during the 52-week period ended 8 May 2015, the last trading day prior to press reports that Ahold and Delhaize were engaged in preliminary discussions regarding a potential business combination transaction.

Based on the above ranges an implied exchange ratio range of 3.54 – 4.78 is derived. During such 52-week period the average implied daily exchange ratio was approximately 4.16.

- Publicly available analysts' share price targets:
 - o Analyst price targets for Delhaize Group, published in the period from 7 January 2015 through 7 May 2015 by those analysts with publicly available price targets for both Delhaize and Ahold, ranging from **approximately EUR 60 to EUR 95 per Delhaize ordinary share and a median price target of EUR 77 per Delhaize ordinary share.**
 - o Analyst price targets for Ahold, published in the period from 15 January 2015 through 8 May 2015 by those analysts with publicly available price targets for both Delhaize and Ahold, ranging from **approximately EUR 14 to EUR 22 per Ahold ordinary share and a median price target of EUR 18 per Ahold ordinary share.**

Based on the above ranges an implied exchange ratio range of 2.73 – 7.04 is derived. Based on the above median price targets for the Delhaize ordinary shares and the Ahold ordinary shares, the implied exchange ratio was approximately 4.35.

4.4. Relative Value Analysis

Based upon a comparison of the range of implied valuations for Delhaize and Ahold calculated based on the methodologies described in 4.1 and 4.2, above, Delhaize calculated ranges of implied exchange ratios for the merger:

		Range of Implied Exchange Ratios
Selected Public Companies	P/E 2015 ^E	3.85x-4.62x
	EV/EBITDA 2015 ^E	3.54x-5.04x
Discounted Cash Flow		3.48x-5.52x

4.5. Discounted cash flow and value creation analysis for the merged company

In addition to the discounted cash flow analysis described in 4.2 above, the Board also performed discounted cash flow analyses using information contained in the Delhaize forecasts, and the financial projections regarding Ahold, referred to in 4.2, to calculate ranges of implied value per Delhaize ordinary share in a consummated merger with Ahold.

Key assumptions in this cash flow model include:

- An exchange ratio of 4.75 Ahold ordinary share for each Delhaize ordinary share;
- 500 Mio EUR of synergies (annual run-rate to be achieved by the third year following the closing);
- 350 Mio EUR non-recurring implementation costs of the merger (pre-tax and excluding transaction fees);
- 1.000 Mio EUR capital decrease at Ahold prior to the merger and reverse stock split;
- A range of discount rates of 7.0% to 8.0% was applied to post-tax unlevered free cash flows;
- Estimated terminal values using a range of terminal growth rates of 0.75% to 1.25%;
- A 31 December 2015 Closing Date.

We find these discount rates, the terminal growth rates and other assumptions pertaining to the cash flow model to be reasonable. We are not able to perform audit procedures on forward looking events/transactions.

This analysis resulted in a **range of implied value of approximately EUR 97 to EUR 123 per Delhaize ordinary share** in a consummated merger with Ahold.

4.6. Relative Contribution Analysis for the merged company

The Board also reviewed for a number of financial measures the implied equity contributions that can be allocated to both Delhaize and Ahold after the merger is consummated. This was done based on Delhaize forecasts and publicly available information (for Delhaize) and based on the financial projections regarding Ahold referred to in 4.2 and publicly available information (for Ahold).

The financial measures considered are:

- Earnings Before Interest and Taxes and Depreciations and Amortisations (EBITDA)
- Earnings Before Interest and Taxes (EBIT)
- EBITDA minus capital expenditures
- Net Income
- Enterprise Value
- Net Debt
- Equity Value

Based upon the implied contribution for both Delhaize and Ahold and taking into account the EUR 1 billion Ahold capital return and reverse stock split and the implied ownership percentages for the holders of Delhaize equity in the combined company after the merger is consummated, the Board determined implied exchange ratios for each of the financial measures summarized above. The resulting exchange ratios have been summarized by the board in section 7.2.9 of the Special Report of the Board of Directors of Delhaize Group dated 21 January 2016.

4.7. Relative weight of the different valuation methods

The Board considered each valuation method described herein as relevant and decided not to assign specific weights to any particular valuation method or analyses in order to conclude on the valuation of both companies involved in the transaction and in the determination of the exchange ratio. The Board considered that its analyses, as summarized above, have to be considered as a whole. We confirm the appropriateness of such approach.

Following the above valuations and analyses, and following the negotiation process with Koninklijke Ahold N.V., the Board approved the terms of the merger with Koninklijke Ahold N.V. based on an exchange ratio of 4.75 Ahold ordinary shares in exchange for 1 Delhaize ordinary share.

4.8. Controls performed

Our procedures were performed in accordance with the relevant standards applicable in Belgium, as issued by the “Institut des Réviseurs d’Entreprises/Instituut van de Bedrijfsrevisoren”.

Within the framework of our assignment we have relied on the Merger Proposal and the special report prepared by the Board in accordance with Articles 772/7 and 772/8 of the Belgian Companies Code, dated 18 December 2015 and 21 January 2016, respectively. We also relied on our audit work on the annual accounts of Delhaize Group NV/SA per 31 December 2014, the consolidated accounts of Delhaize Group NA/SA as well as our limited review procedures on the interim information of Delhaize Group (consolidated) for the quarters ended 31 March 2015, 30 June 2015 and 30 September 2015.

We have previously issued an unqualified audit opinion on the 31 December 2014 financial statements of Delhaize Group, both at the consolidated level and at the standalone level.

We have exchanged information with the statutory auditor of Koninklijke Ahold N.V., PricewaterhouseCoopers Accountants N.V., to understand the nature of respective procedures performed, to discuss the results of our mutual procedures and to exchange draft conclusions.

We gave particular attention to the appropriateness of the valuation methods used by the Board, taking into account the context of the transaction, the shareholder structure and the activities of the companies, in order to conclude whether such valuation methods are appropriate and not arbitrary. In assessing the valuation methods used by the Board, we have involved valuation experts. In performing our procedures, we have not performed a valuation of the companies involved in the transaction.

Specifically, we assessed the assumptions used in prospective methods (discounted cash flow models) and verified whether they are not unreasonable or inconsistent with other information we received in the context of our mandate of statutory auditor at Delhaize Group NV/SA or other information publicly available.

As is typically the case in similar transactions, none of the valuation methods described herein is based on historical financial statements; therefore, no specific procedures were required relating to historical financial statements of both companies.

Under the given circumstances, we believe that the methods used for the valuation of the companies and the determination of the exchange ratio are economically justified, are appropriate in the present case and are properly applied.

5. DETERMINATION OF THE EXCHANGE RATIO

As specified in the Merger Proposal, the merger of the two companies will take place through the issue of new ordinary shares of Koninklijke Ahold N.V. These new shares are intended to compensate the shares of the acquired company Delhaize Group SA/NV held by existing Delhaize Group shareholders and ADS holders.

For purposes of rendering its valuation of the merging companies and the determination of the exchange ratio, the Board assumed that:

- the merger and the Ahold capital return and the reverse stock split will be consummated in accordance with the terms of the Merger Agreement, without any waiver, modification or amendment of any term, condition or agreement that would be material to its analysis;
- all material governmental, regulatory or other approvals and consents, releases and waivers required in connection with the consummation of the merger would be obtained;
- no delay, limitation, restrictions, terms or conditions, including any divestiture requirements or amendments or modifications, would be imposed that would be material to the Board's analysis or that would have a material adverse effect on Delhaize, Ahold or the contemplated benefits of the merger;
- the holders of the Ahold cumulative preferred financing shares will not elect to convert such shares into Ahold Ordinary Shares in whole or in part prior to the closing (this assumption is based on Ahold's undertaking to engage in a share buyback prior to Closing, if any or all of the holders of the cumulative preferred financing shares of Ahold elect to convert such cumulative preferred financing shares into Ahold Ordinary Shares prior to Closing, to offset the increase in the number of Ahold Ordinary Shares as a result of such conversion); and
- the value of a Delhaize ADS is one-fourth of the value of a Delhaize Ordinary Share and the value of an Ahold ADS is equivalent to the value of an Ahold Ordinary Share and did not take into account any impact on the value of a Delhaize ADS or Ahold ADS relating to the fact that such securities are traded on different markets, and in different currencies, than the respective underlying ordinary shares.

The Ahold capital return referred to above will occur immediately prior to Closing, in accordance with the terms of the Merger Agreement signed by both parties. Such capital return is assumed to take place prior to Closing, in order for the exchange ratio to be equal to 4.75 shares in Koninklijke Ahold N.V. for each existing ordinary share of Delhaize Group SA/NV as explained in chapter 3 of this report.

The exchange ratio is explained in chapter 7 of the Special Report of the Board of Directors of Delhaize Group.

6. SUBSEQUENT EVENTS

At the date of this report we have not identified any subsequent events since 23 June 2015, date of the Merger Agreement and date used for the evaluation of the exchange ratio that would have a material impact on the proposed exchange ratio.

7. CONCLUSIONS

Based on the procedures performed in accordance with the standards of the 'Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises' related to the merger of companies, we declare what follows:

- The valuation methods adopted by the Board for the disappearing company Delhaize Group SA/NV and for the surviving company, Koninklijke Ahold N.V., are considered appropriate in these circumstances and not arbitrary.
- The valuation methods have been correctly applied by the Board in their determination of the exchange ratio resulting in a relevant and reasonable exchange ratio.

Finally, we remind you that our mission does not comprise expressing an opinion on the lawfulness and fairness of the transaction, the value of securities, or the adequacy of consideration to shareholders.

Diegem, 21 January 2016

The statutory auditor



DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Eric Nys