Ahold Delhaize

Financial framework

Jeff Carr

Chief Financial Officer

December 7, 2016

A clear financial framework to support our strategy

Clear operational metrics

- Continuous improvement of the cost base
- Reinvestment in the customer proposition
- Funding growth in key channels

Disciplined approach to capital investment

- Disciplined capex spending
- Return on capital among top quartile of the industry

Best in class cash generation

- Medium-term NWC opportunities
- Strong focus on FCF
- Reinforced by synergies

Balanced approach to capital allocation

- Solid investment grade credit rating
- Returning excess cash to shareholders

Clear operational metrics

Our sustainable business model

Save for our customers

Invest in our customer proposition

Fund growth in key channels

Focus on key metrics

- Underlying operating margin
  - Save for our customers
- Sales growth
  - Price, quality and service
  - Capital expenditures
- Free cash flow
  - Working capital

Ahold Delhaize

Clear operational metrics

Cost discipline is in our DNA

Good track record

- Simplicity at Ahold: over €1 billion savings delivered over 2012-2015
- Focus at Delhaize on SG&A as % of sales
  - in 2015, each operating segment decreased SG&A as % of sales;
  - Transformation Plan Belgium launched to accelerate this

Future cost savings

- Future cost savings planned throughout the Group to reinvest in price, quality and service, while €500 million merger synergies will flow to the bottom line

Save for our customers

- Buy better
- Operate smarter
- Waste less

Identified initiatives across our business

Clear operational metrics

Buy better

Not for resale

Fact-based negotiations

Own brands

Operate smarter

Transportation optimization

Promo efficiency

Labor efficiency

Waste less

Recycling

Energy conservation

“Instock”

Save for our customers

- Buy better
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- Waste less

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Clear operational metrics

Smarter packaging at Albert Heijn

Fully embedded in Albert Heijn's strategy

Best practice sharing through story telling
Sharing inspiration and successes

Fresh juices

From glass bottle (267 grams) to PET bottle (29 grams) for volumes from 500 ml

Annualized savings
€ 2 million

Meat tray

Replace AH specific meat tray with logo (44 grams) to generic meat tray without logo (38 grams)

Annualized savings
€ 3 million

Save for our customers

- Buy better
- Operate smarter
- Waste less

Labor efficiencies at AUSA

Clear operational metrics

Deploy in-store resources where it matters the most to our Brands' customers

- New labor processes & scheduling
- More efficient replenishment and back cart stocking process
- Updated performance management systems to support work load projections
- Use of coin sorter to speed up counting of self check out coins

Improved performance

- Productivity (Items Per Labor Hour) +~4.0%
- Cumulative labor savings (2013-2016) of ~$200 million, helping to mitigate wage inflation

What's next?

- Improve self check-out utilization to best in class
- Automate cash processing
- Single queue service desk

Save for our customers
Buy better
Operate smarter
Waste less



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Clear operational metrics

Utility efficiencies at AUSA

LED Replacements

- All new LED fixtures installed in stores and refrigerated multi-deck cases

Variable Speed Drive

- Ventilation: minimize the amount of outside air that needs to be conditioned

Sub-metering

- Identify energy anomalies in real time
- Helps to provide real consumption and savings data for future initiatives.

Improved efficiency (lower kWh)

- Cumulative savings (2013-2016) of ~$40 million
- Reduction of ~100 kWh/year over the last 3 years

Save for our customers

Buy better

Operate smarter

Waste less

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Clear operational metrics

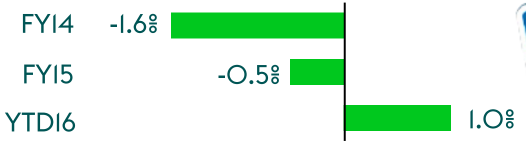
Continuous investments in growth…

Food Lion
Easy, Fresh & Affordable

- 16 consecutive quarters of positive volume growth
- 2017: ~$290 million capex for an additional ~160 stores in 2017

Ahold USA
Price investments

Ahold USA ID Volume growth



Annualized 2016 price investments ~$150 million

Albert Heijn
Quality investments

- Perception increase across Fresh (+9bps in Fruit & veg, +11 bps in Meat, +16bps in Bakery vs 2015)
- >750 own brands innovations
- Healthy offering: less sugar in >100 products

eCommerce

2016*

Ambition 2020

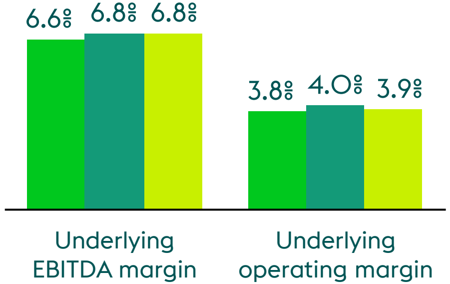
Double eCommerce sales*
(20-25% CAGR)

Estimates consumer sales includes sales from third parties

…while maintaining resilient margins

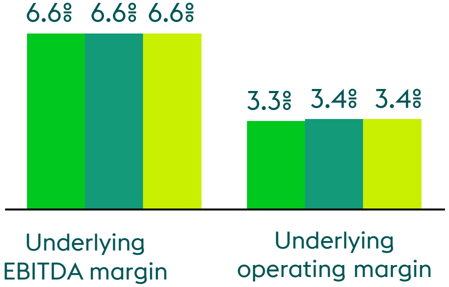
Clear operational metrics

Ahold USA

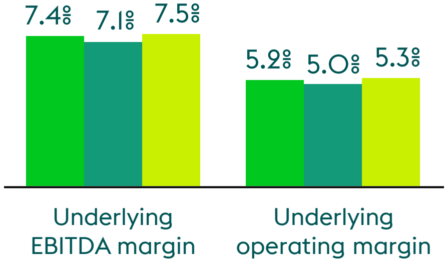


2015 includes a 53rd week

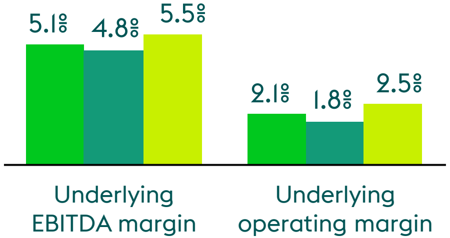
Delhaize America



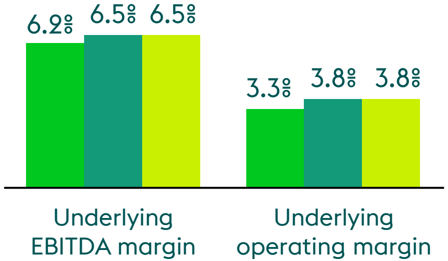
The Netherlands
(excl bol.com)



Belgium



CSE



All numbers are pro forma.
2014 figures have been calculated by using the same pro forma adjustments as for 2015

2014 2015 2016 Q3 YTD

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Ahold Delhaize

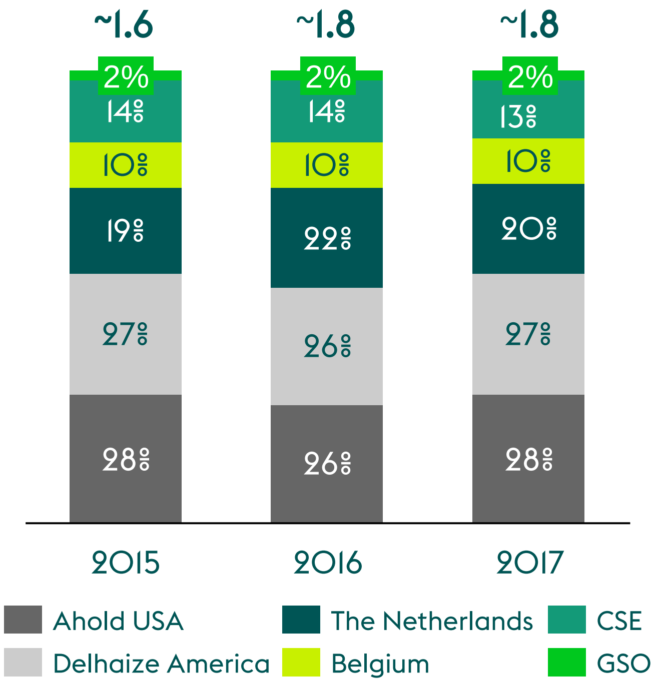
Disciplined approach to capital investment

Disciplined capex spending

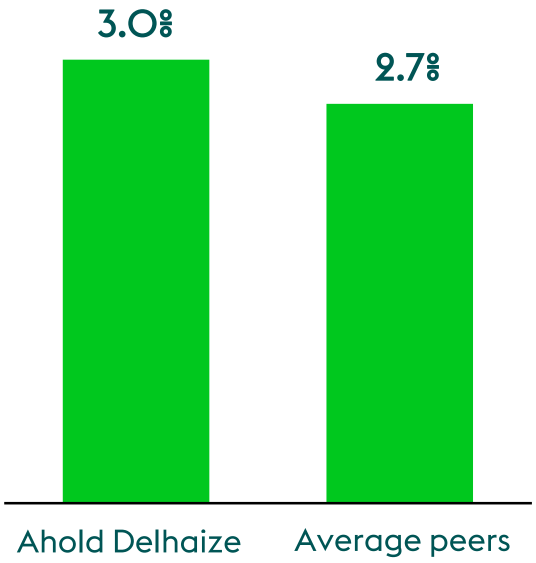
2017 capex expected broadly similar to 2016 at €1.8 billion

In € billion

Geography



Capex/sales (2016e)



Peers include: Carrefour, Casino, Dia, Metro, Morrisons, Tesco, Kroger, Walmart
Source: Deutsche Bank

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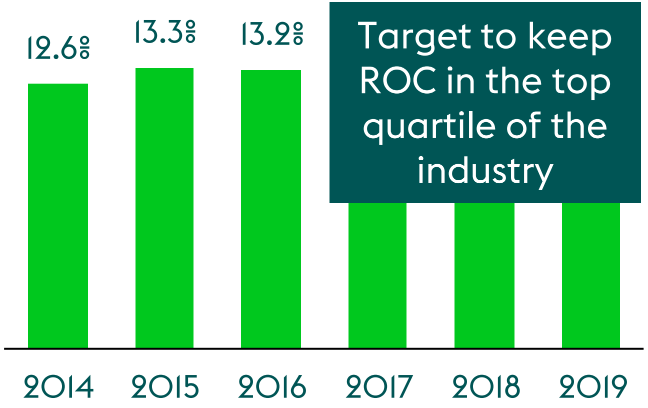
Disciplined approach to capital investment

Maintaining a high return on capital

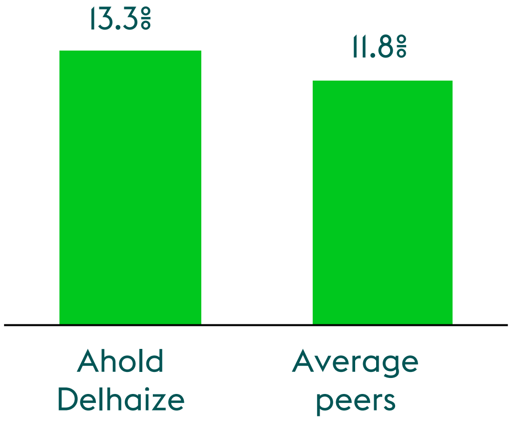
Return on capital



- Clear and strict return criteria for investment decisions
- Return on capital represents 40% of management's Long-Term Incentive

ROC defined as: EBITDAR / (PPE at purchase price + intangibles excl goodwill + Working capital + capitalized operating leases)

Peer comparison (2015)



Peers include: Carrefour, Casino, Dia, Metro, Morrisons, Tesco, Kroger, Walmart, Ingles, Supervalu
Source: Deutsche Bank

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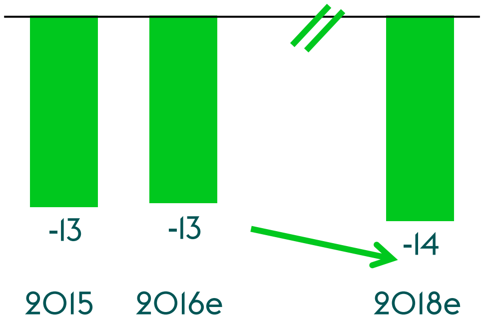
Best in class cash generation

Target to improve working capital by 1 day by 2018

Working capital days



Focus for 2017-2018: review and align working capital approach within the group to:

- Optimize payment terms
- Improve inventory turnover

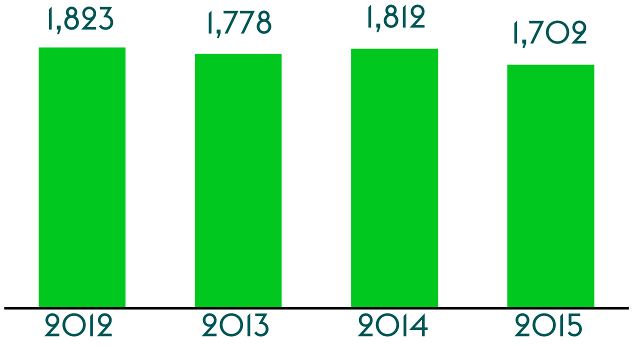
1 day improvement represents €175 million

Target to generate ~€1.6bn FCF in 2017

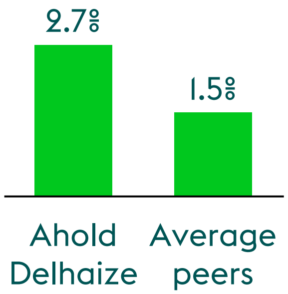
Best in class cash generation

Ahold + Delhaize combined

In € million



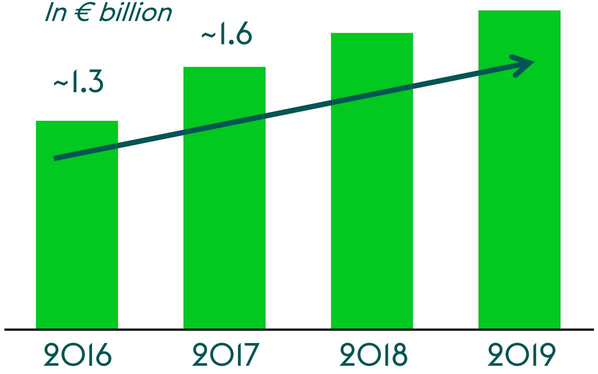
2015 FCF (% of sales)



Peers include: Carrefour, Casino, Dia, Metro, Morrisons, Tesco, Kroger, Walmart

Free cash flow

In € billion



Future free cash flow generation driven by:

- Merger synergies
- Disciplined capital expenditures
- Good profitability of the underlying businesses, supported by cost savings
- 1 day working capital improvement by 2018

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Balanced approach to capital allocation

Our approach to capital allocation

Balanced approach between

Managing our debt portfolio

Funding growth in key channels

Returning excess liquidity to our shareholders

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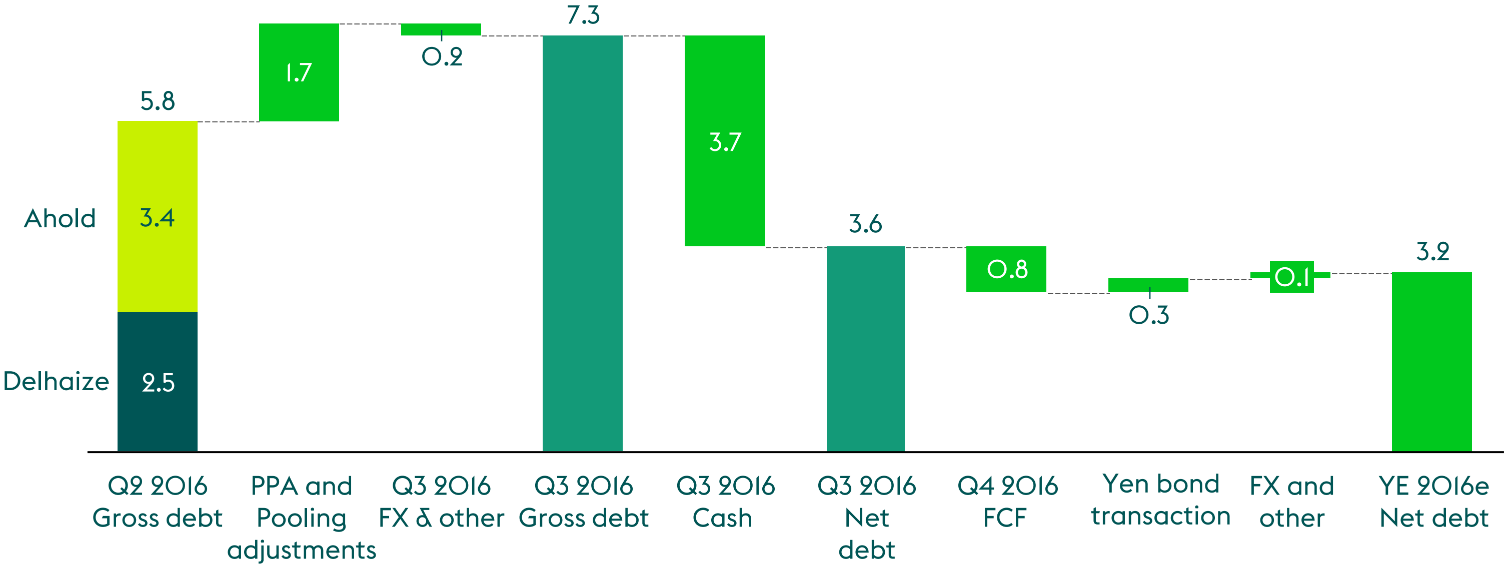
Balanced approach to capital allocation

Ahold Delhaize net debt evolution

In € billion



- PPA adjustments related to fair value adjustments of Delhaize debt and finance leases results in increase in gross and net debt of €0.7 billion
- Gross-up of cash pooling results in increase in gross debt and cash by €1 billion

Balanced approach to capital allocation

Appropriate leverage within credit ratings bandwidth

We will maintain our solid investment grade credit rating and view our leverage as appropriate given it allows us to:

- Fund our growth opportunities
- Maintain financial flexibility
- Maintain a strong liquidity profile while supporting our policy of returning excess liquidity to shareholders

2016 S&P Lease adj. Net debt/EBITDA

S&P Lease adjusted Net debt/EBITDA defined as: (Gross debt – cash + NPV rent commitments + post –retirement liabilities adjustment + multi-employer pension adjustment) / (EBITDA + adjustment for rents and other adjustments)

* 2017 excludes share buybacks

** Peers include: Carrefour, Casino, Dia, Metro, Morrisons, Tesco, Kroger, Walmart

Optimizing our debt portfolio

Balanced approach to capital allocation

Debt and liquidity management objectives are:

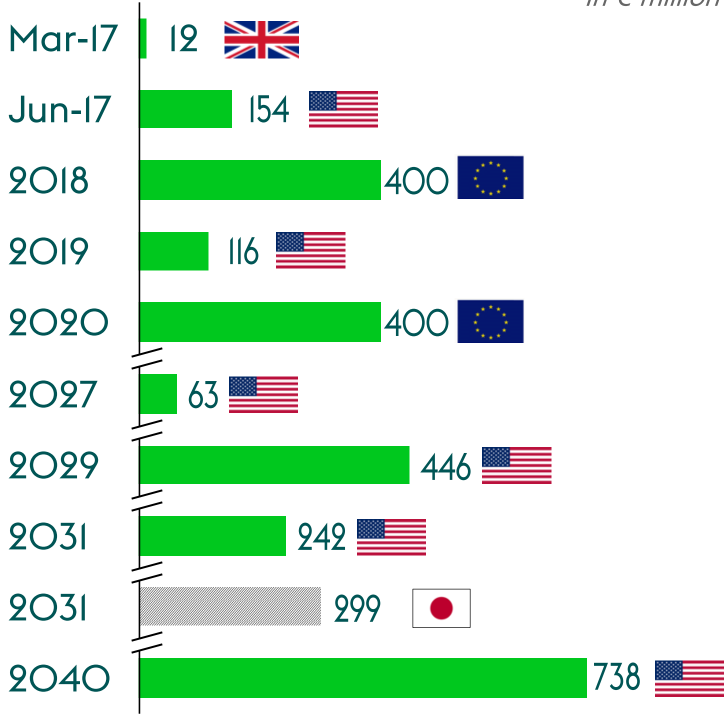
- Achieving efficient balance sheet
- Maintaining strong liquidity
- Reducing refinancing risk

Through a balance between

- Refinancing maturing debt
- Repurchasing expensive debt

Updated debt maturity profile

In € million

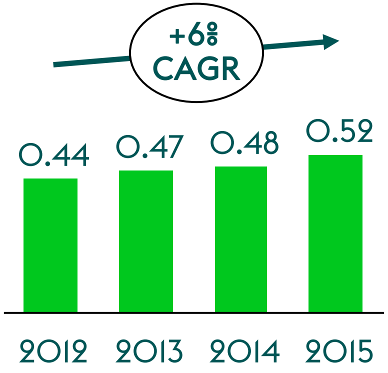


2031 JPY bonds were repurchased in Nov 2016

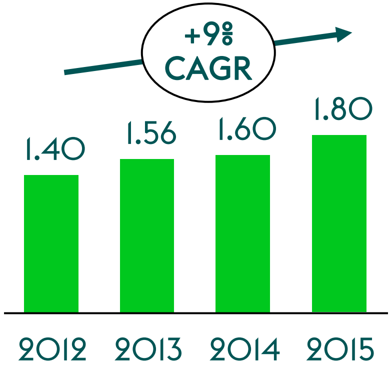
Providing attractive shareholder returns

Balanced approach to capital allocation

Sustainable growth in Dividend per common share (€)



Ahold



Delhaize

40-50% dividend payout ratio (based on pro forma underlying income from continuing operations)

Returning excess liquidity to shareholders

- €1 billion share buyback over 2017
- Starting mid-January 2017

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Strong foundation and confidence in the future

- Strong volume growth in both US segments in Q3
  - Ahold USA: Comparable sales 0.3%, volume growth 1.1%
  - Delhaize America: Comparable sale 1.3%, real growth 2.9%
- Continued growth across Europe in Q3
  - Comparable sales of 3.3% in NL, 1.3% in BE and 6.0% in CSE
- Full year 2016 Group margin expected at 3.6%, 10 bps improvement vs last year
- Net synergies of €220 million (cumulative) expected in 2017, resulting in further margin expansion
- Free cash flow of €1.6bn expected in 2017
- €1 billion share buyback confirming confidence

Cautionary notice

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Words such as strategic, sustainable, buy better, operate smarter, waste less, growth, invest, customer proposition, promises, follow-up, accelerating, opportunities, continuous learning, *increasingly, incremental, future, road map, ambition, growth, going forward, model, innovation, leverage, proposition, leading to and well positioned or other similar words or expressions are typically used to identify forward-looking statements.*

Forward-looking statements are subject to risks, uncertainties and other factors that are difficult to predict and that may cause actual results of Koninklijke Ahold Delhaize N.V. (the "Company") to differ materially from future results expressed or implied by such forward-looking statements. Such factors include, but are not limited to risks relating to competition and pressure on profit margins in the food retail industry; the impact of the Company's outstanding financial debt; future changes in accounting standards; the Company's ability to generate positive cash flows; general economic conditions; the Company's international operations; the impact of economic conditions on consumer spending; turbulences in the global credit markets and the economy; the significance of the Company's U.S. operations and the concentration of its U.S. operations on the east coast of the U.S.; increases in interest rates and the impact of downgrades in the Company's credit ratings; competitive labor markets, changes in labor conditions and labor disruptions; environmental liabilities associated with the properties that the Company owns or leases; the Company's inability to locate appropriate real estate or enter into real estate leases on commercially acceptable terms; exchange rate fluctuations; additional expenses or capital expenditures associated with compliance with federal, regional, state and local laws and regulations in the U.S., the Netherlands, Belgium and other countries; product liability claims and adverse publicity; risks related to corporate responsibility and responsible retailing; the Company's inability to successfully implement its strategy, manage the growth of its business or realize the anticipated benefits of acquisitions; its inability to successfully complete divestitures and the effect of contingent liabilities arising from completed divestitures; unexpected outcomes with respect to tax audits; disruption of operations and other factors negatively affecting the Company's suppliers; the unsuccessful operation of the Company's franchised and affiliated stores; natural disasters and geopolitical events; inherent limitations in the Company's control systems; the failure or breach of security of IT systems; changes in supplier terms; antitrust and similar legislation; unexpected outcome in the Company's legal proceedings; adverse results arising from the Company's claims against its self-insurance programs; increase in costs associated with the Company's defined benefit pension plans; and other factors discussed in the Company's public filings and other disclosures.

Forward-looking statements reflect the current views of the Company's management and assumptions based on information currently available to the Company's management. Forward-looking statements speak only as of the date they are made, and the Company does not assume any obligation to update such statements, except as required by law.

Ahold Delhaize

Together, we build Great Local Brands, bringing Fresh Inspiration Every Day