August 20, 2015

Interim Report

Ahold Finance U.S.A., LLC – Half year 2015
Management report

Ahold Finance U.S.A., LLC ("AFUSA" or the "Company") is a wholly owned subsidiary of Koninklijke Ahold N.V. ("Ahold" or "KA"). As such, AFUSA is part of an international retailing group, being Ahold and its subsidiaries ("Ahold Group"), based in the Netherlands with consumer brands in Europe and the United States. The purpose of AFUSA is to engage in financing activities, with its financial indebtedness and obligations, current and future, guaranteed by KA.

AFUSA's home Member State is the Netherlands, as referred to in the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*). AFUSA has issued notes under a Euro Medium Term Note program, out of which the 2017 notes are in part still outstanding and are admitted to trading at Euronext Amsterdam and at the Luxembourg Stock Exchange. AFUSA also has notes that are due May 2029, which are not listed.

This interim report is a half year report as referred to in section 5:25d sub section 1 of the Dutch Financial Markets Supervision Act and comprises regulated information within the meaning of section 1:1 of this act.

Highlights

During the first half year of 2015, AFUSA's interest income on the $2,575 million loan to Ahold Finance Company N.V. ("AFC") was $112 million. In addition, AFUSA settled an $85 million dividend declaration with KA.

Financial performance

($ million)	HY 2015	HY 2014
Net financial income	80	84
Income taxes	8	7
Net income	**88**	**91**

Net financial income decreased by $4 million mainly as a result of $21 million higher loss on changes in fair value of financial assets and liabilities, offset by $17 million higher net gain on foreign exchange.

As of HY 2015, AFUSA's total assets in the amount of $2,947 million (2014: $2,956 million) mainly included the $2,575 million loan to AFC (unchanged from 2014) and derivatives with KA in the amount of $370 million (2014: $378 million). In HY 2015, the notes payable increased by $2 million to $880 million and equity increased by $3 million to $2,042 million.

Related party transactions
Related party transactions are described in Note 9 to the financial statements.

Governance, risks and uncertainties
As a wholly owned subsidiary of KA, AFUSA benefits from the Ahold Group's corporate governance structure. KA is committed to a corporate governance structure that best suits its business and stakeholders and that complies with the relevant rules and regulations. Ahold applies the relevant principles and best practices of the Dutch Corporate Governance Code in the manner set out in the "governance" sections of Ahold's 2014 annual report.

As a wholly owned subsidiary of KA, AFUSA benefits from the Ahold Group's risk management and control systems, including its enterprise risk management program. These risk management and control systems are designed to ensure that the Company takes a structured and consistent approach to risk management and internal control in order to provide reasonable assurance that business objectives are achieved.

Credit risk
AFUSA's counterparties are related parties within the Ahold Group and its current outstanding obligations to third parties are fully guaranteed by KA. Standard & Poor's upgraded Ahold's corporate credit rating to BBB with a stable outlook in June 2009 and, since then, this rating has remained unchanged. In July 2013, Moody's affirmed Ahold's Baa3 issuer credit rating assigned in July 2007 and changed its outlook to positive from stable. In June 2015, Moody's put Ahold's ratings on review for upgrade.

Financial risk
Refer to Note 7 for the discussion on AFUSA's financial risk management.

Taxation risk
AFUSA is exposed to a number of different tax risks including, but not limited to, changes in tax laws or the interpretation of tax laws. As AFUSA is a part of the fiscal unity between KA and its main Dutch subsidiaries for Dutch corporate income tax, AFUSA, along with other members of the fiscal unity, may face unforeseen tax liabilities in the future for the whole fiscal unity, which could have a material adverse effect on AFUSA's financial position, financial results and liquidity.

Outlook
In the second half of 2015 the Company will assess alternative finance investments that may be implemented following expected changes in the international tax environment.

Independent Auditor's involvement
The content of this interim report has not been audited or reviewed by an independent external auditor.

Declarations
The managers of AFUSA hereby declare that, to the best of their knowledge, the half year financial statements included in this interim report, which have been prepared in accordance with IAS 34, "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position and profit or loss of AFUSA, and the half year management report included in this interim report includes a fair review of the information required pursuant to section 5:25d, subsection 8 of the Dutch Financial Markets Supervision Act.

Zaandam, the Netherlands
August 20, 2015

Management
Eugène Bartman (President and CEO)
Guy Thomson (CFO)
Andre van der Toorn (Treasurer)

Income statement
(unaudited)

($ million)	Note	HY 2015	HY 2014
Interest income	3	112	112
Interest expense	3	(22)	(22)
Other financial income (expense)	3	(10)	(6)
Net financial income		80	84
Income before income taxes		**80**	**84**
Income taxes	4	8	7
Net income attributable to member		**88**	**91**

Statement of comprehensive income
(unaudited)

($ million)	HY 2015	HY 2014
Net income attributable to member	**88**	**91**
Other comprehensive income (loss) reclassifiable to profit or loss	—	—
Total comprehensive income attributable to member	**88**	**91**

Balance sheet
(unaudited)

($ million)	Note	July 12, 2015	December 28, 2014
Assets			
Other non-current financial assets (related parties)	5,9	2,945	2,953
Total non-current assets		**2,945**	**2,953**
Receivables from related parties	5,9	2	3
Total current assets		**2**	**3**
Total assets		**2,947**	**2,956**
Equity and liabilities			
Share capital		—	—
Additional paid-in capital		1,166	1,166
Retained earnings		788	704
Net income		88	169
Member’s equity	8	**2,042**	**2,039**
Notes payable	6	880	878
Deferred tax liabilities	4	10	14
Total non-current liabilities		**890**	**892**
Interest payable	6	15	25
Total current liabilities		**15**	**25**
Total equity and liabilities		**2,947**	**2,956**

Statement of changes in equity
(unaudited)

($ million)	Note	Share capital	Additional paid-in capital	Legal reserves: Currency translation reserve	Legal reserves: Cash flow hedging reserve	Legal reserves: Legal reserves participations	Retained earnings including result for the year	Member's equity
Balance as of December 29, 2013		**—**	**1,166**	**—**	**1**	**—**	**853**	**2,020**
Net income		—	—	—	—	—	91	91
Other comprehensive income (loss)		—	—	—	—	—	—	—
Total comprehensive income		—	—	—	—	—	91	91
Dividends		—	—	—	—	—	(83)	(83)
Balance as of July 13, 2014	*8*	**—**	**1,166**	**—**	**1**	**—**	**861**	**2,028**
Balance as of December 28, 2014		**—**	**1,166**	**—**	**—**	**—**	**873**	**2,039**
Net income		—	—	—	—	—	88	88
Other comprehensive income (loss)		—	—	—	—	—	—	—
Total comprehensive income		—	—	—	—	—	88	88
Dividends		—	—	—	—	—	(85)	(85)
Balance as of July 12, 2015	*8*	**—**	**1,166**	**—**	**—**	**—**	**876**	**2,042**

Statement of cash flows
(unaudited)

($ million)	HY 2015	HY 2014
Interest receivable settled	112	112
Interest payable settled	(32)	(33)
Income taxes	6	6
Net change from operating activities	**86**	**85**
Transfer of investments	—	—
Transfer loan receivable	—	—
Net change from investing activities	**—**	**—**
Derivative settlements	(2)	(1)
Dividends	(85)	(83)
Net change from financing activities	(87)	(84)
Change in current account with the parent company	(1)	1
Current account balance with the parent company:		
Balance at the beginning of the reporting period	3	2
Balance at the end of the of the reporting period	2	3
Change in current account with the parent company	(1)	1

* The presentation of the HY 2014 cash flows has been changed to conform to the HY 2015 presentation.

As the Company does not maintain its own bank account there are no cash flows from operations, investing and financing activities. Cash settlements are paid or received on its behalf by other group companies. The related balance, referred to above (current account with the parent company), is reflected in receivables from related parties.

Notes to the financial statements

1. AFUSA and its operations

Ahold Finance U.S.A., LLC ("AFUSA" or "the Company") is a limited liability company duly organized and validly existing under the laws of Delaware (in the United States), having its statutory seat in Delaware and managed and controlled in Zaandam, the Netherlands. AFUSA was formed on December 18, 2001, and is governed by its operating agreement, which was last amended and restated on July 2, 2012. Until April 24, 2002, AFUSA was known as "Ahold Finance U.S.A., Inc." On April 24, 2002, Ahold Finance U.S.A., Inc. merged into Ahold International Finance LLC and changed its name to Ahold Finance U.S.A., LLC.

The purpose of AFUSA is to engage in financing activities and any other business activity in connection with the foregoing. AFUSA's operation falls under the Dodd-Frank regulation. The Company is eligible for and utilizes an exemption to the Dodd-Frank regulation.

The parent company of AFUSA is Koninklijke Ahold N.V. ("Ahold" or "KA").

2. Accounting policies

Basis of preparation

These condensed interim financial statements ("interim financial statements") have been prepared in accordance with IAS 34 "Interim Financial Reporting." The accounting policies applied by AFUSA are consistent with those applied in AFUSA's 2014 financial statements, except for any change arising from the new standards and amendments to existing standards effective for 2015, as described further below.

AFUSA's reporting calendar is based on Ahold's reporting calendar and consists of 13 periods of four weeks, with the first half ("HY") of 2015 comprising 28 weeks, and ending on July 12, 2015 (HY 2014: 28 weeks ending on July 13, 2014).

New and revised IFRSs effective in 2015

Annual improvements to IFRSs 2010-2012 and to IFRSs 2011-2013

Annual improvements to IFRSs 2010-2012 Cycle and annual improvements to IFRSs 2011-2013 Cycle made a number of amendments to various IFRSs, which, based on AFUSA's current financial position, will not have a significant effect on the financial statements.

3. Net financial result

($ million)	HY 2015	HY 2014
Interest income	112	112
Interest expense	(22)	(22)
Gain on foreign exchange - net	1	(16)
Fair value gain (losses) on financial instruments	(11)	10
Net financial income	**80**	**84**

Interest income relates to the loan to AFC ($2,575 million). For additional information, see Note 5.

Interest expense primarily relates to financial liabilities measured at amortized cost (mainly notes).

The gain on foreign exchange includes a $1 million gain from foreign exchange translation on the GBP 500 million notes (with GBP 250 million outstanding amount). The first half of 2014 included a $16 million loss on foreign exchange on the GBP 500 million notes.

Fair value gain (losses) on financial instruments mainly include fair value changes in swaps related to the GBP 500 million notes. These swaps do not qualify for hedge accounting treatment.

4. Income taxes

For Dutch corporate income tax purposes, AFUSA is part of the fiscal unity between KA and its major Dutch subsidiaries. As a consequence, AFUSA is jointly and severally liable for the Dutch corporate income tax liabilities of the fiscal unity.

5. Other current and non-current financial assets

($ million)	July 12, 2015 Current	Non-current	Total	December 28, 2014 Current	Non-current	Total
Loans receivable from related parties	—	2,575	2,575	—	2,575	2,575
Other receivables from related parties	2	—	2	3	—	3
Related party other derivatives	—	370	370	—	378	378
Total other financial assets	**2**	**2,945**	**2,947**	**3**	**2,953**	**2,956**

On June 17, 2013, KA assigned to AFUSA its subordinated loan facility for a total amount of $5 billion of which $2,575 million was withdrawn by means of a loan to AFC. The amount of interest due under the loan facility in respect of each interest period shall not exceed the net income of the borrower in the financial reporting year to which the respective interest period relates. The interest rate is 7.97%.To the extent the interest in respect of any interest period is not due, that (part of the) interest is added to the interest accrued in the next interest period.

The value of the other derivatives relates to a cross-currency swap and an interest rate swap on the GBP 500 million notes (with GBP 250 million outstanding amount, see Note 7).

6. Financial liabilities

	July 12, 2015				December 28, 2014			
	Current	Non-current			Current	Non-current		
($ million)	Within 1 year	From 1 to 5 years	After 5 years	Total	Within 1 year	From 1 to 5 years	After 5 years	Total
GBP 500 notes 6.50%, due March 2017[1]	—	380	—	380	—	378	—	378
USD 500 notes 6.875%, due May 2029	—	—	500	500	—	—	500	500
Total notes	—	380	500	880	—	378	500	878
Interest payable	15	—	—	15	25	—	—	25
Total financial liabilities	15	380	500	895	25	378	500	903

[1] During 2005 AFUSA bought back GBP 250 million of the notes. The remaining notional redemption amount of GBP 250 million ($389 million) has been reduced by $9 million representing an amount which is amortized until the remaining terms of the notes, that relates to a hedging instrument that stopped qualifying for fair value hedge accounting. The remaining notional amount of GBP 250 million was, through two intra-group swap contracts, swapped to $356 million and carries a six-month floating U.S. dollar interest rate. AFUSA is required under these swap contracts to redeem the U.S. dollar notional amount through semi-annual installments that commenced in September 2004.

7. Financial risk management and financial instruments

Fair values of financial instruments

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

	July 12, 2015		December 28, 2014	
$ million	Carrying amount	Fair value	Carrying amount	Fair value
Loans receivable from related parties	2,575	2,575	2,575	2,575
Other receivables from related parties	2	2	3	3
Derivatives	370	370	378	378
Total financial assets	**2,947**	**2,947**	**2,956**	**2,956**
Notes	880	1,038	878	1,074
Interest payable	15	15	25	25
Total financial liabilities	**895**	**1,053**	**903**	**1,099**

Of AFUSA's categories of financial instruments, only derivatives 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 calculated based on discounted expected future cash flows. Interest rate swaps and cross currency swaps are measured at the present value of expected future cash flows and discounted based on the applicable yield curves derived from quoted interest rates.

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

The carrying amount of interest payable and other receivables from related parties approximate their fair values because of the short-term nature of these instruments. The fair values of quoted borrowings are based on year-end ask-market quoted prices. The fair values of loans receivable from related parties that are not traded in an active market are estimated using a benchmark of financial instruments with comparable duration taking into account the Company's credit status. Given the nature of the subordinated loan facility with AFC, the Company determined a range of interest rates to approximate the fair value of this financial instrument. Changes in fair value are disclosed when the median of the current year determined range of interest rates falls outside the prior year range.

8. Member's equity

Member interest

The capital of the Company is composed of uncertificated membership interests, which are not divided into classes or numbers. Members of the Company have an interest in the capital and profit and loss of AFUSA, relative to their respective capital contributions to the Company (the "Member Interest").

KA is AFUSA's sole member since July 13, 2010, holding a 100% interest in the capital and profit and loss of the Company.

Share capital and additional paid-in capital

The Company's share capital is ten U.S. dollars. During 2013, the additional paid-in capital increased by $369 million, which reflected two capital contributions from KA of $16 million and $428 million, offset by a $75 million dividend. The net $428 million capital contribution was received from KA on June 17, 2013 as a result of the intra-group reorganization, referred to below.

Legal reserves

In accordance with the Dutch Civil Code, legal reserves have to be established in certain circumstances. The currency translation reserve, cash flow hedging reserve and legal reserve participation are legal reserves. Legal reserves are not available for distribution to the Company's shareholders. If the currency translation reserve or the cash flow hedging reserve has a negative balance, distributions to the Company's shareholders are restricted to the extent of the negative balance.

On June 17, 2013, KA completed an intra-group reorganization, whereby KA assigned to AFUSA its subordinated loan facility with AFC and in exchange for the assignment AFUSA transferred its 25% shareholding in AIS and AFC.

Dividend
During 2015, AFUSA settled a $85 million dividend declaration with KA (HY 2014: $83 million).

9. Related parties
AFUSA has entered into arrangements with related parties within the Ahold Group in the ordinary course of business. These arrangements relate to financing agreements.

For the periods shown below, AFUSA had the following transactions and positions with its related parties:

	Income statement HY 2015			Balance sheet July 12, 2015	
($ million)	Interest income	Interest expense	Fair value changes in derivatives	Amount owed by	Amount owed to
KA (parent company)	—	(1)	(9)	372	—
AFC	112	—	—	2,575	—
Total	**112**	**(1)**	**(9)**	**2,947**	**—**

	Income statement HY 2014			Balance sheet December 28, 2014	
($ million)	Interest income	Interest expense	Fair value changes in derivatives	Amount owed by	Amount owed to
KA (parent company)	—	(1)	14	381	—
AFC	112	—	—	2,575	—
Total	**112**	**(1)**	**14**	**2,956**	**—**

AFUSA has no employees. In accordance with the AFUSA's operating agreement, no remuneration is paid to the management.

10. Guarantee

KA provided AFUSA with a guarantee of the current outstanding obligations to third parties of AFUSA as of July 30, 2010.

AFUSA is part of a fiscal unity with KA and its main Dutch subsidiaries for Dutch corporate income tax purposes. For that reason, it is jointly and severally liable for the Dutch corporate income tax liabilities of the whole fiscal unity.

11. Subsequent events

There were no significant subsequent events.

Zaandam, the Netherlands
August 20, 2015

Management
Eugène Bartman
Guy Thomson
Andre van der Toorn

Cautionary notice

This 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 the benefits of AFUSA from the Ahold Group's corporate governance structure and the Ahold Group's risk management and control systems, including its enterprise risk management program, credit risks, financial risks, taxation risks, alternative finance investments following expected changes in the international tax environment and the effect of improvements in accounting standards on the consolidated financial statements of AFUSA. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed implied by the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond AFUSA's or its parent company Koninklijke Ahold N.V.("KA")'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, the ability to implement and complete successfully its plans and strategies, the benefits from and resources generated by plans and strategies being less than or different from those anticipated, changes in liquidity needs, actions of third parties, IT continuity, information security, legislative and regulatory environment and litigation risks, insurance and unforeseen tax liabilities and other factors discussed in respective AFUSA's and KA's public filings and disclosures. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. Neither AFUSA nor KA assumes any obligation to update any public information or forward-looking statements (referred to) in this report to reflect subsequent events or circumstances, except as may be required by applicable laws.