First Quarter 2009
May 28, 2009

Interim Report

Q1 2009 highlights

- Sales up 15% to € 8.7 billion
- Operating income up 18% to € 396 million
- Net income € 196 million
- Stop & Shop/Giant-Landover operating income up 20% to $ 242 million

Amsterdam, the Netherlands – Ahold today published its interim report for the first quarter 2009.
CEO John Rishton said: "In our first quarter we continued to make good progress with our strategy for profitable growth. We had strong sales and solid margins in the Netherlands and the United States, despite the challenging economic environment.

"Identical sales growth at Stop & Shop and Giant-Landover were the strongest in many years, helping us grow market share and margin. Giant-Carlisle gained significant market share in a highly competitive and promotional market.

"In Europe, Albert Heijn continued to successfully balance sales, market share and margin. In Central Europe, the weak economy and the introduction of the euro in Slovakia impacted results. We are taking aggressive restructuring actions in both the Czech Republic and Slovakia to build a firm foundation for the future.

"Net income for the first quarter for the group was down 25%, reflecting higher taxes and a € 66 million net provision for lease guarantees for BI-LO and Bruno's."

€ million	Q1 2009	Q1 2008*	% Change
Net sales	8,654	7,514	15.2%**
Operating income	396	336	17.9%
Income from continuing operations	253	221	14.5%
Net income	196	261	(24.9)%

* Comparative figures reflect the changes in accounting policies as disclosed in note 2 to the interim financial statements.

** At constant exchange rates, net sales increased by 6.2%.

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Group performance (compared to Q1 2008)

Net sales were € 8.7 billion, up 15.2%. At constant exchange rates, net sales increased by 6.2%.

Operating income was € 396 million, up 17.9%. Retail operating income was € 414 million, a retail operating margin of 4.8% compared to 4.9% last year. Underlying retail operating margin (excluding impairments, gains on the sale of assets and restructuring and related charges) remained unchanged at 4.9%. Corporate Center costs were € 18 million for the quarter, down € 16 million, mainly due to lower charges from the Company's self-insurance activities.

Income from continuing operations was up 14.5% at € 253 million, reflecting a higher operating income partly offset by higher income taxes. Net income was € 196 million, which included a net provision under discontinued operations of € 66 million, representing Ahold's estimate of obligations under the lease guarantees for its former subsidiaries BI-LO and Bruno's, which have filed for protection under Chapter 11 of the U.S. Bankruptcy Code in the first quarter of 2009.

Cash flow before financing activities was € 216 million; € 55 million lower than in the same quarter last year. Increased cash from operating activities was more than offset by higher capital spend and lower interest received.

Performance by segment (compared to Q1 2008)

Stop & Shop/Giant-Landover

Net sales of $ 5.3 billion were up 3.6%. Identical sales were up 3.1% at Stop & Shop (4.8% excluding gasoline) and up 3.6% at Giant-Landover (3.6% excluding gasoline), despite lower pharmacy sales. Operating income was $ 242 million (or 4.5% of net sales), up $ 40 million, and included a non-recurring rent charge of $15 million.

Giant-Carlisle

Net sales of $ 1.5 billion were up 3.4%. Identical sales were up 1.1% (4.3% excluding gasoline). Operating income was $ 71 million (or 4.9% of net sales), down $ 1 million compared to the same period last year, primarily due to increased promotional activity.

Albert Heijn

Net sales of € 3.0 billion were up 12.3%. Net sales at Albert Heijn supermarkets were € 2.8 billion, up 12.7%, almost half of which was due to the conversion of former Schuitema stores into the Albert Heijn format in the second half of 2008 and early 2009. Identical sales at Albert Heijn supermarkets increased 4.7%. Operating income remained unchanged at € 189 million (or 6.3% of net sales), despite higher pension costs.

Albert/Hypernova (Czech Republic and Slovakia)

Net sales decreased 3.9% to € 491 million. At constant exchange rates, net sales increased 1.4%. Identical sales increased by 1.0% (2.0% excluding gasoline). Operating loss for the quarter was € 14 million, compared to a loss of € 1 million last year, primarily due to impairments and restructuring and related charges of € 12 million, mainly for the planned closure of underperforming stores in the Czech Republic. We expect further charges this year related to our restructuring activities.

Unconsolidated joint ventures

For the first quarter, Ahold's income from joint ventures decreased 53.8% to € 6 million. The decrease was primarily due to higher income taxes at ICA.

Sales and operating margins are summarized as follows:

Identical[1]/comparable[2] sales growth (% year over year)

	Q1 2009 identical	Q1 2009 identical excluding gasoline net sales	Q1 2009 comparable
Stop & Shop	3.1%	4.8%	3.6%
Giant-Landover	3.6%	3.6%	4.0%
Giant-Carlisle	1.1%	4.3%	1.8%
Albert Heijn[3]	4.7%	4.7%	
Albert/Hypernova	1.0%	2.0%	

1. Net sales from exactly the same stores in local currency.
2. Identical sales plus net sales from replacement stores in local currency. Comparable sales are only reported for Ahold's US retail companies.
3. Identical sales represent the identical sales of Albert Heijn supermarkets.

Operating margin

Operating margin is defined as operating income as a percentage of net sales. For a discussion of operating income, see note 3 to the interim financial statements included in this report.

	Q1 2009	Q1 2008*
Stop & Shop/Giant-Landover	4.5%	3.9%
Giant-Carlisle	4.9%	5.1%
Albert Heijn	6.3%	7.1%
Albert/Hypernova	(2.9)%	(0.2)%
Total retail	**4.8%**	**4.9%**

* Comparative figures reflect the changes in accounting policies as disclosed in note 2 to the interim financial statements.

Other financial and operating information

Store portfolio[1]

	End of 2008	Opened/ acquired	Closed/ sold	End of Q1 2009	End of Q1 2008
Stop & Shop/Giant-Landover	563	2	(1)	564	559
Giant-Carlisle	148	1	-	149	147
Albert Heijn[2]	1,861	11	(7)	1,865	1,767
Albert/Hypernova	325	-	(1)	324	316
Total retail	**2,897**	**14**	**(9)**	**2,902**	**2,789**

1. Including franchise stores and associated stores.
2. Number of stores at the end of Q1 2009 includes 1,038 specialty stores (Etos and Gall & Gall).

EBITDA

EBITDA is defined as net income before net financial expense, income taxes, depreciation and amortization. However, EBITDA does not exclude impairments. Impairments per segment are disclosed in note 4 to the interim financial statements included in this report.

(€ million)	Q1 2009	Q1 2008	% change
Stop & Shop/Giant-Landover	310	240	29.2%
Giant-Carlisle	87	73	19.2%
Ahold USA	397	313	26.8%
Albert Heijn	247	235	5.1%
Albert/Hypernova	1	14	(92.9)%
Ahold Europe	248	249	(0.4)%
Corporate Center	(18)	(33)	45.5%
	627	529	18.5%
Share in income of joint ventures	6	13	(53.8)%
Income from discontinued operations	(57)	40	(242.5)%
Total EBITDA	**576**	**582**	**(1.0)%**

Net debt

(€ million)	April 19, 2009	December 28, 2008	% change
Loans	2,370	2,260	4.9%
Finance lease liabilities	1,076	1,025	5.0%
Cumulative preferred financing shares	497	497	-
Non-current portion of long-term debt	3,943	3,782	4.3%
Short-term borrowings and current portion of long term debt	546	459	19.0%
Gross debt	4,489	4,241	5.8%
Less: cash and cash equivalents[1]	3,124	2,863	9.1%
Net debt	**1,365**	**1,378**	**(0.9)%**

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. Net cash book overdrafts amounted to € 145 million and € 195 million as of April 19, 2009 and December 28, 2008, respectively.

Consolidated interim income statement

(unaudited)

(€ million, except per share data)	Note	Q1 2009	Q1 2008*
Net sales	3	**8,654**	**7,514**
Cost of sales	6	(6,291)	(5,512)
Gross profit		2,363	2,002
Selling expenses		(1,716)	(1,441)
General and administrative expenses	4,5	(251)	(225)
Total operating expenses	6	(1,967)	(1,666)
Operating income	3	**396**	**336**
Interest income		14	40
Interest expense		(108)	(112)
Other financial income (expense)		11	(8)
Net financial expense		(83)	(80)
Income before income taxes		**313**	**256**
Income taxes		(66)	(48)
Share in income of joint ventures	7	6	13
Income from continuing operations		**253**	**221**
Income (loss) from discontinued operations	8	(57)	40
Net income		**196**	**261**
Attributable to:			
Common shareholders		196	258
Non-controlling interests		-	3
Net income		**196**	**261**
Net income per share:			
basic		0.17	0.22
diluted		0.16	0.22
Income from continuing operations per share:			
basic		0.21	0.19
diluted		0.21	0.19
Weighted average number of common shares outstanding (in millions):			
basic		1,178	1,172
diluted		1,246	1,233
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.7622	0.6618

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

Consolidated interim statement of comprehensive income

(unaudited)

(€ million)	Q1 2009	Q1 2008
Net income	**196**	**261**
Currency translation differences in foreign interests:		
Currency translation differences before tax	170	(107)
Income taxes	-	(1)
Cash flow hedges:		
Cash flow hedges before tax	14	(5)
Income taxes	(3)	1
Share of other comprehensive income of joint ventures, net of income tax	28	(9)
Other comprehensive income (loss)	209	(121)
Total comprehensive income	**405**	**140**
Attributable to:		
Common shareholders	405	137
Non-controlling interests	-	3
Total comprehensive income	**405**	**140**

Consolidated interim balance sheet

(unaudited)

(€ million)	Note	April 19, 2009	December 28, 2008*
Assets			
Property, plant and equipment		5,739	5,526
Investment property		522	501
Intangible assets		635	598
Investments in joint ventures		835	802
Other non-current financial assets		521	485
Deferred tax assets		408	358
Other non-current assets		27	26
Total non-current assets		8,687	8,296
Assets held for sale		178	179
Inventories		1,322	1,319
Receivables		688	744
Other current financial assets		18	18
Income taxes receivable		11	66
Other current assets		165	107
Cash and cash equivalents	*9*	3,124	2,863
Total current assets		5,506	5,296
Total assets		**14,193**	**13,592**
Quarter-end U.S. dollar exchange rate (euro per U.S. dollar)		0.7668	0.7111

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

Consolidated interim balance sheet – *continued*

(unaudited)

(€ million)	Note	April 19, 2009	December 28, 2008*
Equity and liabilities			
Equity attributable to common shareholders		5,091	4,676
Loans		2,370	2,260
Other non-current financial liabilities		1,733	1,664
Pensions and other post-employment benefits		126	113
Deferred tax liabilities		138	115
Provisions		618	442
Other non-current liabilities		213	184
Total non-current liabilities		5,198	4,778
Accounts payable		2,005	2,284
Other current financial liabilities		652	578
Income taxes payable		113	101
Provisions		150	170
Other current liabilities		984	1,005
Total current liabilities		3,904	4,138
Total equity and liabilities		**14,193**	**13,592**
Quarter-end U.S. dollar exchange rate (euro per U.S. dollar)		0.7668	0.7111

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

Consolidated interim statement of changes in equity

(unaudited)

(€ million)	Share capital	Additional paid-in capital	Legal reserves: Currency translation reserve	Legal reserves: Cash flow hedging reserve	Legal reserves: Other legal reserves	Accumulated deficit	Equity attributable to common shareholders
Balance as of December 30, 2007	**381**	**10,699**	**(635)**	**(39)**	**327**	**(6,923)**	**3,810**
Total comprehensive income	-	-	(116)	(5)	-	258	137
Retirement of treasury shares	(23)	(779)	-	-	-	802	-
Share-based payments	-	-	-	-	-	17	17
Change in other legal reserves	-	-	-	-	13	(13)	-
Other	-	(4)	-	-	-	7	3
Balance as of April 20, 2008	**358**	**9,916**	**(751)**	**(44)**	**340**	**(5,852)**	**3,967**
Balance as of December 28, 2008	**358**	**9,916**	**(643)**	**(63)**	**368**	**(5,260)**	**4,676**
Total comprehensive income	-	-	199	10	-	196	405
Share-based payments	-	-	-	-	-	10	10
Change in other legal reserves	-	-	-	-	6	(6)	-
Balance as of April 19, 2009	**358**	**9,916**	**(444)**	**(53)**	**374**	**(5,060)**	**5,091**

Consolidated interim statement of cash flows

(unaudited)

(€ million)	Note	Q1 2009	Q1 2008
Operating income		396	336
Adjustments for:			
Depreciation, amortization and impairments		241	195
Gains on the sale of assets/disposal groups held for sale		(4)	(10)
Other		8	9
Operating cash flows before changes in working capital		641	530
Changes in inventories		57	43
Changes in receivables and other current assets		23	56
Changes in payables and other current liabilities		(322)	(191)
Changes in non-current assets and liabilities		(9)	(38)
Cash generated from operations		390	400
Income taxes (paid) received - net		37	(69)
Operating cash flows from continuing operations		427	331
Operating cash flows from discontinued operations		(4)	42
Net cash from operating activities		***423***	***373***
Purchase of non-current assets		(236)	(194)
Divestments of assets/disposal groups held for sale		7	14
Acquisition of businesses, net of cash acquired		(2)	(7)
Dividends from joint ventures		1	-
Interest received		14	43
Repayments of loans receivable		-	28
Other		(3)	11
Investing cash flows from continuing operations		(219)	(105)
Investing cash flows from discontinued operations		12	3
Net cash from investing activities		***(207)***	***(102)***
Interest paid		(87)	(80)
Repayments of loans		(6)	(9)
Repayments of finance lease liabilities		(14)	(13)
Changes in short-term loans		53	19
Other		(8)	(3)
Financing cash flows from continuing operations		(62)	(86)
Financing cash flows from discontinued operations		(1)	(34)
Net cash from financing activities		***(63)***	***(120)***
Net cash from operating, investing and financing activities	*9*	**153**	**151**
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.7622	0.6618

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 9.

Notes to the condensed consolidated interim 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. In addition, some subsidiaries finance, develop and manage store sites and shopping centers, primarily to support retail operations. The activities of Ahold are to some extent subject to seasonal influences. Ahold's retail business generally experiences an increase in net sales in the fourth quarter of each year, resulting mainly from holiday sales.

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

2. Accounting policies

Basis of preparation
These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies applied in these interim financial statements are consistent with those applied in Ahold's 2008 consolidated financial statements, except as described below under "changes in accounting policies".

Ahold's reporting calendar is based on 13 periods of four weeks, with 2009 comprising 53 weeks and 2008 comprising 52 weeks. The first quarters of 2009 and 2008 each comprise 16 weeks. The financial year of Ahold's unconsolidated joint venture ICA AB ("ICA") corresponds to the calendar year. Any significant transactions and/or events between ICA's quarter-end and Ahold's quarter-end are taken into account in the preparation of Ahold's interim financial statements.

Changes in accounting policies
As of 2009, Ahold has applied IFRIC 13 "Customer Loyalty Programs", which addresses accounting by entities that grant customer loyalty award credits to their customers. The adoption of IFRIC 13, which Ahold has applied retrospectively, resulted in a decrease of net sales of € 7 million, a decrease of cost of sales of € 6 million and a decrease of general and administrative expenses of € 1 million for Q1 2008. The 2008 year-end balances have also been changed accordingly, with the effect that other current financial liabilities decreased by € 1 million and the other current liabilities increased by the same amount.

As of 2009, rent income earned by certain real estate subsidiaries is netted against the related expense, whereas previously it was included in net sales. Comparative information has been changed accordingly, with the effect that Q1 2008 net sales decreased by € 17 million, selling expenses decreased by € 14 million and cost of sales decreased by € 3 million.

As of 2009, following the changes made to IAS 40 "Investment Property" as part of the 2008 annual improvements to IFRSs, property that is being constructed or developed for future use as investment property is considered investment property. Comparative information has been changed accordingly, with the effect that the property, plant and equipment balance decreased by € 6 million and the investment property balance increased by the same amount as of December 28, 2008.

In the aggregate, the above changes did not have a material impact on the balance sheet position. Therefore, the presentation of a third balance sheet as of the beginning of the earliest comparative period was not deemed necessary.

Income statement reclassification
Comparative information in the consolidated interim income statement has been changed to present certain intercompany eliminations on the same line item. This resulted in an increase of selling expenses by € 6 million and a decrease of general and administrative expenses by € 6 million, with no impact to operating income.

3. Segment reporting

Ahold's retail operations are presented in five segments. In addition, Ahold's Corporate Center is presented separately.

Segment	Significant operations in the segment
Stop & Shop/Giant-Landover	Stop & Shop, Giant-Landover and Peapod
Giant-Carlisle	Giant-Carlisle
Albert Heijn	Albert Heijn, Etos, Gall & Gall and Ahold Coffee Company
Albert/Hypernova	Czech Republic and Slovakia
Other retail	Unconsolidated joint ventures ICA (60%) and JMR[1] (49%)
Corporate Center	Corporate staff (the Netherlands, Switzerland and the United States)

1. Classified as held for sale and discontinued operation, as further disclosed in note 8.

Net sales

Net sales per segment are as follows:

(€ million)	Q1 2009	Q1 2008*	% change
Stop & Shop/Giant-Landover	4,056	3,403	19.2%
Giant-Carlisle	1,114	936	19.0%
Ahold USA	5,170	4,339	19.2%
Albert Heijn	2,993	2,664	12.3%
Albert/Hypernova	491	511	(3.9)%
Ahold Europe	3,484	3,175	9.7%
Ahold Group	**8,654**	**7,514**	**15.2%**

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

Net sales of Ahold's U.S. segments in U.S. dollars are as follows:

(million)	Q1 2009	Q1 2008*	% change
Stop & Shop/Giant-Landover	5,323	5,139	3.6%
Giant-Carlisle	1,462	1,414	3.4%
Net sales of U.S. segments in U.S. dollars	6,785	6,553	3.5%
Average U.S. dollar exchange rate	*0.7622*	*0.6618*	*15.2%*
Net sales of U.S. segments in euros	5,170	4,339	19.2%

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

Net sales of Ahold's unconsolidated joint venture ICA amounted to € 2,062 million and € 2,266 million for Q1 2009 and Q1 2008, respectively.

Operating income

Operating income (loss) per segment is as follows:

(€ million)	Q1 2009	Q1 2008	% change
Stop & Shop/Giant-Landover	185	134	38.1%
Giant-Carlisle	54	48	12.5%
Ahold USA	239	182	31.3%
Albert Heijn	189	189	-
Albert/Hypernova	(14)	(1)	n/m
Ahold Europe	175	188	(6.9)%
Corporate Center	(18)	(34)	47.1%
Ahold Group	**396**	**336**	**17.9%**

Operating income of Ahold's U.S. segments in U.S. dollars is as follows:

(million)	Q1 2009	Q1 2008	% change
Stop & Shop/Giant-Landover	242	202	19.8%
Giant-Carlisle	71	72	(1.4)%
Operating income of U.S. segments in U.S. dollars	313	274	14.2%
Average U.S. dollar exchange rate	*0.7622*	*0.6618*	*15.2%*
Operating income of U.S. segments in euros	239	182	31.3%

Stop & Shop/Giant-Landover
Operating income in Q1 2009 included expenses of $ 15 million (€ 11 million) resulting from an adjustment of step rents on operating leases related to the years 2006 to 2008.

Operating income in Q1 2008 included restructuring charges of $ 6 million (€ 4 million) consisting primarily of lease termination charges. Furthermore, Q1 2008 operating income included gains on the sale of assets of $ 7 million (€ 5 million) and impairment losses of $ 3 million (€ 2 million).

Albert Heijn
Operating income in Q1 2009 reflects higher costs from the Company's defined benefit pension plans compared to Q1 2008 of € 21 million.

Operating income in Q1 2008 included gains on the sale of assets of € 5 million.

Albert/Hypernova
Q1 2009 operating income included impairment losses of € 7 million and restructuring and related charges of € 5 million, mainly for the planned closure of underperforming stores in the Czech Republic.

Corporate Center
Operating result in Q1 2009 included lower charges from the Company's self-insurance activities compared to Q1 2008 of € 13 million. This mainly reflects changes in the discount rate.

For an overview of impairments and gains on the sale of assets per segment, see notes 4 and 5 below.

4. Impairment of assets

General and administrative expenses include the following impairments and reversals of impairments of non-current assets and disposal groups held for sale:

(€ million)	Q1 2009	Q1 2008
Stop & Shop/Giant-Landover	(1)	(2)
Giant-Carlisle	-	-
Ahold USA	(1)	(2)
Albert Heijn	(2)	-
Albert/Hypernova	(7)	-
Ahold Europe	(9)	-
Corporate Center	-	-
Ahold Group	**(10)**	**(2)**

For a discussion of significant impairments, see note 3.

5. Gains on the sale of assets

General and administrative expenses include the following gains on the sale of non-current assets and disposal groups held for sale:

(€ million)	Q1 2009	Q1 2008
Stop & Shop/Giant-Landover	-	5
Giant-Carlisle	-	-
Ahold USA	-	5
Albert Heijn	4	5
Albert/Hypernova	-	-
Ahold Europe	4	5
Corporate Center	-	-
Ahold Group	**4**	**10**

For a discussion of significant gains on the sale of assets, see note 3.

6. Expenses by nature

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

(€ million)	Q1 2009	Q1 2008*
Cost of product	5,995	5,250
Employee benefit expenses	1,182	999
Other store expenses	518	468
Depreciation and amortization	231	193
Rent (income) expenses - net	160	132
Impairment losses and reversals - net	10	2
Gains on the sale of assets - net	(4)	(10)
Other expenses	166	144
Total	**8,258**	**7,178**

* Comparative figures reflect the changes in accounting policies as disclosed in note 2.

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 2009	Q1 2008
ICA	5	12
Other	1	1
Total	**6**	**13**

Ahold's share in ICA's Q1 2009 net income included gains on the sale of assets of € 2 million (Q1 2008: € 2 million).

8. Assets held for sale and discontinued operations

Income from discontinued operations, consisting of results from discontinued operations and results on divestments, is specified as follows:

Segments	Discontinued operations	Q1 2009	Q1 2008
(€ million)			
Schuitema	Schuitema	-	11
Other retail	JMR	12	13
Results from discontinued operations		12	24
BI-LO/Bruno's	BI-LO/Bruno's	(66)	-
Giant-Carlisle	Tops	(2)	12
U.S. Foodservice	U.S. Foodservice	-	4
Various	Various	(1)	-
Results on divestments		(69)	16
Income from discontinued operations, net of income taxes		**(57)**	**40**

BI-LO and Bruno's

As disclosed in note 33 to Ahold's 2008 consolidated financial statements, Ahold remains contingently liable under various lease guarantees extending to 2030 related to leases assigned to third parties. Two former subsidiaries of Ahold, BI-LO, LLC and Bruno's Supermarkets, LLC (BI-LO and Bruno's) filed for protection under Chapter 11 of the U.S. Bankruptcy Code (the filings) on March 23, 2009 and February 5, 2009, respectively. As a result of the filings, Ahold has made an assessment of its potential obligations under the lease guarantees based upon the remaining initial term of each lease, an assessment of the possibility that Ahold would have to pay under a guarantee and any potential remedies that Ahold may have to limit future lease payments.

Consequently, related to these liabilities Ahold has recognized provisions in a net aggregate amount of $ 88 million (€ 66 million), including tax benefit offsets, within results on divestments in Q1 2009. The provisions are Ahold's best estimate as of the balance sheet date, of the discounted aggregate amount of the remaining lease obligations and associated charges, which could result in liability for Ahold under the various lease guarantees. Ahold will closely monitor the bankruptcy proceedings and may revise the provision as more specific information becomes known.

Other

At the end of Q1 2009, JMR continues to be classified as held for sale and discontinued operation. Accordingly, JMR is not accounted for using the equity method. JMR's results represent dividends and fees received. During 2008, Schuitema was divested (Q2 2008). The results of Schuitema and JMR are presented as part of income from discontinued operations.

The results on divestments in Q1 2008 primarily relate to changes in estimates related to income taxes.

9. Cash flow

The following table presents the changes in cash and cash equivalent balances for Q1 2009 and Q1 2008:

(€ million)	Q1 2009	Q1 2008
Cash and cash equivalents of continuing operations at the beginning of the year	2,863	3,263
Restricted cash	(19)	(21)
Cash and cash equivalents beginning of the year, excluding restricted cash	2,844	3,242
Net cash from operating, investing and financing activities	153	151
Effect of exchange rate differences on cash and cash equivalents	107	(75)
Restricted cash	20	16
Cash and cash equivalents related to discontinued operations	-	(21)
Cash and cash equivalents of continuing operations at the end of the quarter	**3,124**	**3,313**

10. Commitments and contingencies

ICA tax claims

The Swedish tax authorities have denied interest deductions made by ICA for interest on borrowings from an Irish subsidiary of nearly SEK 1.8 billion (€ 164 million) for the period 2001-2003. The Swedish tax authorities' claim amounts to SEK 747 million (€ 68 million), including penalties and interest. The Irish subsidiary's operations were wound up in 2003. The County Administrative Court confirmed the tax authorities' decision in December 2008. ICA believes that the deductions were in compliance with tax rules and is contesting the claim and penalties and has appealed the Court's ruling to the Administrative Court of Appeal. ICA paid the disputed amount in February 2009 and recorded a receivable for the paid amount.

In a separate case, the Swedish tax authorities have also denied interest deductions made by ICA for payments of interest to a Dutch subsidiary for the period 2004-2007. The tax authorities' claim amounts to SEK 1.1 billion (€ 100 million), including penalties and interest. ICA believes that the deductions were in compliance with tax rules. ICA is contesting the claim and penalties and has appealed the ruling to the County Administrative Court.

A comprehensive overview of commitments and contingencies as of December 28, 2008 is included in note 33 to Ahold's 2008 consolidated financial statements, which were published as part of Ahold's Annual Report on March 9, 2009.

11. Subsequent events

Dividend on common shares
On April 28, 2009, the General Meeting of Shareholders determined the dividend over 2008 at € 0.18 per common share (€ 212 million in the aggregate). The dividend was paid on May 18, 2009.

Debt repayment
On May 1, 2009, notes with a principal amount of $ 500 million (€ 383 million) matured. These notes were repaid from the Company's cash balances.

Use of non-GAAP financial measures

This interim report includes the following non-GAAP financial measures:

- Net sales at constant exchange rates. Net sales at constant exchange rates exclude the impact 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, 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.
- Underlying retail operating income. Total retail operating income, adjusted for impairment of non-current assets, gains and losses on the sale of assets and restructuring and related charges. Ahold's management believes this measure provides better insight into underlying operating performance of Ahold's retail operations.
- 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 is net income before net financial expense, income taxes, depreciation and amortization. EBITDA is commonly used by investors to analyze 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 2009 and Q1 2008, respectively:

(€ million)	EBITDA Q1 2009	Depre-ciation and amorti-zation	Operating income Q1 2009	EBITDA Q1 2008	Depre-ciation and amorti-zation	Operating income Q1 2008
Stop & Shop/Giant-Landover	310	(125)	185	240	(106)	134
Giant-Carlisle	87	(33)	54	73	(25)	48
Ahold USA	397	(158)	239	313	(131)	182
Albert Heijn	247	(58)	189	235	(46)	189
Albert/Hypernova	1	(15)	(14)	14	(15)	(1)
Ahold Europe	248	(73)	175	249	(61)	188
Corporate Center	(18)	-	(18)	(33)	(1)	(34)
Total	**627**	**(231)**	**396**	**529**	**(193)**	**336**

- Net debt. Net debt is the difference between (i) the sum of long-term debt and short-term debt (i.e., gross debt) and (ii) cash and cash equivalents. Management believes that net debt is a useful measure for investors. In management's view, because cash and cash equivalents can be used, among other things, to repay indebtedness, netting this against gross debt is a useful measure of Ahold's leverage. Net debt may include certain cash items that are not readily available for repaying debt.
- Cash flow before financing activities. Cash flow before financing activities is the sum of net cash from operating activities and net cash from investing activities. Ahold's management believes that because this measure excludes net cash from financing activities, this measure is useful where such financing activities are discretionary, as in the case of voluntary debt prepayments.

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 2009 financial year consists of 53 weeks and ends on January 3, 2010. The quarters in 2009 are:

First Quarter (16 weeks)	December 29, 2008 through April 19, 2009
Second Quarter (12 weeks)	April 20 through July 12, 2009
Third Quarter (12 weeks)	July 13 through October 4, 2009
Fourth Quarter (13 weeks)	October 5, 2009 through January 3, 2010

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 restructuring actions in the Czech Republic and Slovakia and further charges related thereto. Ahold's contingent liability related to BI-LO and Bruno´s leases and ICA tax claims. 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. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this interim report. Koninklijke Ahold N.V. does not assume any obligation to update any public information or forward-looking statements in this report to reflect subsequent events or circumstances, except as may be required by securities laws. Outside the Netherlands, Koninklijke Ahold N.V., being its registered name, presents itself under the name of "Royal Ahold" or simply "Ahold".