August 23, 2012

Interim Report

Ahold Finance U.S.A., LLC - Half year 2012
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, defined as Ahold and its subsidiaries, based in the Netherlands with consumer brands in Europe and the United States. The purpose of AFUSA is to engage in financing activities.

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.

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 of 2012, AFUSA declared a €185 million ($241 million) dividend from its subsidiary Ahold International SARL ("AIS"). AFUSA settled a €72 million ($94 million) dividend declaration with KA. These dividends were paid directly from AIS to KA. Additionally, during the first half of 2012, AFUSA received a $255 million capital contribution from KA. Finally, in March 2012 notes in the amount of €407 million were repaid upon maturity.

Financial performance

($ million)	HY 2012	HY 2011
Net financial expense	(27)	(30)
Income taxes	7	7
Share in income of associate - net	69	70
Net income	**49**	**47**

Related party transactions

Related party transactions are described in Note 9 to the interim 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 2011 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.

The principal risks faced by the Company during the first half of the financial year were the same as those identified at year end 2011 and management does not presently anticipate any material changes to the nature of the risks affecting AFUSA's business over the second half of the financial year. A description of AFUSA's risk management practices, principal risks and how they impact AFUSA's business is provided in the Company's 2011 Annual Report.

Auditor involvement

The content of this interim report has not been audited or reviewed by an 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.

Amsterdam, the Netherlands

August 21, 2012

Management
Eugene Bartman (President and CEO)
Guy Thomson (Treasurer and CFO)

Interim income statement

(unaudited)

($ million)	Note	HY 2012	HY 2011
Net financial expense	3	(27)	(30)
Loss before income taxes		**(27)**	**(30)**
Income taxes	4	7	7
Share in income of associate - net	5	69	70
Net income attributable to common shareholders		**49**	**47**

Interim statement of comprehensive income

(unaudited)

($ million)	HY 2012	HY 2011
Net income	**49**	**47**
Currency translation differences in foreign interests	(54)	84
Cash flow hedges:		
Fair value gains in the year	3	28
Transfers to net income	(1)	(32)
Income taxes	(1)	1
Share of other comprehensive income (loss) of associate	33	(32)
Other comprehensive income (loss)	(20)	49
Total comprehensive income attributable to common shareholders	**29**	**96**

Interim balance sheet

(unaudited)

($ million)	Note	July 15, 2012	January 1, 2012
Assets			
Investments in associate	5	1,076	1,274
Other non-current financial assets (related parties)	6,9	318	309
Total non-current assets		**1,394**	**1,583**
Receivables from related parties	6,9	3	5
Other current financial assets (related parties)	6,9	-	182
Total current assets		**3**	**187**
Total assets		**1,397**	**1,770**
Equity and liabilities			
Equity attributable to common shareholders	8	**494**	**309**
Notes payable	7	866	862
Deferred tax liabilities		22	21
Total non-current liabilities		**888**	**883**
Notes payable	7	-	527
Interest payable	7	15	51
Total current liabilities		**15**	**578**
Total equity and liabilities		**1,397**	**1,770**

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: Legal reserves participations	Retained earnings including result for the year*	Equity attributable to common shareholders
Balance as of January 2, 2011	**-**	**356**	**35**	**2**	**12**	**25**	**430**
Dividends	-	(172)	-	-	-	-	(172)
Total comprehensive income	-	-	84	(3)	-	15	96
Share in direct equity changes of investments in associate	-	-	-	-	-	(10)	(10)
Balance as of July 17, 2011	**-**	**184**	**119**	**(1)**	**12**	**30**	**344**
Balance as of January 1, 2012	**-**	**146**	**7**	**1**	**12**	**143**	**309**
Capital contribution	-	255	-	-	-	-	255
Dividends	-	(94)	-	-	-	-	(94)
Total comprehensive income	-	-	(54)	1	-	82	29
Share in direct equity changes of investments in associate	-	-	-	-	-	(5)	(5)
Balance as of July 15, 2012	**-**	**307**	**(47)**	**2**	**12**	**220**	**494**

* The comparative information was changed to conform to the current year presentation, as disclosed in Note 2.

Interim statement of cash flows
(unaudited)

($ million)	HY 2012	HY 2011
Operating income	-	-
Interest settled on loans from related parties	(1)	(1)
Interest settled on notes	(64)	(62)
Other changes in loans, derivatives and receivables to and from related parties	586	69
Income taxes settled with related parties	9	(6)
Net cash from operating activities	**530**	**-**
Repayments of notes	(530)	-
Net cash from financing activities	**(530)**	**-**
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	**-**	**-**

As the Company does not maintain its own bank account, cash settlements are paid or received on its behalf by other Ahold Group companies and the corresponding balance is reflected in loans, derivatives and receivables to and from related parties.

Notes to the interim 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 Amsterdam, 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 lawful business activity in connection with the foregoing.

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 2011 financial statements.

These financial statements are presented in U.S. dollars ($).

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 2012 comprising 28 weeks, and ending on July 15, 2012 (HY 2011: 28 weeks ending on July 17, 2011).

Change in presentation

In Q4 2011, AFUSA adjusted the presentation of the components of equity in the statement of changes in equity, which resulted in a retrospective impact on the first 3 quarters of 2011. The HY 2011 comparative figures have been changed to conform to the current year presentation. The total equity attributable to common shareholders has not been impacted.

3. Net financial result

($ million)	HY 2012	HY 2011
Interest expense	(29)	(39)
Loss on foreign exchange	(3)	(14)
Fair value gains on financial instruments	5	23
Net financial expense	**(27)**	**(30)**

Interest expense primarily relates to financial liabilities measured at amortized cost (mainly notes). The decrease is due to the settlement of the €407 million notes that matured on March 14, 2012.

The loss on foreign exchange mainly results from foreign exchange translation on the GBP 500 million notes.

Fair value gains 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. Investments in associate

As of July 30, 2010, AFUSA became a shareholder in a newly established Swiss intermediary holding company (Ahold International SARL ("AIS")). AFUSA owns all issued and outstanding preferred shares type B in the share capital of AIS representing 25 percent of the total issued and outstanding share capital of AIS. Preferred shares type B provide preferences in distribution of the first $72 million of dividends declared by AIS.

The movements in the first half year of 2012 and 2011 in the investment in AIS are summarized as follows:

($ million)	HY 2012	HY 2011
Beginning of the year	1,274	1,414
Share in income	69	70
Dividends	(241)	(172)
Share of other comprehensive income (loss) and other equity changes of associate	28	(42)
Exchange rate differences	(54)	84
End of the half year	**1,076**	**1,354**

6. Other current and non-current assets

	July 15, 2012			January 1, 2012		
($ million)	Current	Non-current	Total	Current	Non-current	Total
Receivables from related parties	3	-	3	5	-	5
Related party hedging derivatives[1]	-	-	-	182	-	182
Related party other derivatives[1]	-	318	318	-	309	309
Total other assets	**3**	**318**	**321**	**187**	**309**	**496**

[1] *In situations where a derivative contract qualifies for hedge accounting treatment in the financial statements, it is presented as 'Hedging derivatives'. Otherwise, the derivative contracts are presented as 'Other derivatives'*

The decrease in the value of hedging derivatives relates to a cross-currency swap (a cash flow hedge) on the €600 million notes (with €407 million outstanding amount) and is caused by the maturity of the related swap on March 14, 2012.

7. Financial liabilities

	July 15, 2012				January 1, 2012			
	Current	Non-current			Current	Non-current		
Notional redemption amounts ($ 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
EUR 600 notes 5.875%, due March 2012[1]	-	-	-	-	527	-	-	527
GBP 500 notes 6.50%, due March 2017[2,3]	-	366	-	366	-	-	362	362
USD 500 notes 6.875%, due May 2029	-	-	500	500	-	-	500	500
Total notes	-	366	500	866	527	-	862	1,389
Interest payable	15	-	-	15	51	-	-	51
Total financial liabilities	**15**	**366**	**500**	**881**	**578**	**-**	**862**	**1,440**

[1] Notes were swapped to the U.S. dollar at an interest rate of 6.835%. During 2005, AFUSA bought back a part of the notes with a principal amount of €193 million and terminated a notional portion of the corresponding swap in the same amount. The remaining €407 million notes were repaid at maturity in March 2012.

[2] During 2005 Ahold bought back GBP 250 million of the notes. The remaining notional redemption amount of GBP 250 million ($389 million) has been reduced by $23 million (2011: $26 million) representing an unamortized adjustment related to a fair value hedge that no longer meets the criteria for hedge accounting.

[3] The remaining notional amount of GBP 250 million was, through two swap contracts, swapped to $356 million and carries a six-month floating U.S. dollar interest rate. Ahold is required under these swap contracts to redeem the U.S. dollar notional amount through semi-annual installments that commenced in September 2004. $219 million has been paid down as of July 15, 2012.

8. Equity attributable to common shareholders

Member interest

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

During the first half of 2012, AFUSA received a $255 million capital contribution from KA.

9. Related parties

AFUSA has entered into arrangements with related parties within the Ahold Group.
For the periods shown below, AFUSA had the following transactions and positions with its related parties:

	Income statement – HY 2012			Balance sheet – July 15, 2012	
($ million)	Interest income	Interest expense	Fair value changes in derivatives	Amount owed by	Amount owed to
KA (parent company)	-	(1)	7	321	-
Total	**-**	**(1)**	**7**	**321**	**-**

	Income statement – HY 2011			Balance sheet – January 1, 2012	
($ million)	Interest income	Interest expense	Fair value changes in derivatives	Amount owed by	Amount owed to
KA (parent company)	-	(1)	25	496	-
Total	**-**	**(1)**	**25**	**496**	**-**

In accordance with the AFUSA's Articles of Association, no remuneration is paid to the management.

10. Subsequent events
There were no significant subsequent events.

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 benefits to AFUSA from the Ahold Group's corporate governance, Ahold Group's risk management and control systems and taxation risks. 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 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, the actions of competitors and third parties 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 interim 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.