Ahold Delhaize

Interim Report

Second quarter and Half year 2019

Ahold Delhaize's second quarter results impacted by Stop & Shop strike

- Net sales of €16.3 billion, up 1.5% at constant exchange rates, impacted by the strike
- Net consumer online sales up 29.2% at constant exchange rates
- Underlying operating margin of 3.6%, including strike impact
- U.S. comparable sales growth excl. gasoline +2.3% adjusted for Easter and strike impact
- Net synergies of €512 million achieved from the integration
- 2019 interim dividend of €0.30, based on 40% of first half 2019 underlying income per share*

* from continuing operations

Zaandam, the Netherlands, August 7, 2019 – Ahold Delhaize, one of the world's largest food retail groups and a leader in both supermarkets and eCommerce, today reports second quarter results.

Frans Muller, President and CEO of Ahold Delhaize, said: "Although our results were impacted by the strike at Stop & Shop, our other U.S. brands continued their strong performance. As we continue to see sales performance improve at Stop & Shop, we expect no significant impact from the strike in the second half of the year.

"U.S. comparable sales excluding gasoline were up 0.2% during the quarter, with the strike impact offset by the strong performance of our other brands, in particular Food Lion. Excluding the impact from the strike and subsequent period of sales recovery and the favorable timing of Easter, comparable sales excluding gasoline were up 2.3%. Our online business in the U.S. grew 14.4%, or 18% excluding the adverse impact of the strike and we remain confident that we can achieve over 20% growth in U.S. online sales in 2019.

"In the Netherlands, performance remained solid, with 3.1% comparable sales growth, adjusted for Easter. Net consumer online sales were up 34.4%, with bol.com, the most successful online retail platform in the Benelux, growing net consumer sales by 37.5%. In Belgium, comparable sales were slightly below last year, but underlying operating margins further improved compared to 2018. In Central and Southeastern Europe, the sales performance in Greece improved over previous quarters.

"During the quarter, we continued to make steady progress on the execution of our Leading Together strategy. We started the rollout of our "Re-imagine Stop & Shop" program on Long Island, implementing learnings from the Hartford, Connecticut, stores we remodeled last year. We also launched various fresh food initiatives across the businesses in both the U.S. and Europe, providing healthy and convenient meal solutions for our customers. Highlighting our commitment to sustainability, we successfully issued a €600 million Sustainability Bond, making Ahold Delhaize the first retailer to issue a euro-denominated Sustainability Bond.

"With the integration of Ahold and Delhaize now fully completed, we achieved net synergies of €512 million on an annual run-rate basis, slightly ahead of our target. We are well underway with our Save for Our Customers program which is expected to deliver €540 million in 2019.

"Today, we also reiterate the 2019 outlook that we announced when we published our first quarter 2019 results.

"For the first half of 2019, we will pay an interim dividend of €0.30, based on 40% of first half 2019 underlying income per share from continuing operations."

Group performance

€ million, except per share data	Q2 2019	Q2 2018 restated	% change	% change constant rates	HY 2019	HY 2018 restated	% change	% change constant rates
Net sales	16,315	15,531	5.0 %	1.5 %	32,193	30,464	5.7 %	1.5 %
Of which: online sales	794	643	23.5 %	21.4 %	1,555	1,274	22.1 %	19.7 %
Net consumer online sales[1]	1,035	790	31.0 %	29.2 %	2,005	1,551	29.2 %	27.1 %
Operating income	560	644	(13.1)%	(15.9)%	1,235	1,267	(2.5)%	(6.6)%
Income from continuing operations	334	408	(18.2)%	(20.8)%	770	811	(5.1)%	(9.1)%
Net income	334	408	(18.2)%	(20.7)%	769	811	(5.2)%	(9.1)%
Basic income per share from continuing operations	0.30	0.34	(12.3)%	(15.1)%	0.69	0.67	2.1 %	(2.1)%
Underlying EBITDA[1]	1,267	1,320	(4.0)%	(7.2)%	2,623	2,616	0.3 %	(3.8)%
Underlying EBITDA margin[1]	7.8%	8.5%			8.1%	8.6%		
Underlying operating income[1]	594	669	(11.3)%	(14.1)%	1,288	1,320	(2.4)%	(6.4)%
Underlying operating margin[1]	3.6%	4.3%			4.0%	4.3%		
Underlying income per share from continuing operations[1]	0.35	0.36	(5.2)%	(8.2)%	0.75	0.71	4.6 %	0.3 %
Free cash flow[1]	486	648	(24.9)%	(27.4)%	351	1,046	(66.5)%	(67.9)%

1. *Net consumer online sales, underlying EBITDA, underlying operating income and free cash flow are alternative performance measures that are used throughout the report. For a description of alternative performance measures, refer to section* Use of alternative performance measures *at the end of this report.*

Performance by segment

The United States

	Q2 2019	Q2 2018 restated	% change	% change constant rates	HY 2019	HY 2018 restated	% change	% change constant rates
$ million								
Net sales	10,986	10,963	0.2 %		21,967	21,823	0.7 %	
Of which: online sales	249	217	14.4 %		500	439	13.7 %	
€ million								
Net sales	9,780	9,211	6.2 %	0.2 %	19,446	18,050	7.7 %	0.7 %
Of which: online sales	221	182	21.3 %	14.4 %	442	363	21.8 %	13.7 %
Operating income	329	388	(15.3)%	(19.7)%	789	782	0.9 %	(5.5)%
Underlying operating income	347	401	(13.4)%	(17.9)%	822	809	1.6 %	(4.9)%
Underlying operating margin	3.6 %	4.3 %			4.2%	4.5%		
Comparable sales growth	(0.2)%	0.3 %			0.3%	1.6%		
Comparable sales growth excluding gasoline	0.2 %	(0.1)%			0.7%	1.3%		

In the second quarter of 2019, net sales in the United States grew by 0.2% at constant exchange rates to €9,780 million. Comparable sales excluding gasoline increased by 0.2%. The second quarter was impacted by the strike and subsequent recovery at Stop & Shop as well as the shift in the timing of Easter compared to last year. Adjusted for both events, comparable sales growth excluding gasoline was 2.3%. The other U.S. business continued its robust sales performance, with Food Lion particularly reporting strong growth making this the 27th consecutive quarter of positive comparable sales growth for the brand.

Online sales increased by 14.4% at constant exchange rates to €221 million. Adjusted for the impact of the strike at Stop & Shop and the subsequent recovery, online sales would have increased by 18%.

The direct impact of the 11 days of the strike at Stop & Shop on net sales is estimated at $224 million, with an impact on underlying operating income of around $100 million. In addition, the subsequent sales loss during the recovery period following the strike is estimated to be $121 million. There was no impact on operating margin during the recovery period due to mitigating actions and the strong performance of the other U.S. brands. As we continue to see sales performance improve at Stop & Shop, we remain committed to winning back our customers and we expect no significant impact from the strike in the second half of the year.

On Long Island, we saw an encouraging start of the rollout of our Re-imagine Stop & Shop program, due in part to learnings from our remodelings in Stop & Shop's Hartford, Connecticut, market last year.

We announced that we will be opening a fresh food processing facility in Rhode Island in September that will initially serve the Hannaford and Stop & Shop brands. The facility will be used to prepare fresh food items, including cut fruits and vegetables, grab-and-go salads, sandwiches, wraps, and other fresh food items for the deli and prepared food sections. It will also include a Culinary Innovation Center to test new recipes for fresh own-brand food products and meal solutions.

In line with our online growth ambition to have more than 600 Click and Collect points by the end of the year, 124 Click and Collect points were added during the quarter, most of them at Food Lion and Giant/ Martin's, bringing the total to 483.

Underlying operating margin was 3.6%, down 0.7% points from the same quarter last year, driven by the strike and subsequent recovery at Stop & Shop, which was partly offset by the strong performance of the other U.S. brands.

The Netherlands

€ million	Q2 2019	Q2 2018 restated	% change	HY 2019	HY 2018 restated	% change
Net sales	3,683	3,536	4.2 %	7,211	6,944	3.8 %
Of which: online sales	554	445	24.7 %	1,076	879	22.5 %
Net consumer online sales	795	592	34.4 %	1,526	1,156	32.0 %
Operating income	190	195	(2.3)%	364	367	(1.0)%
Underlying operating income	191	195	(2.3)%	366	371	(1.7)%
Underlying operating margin	5.2%	5.5%		5.1%	5.4%	
Comparable sales growth	3.8%	2.9%		3.3%	3.1%	

Net sales in The Netherlands of €3,683 million increased by 4.2% compared to the previous year. Comparable sales grew by 3.8%, or 3.1% when adjusted for the timing of Easter. Net consumer online sales for the segment increased by 34.4% compared to last year, driven by the strong growth of both ah.nl and bol.com, the latter realizing a net consumer online sales increase of 37.5% in the quarter with third-party sales as the primary growth driver.

Albert Heijn is strengthening its commitment to offer the best fresh produce in the Netherlands by rapidly converting stores to its new fresh-focused concept and providing thousands of associates with additional training. It recently converted its 50th store, and performance has been in line with expectations. The brand is on track to have 120 stores completed by the end of 2019, with more planned for next year.

Our underlying operating margin in the Netherlands was 5.2%, down 0.3% points compared to the same quarter last year. Excluding bol.com, the margin was 5.8%, or 0.3% points lower, due to investments in the new fresh concept, digital and eCommerce. The margin at bol.com improved compared to last year.

Belgium

€ million	Q2 2019	Q2 2018 restated	% change	HY 2019	HY 2018 restated	% change
Net sales	1,286	1,286	(0.1)%	2,503	2,531	(1.1)%
Of which: online sales	14	12	16.2 %	28	24	15.4 %
Operating income	31	35	(13.3)%	59	61	(2.4)%
Underlying operating income	37	35	6.4 %	66	64	3.6 %
Underlying operating margin	2.9 %	2.7%		2.6 %	2.5%	
Comparable sales growth	(0.2)%	1.4%		(1.2)%	2.7%	

Net sales in Belgium were €1,286 million, flat versus the same quarter last year. Comparable sales decreased by 0.2% and adjusted for the calendar impact comparable sales were down 1.0%. Delhaize.be's online sales growth for the quarter was 16.2%.

The proximity store concepts Proxy and Shop & Go performed well and more openings are planned for the second half of the year.

For the fifth consecutive quarter, our underlying operating margin in Belgium improved compared to the previous year. It was up 0.2% points at 2.9% in the quarter, driven mainly by lower underlying expenses as a result of good cost control.

Central and Southeastern Europe (CSE)

€ million	Q2 2019	Q2 2018 restated	% change	% change constant rates	HY 2019	HY 2018 restated	% change	% change constant rates
Net sales	1,567	1,498	4.6 %	5.1 %	3,032	2,939	3.2 %	3.8 %
Operating income	62	64	(3.3)%	(2.8)%	109	117	(7.2)%	(6.7)%
Underlying operating income	62	63	(2.2)%	(1.7)%	109	117	(7.1)%	(6.5)%
Underlying operating margin	3.9%	4.2%			3.6%	4.0%		
Comparable sales growth	3.4%	0.5%			2.1%	0.5%		
Comparable sales growth excluding gasoline	3.5%	0.5%			2.2%	0.6%		

Net sales in Central and Southeastern Europe increased by 5.1% at constant exchange rates to €1,567 million. Net sales growth in the second quarter resulted from comparable sales growth excluding gasoline of 3.5%, or 3.0% adjusted for the timing of Easter, and the net addition of 134 stores – most of them convenience stores – we opened in Romania, Greece and Serbia.

Romania and the Czech Republic recorded high single-digit comparable sales growth for the quarter; in the latter, this was driven by successful store remodelings, including downsizings. Our sales performance in Greece improved compared to previous quarters but remains negative.

CSE's underlying operating margin was 3.9%, down 0.3% points versus last year, driven by lower margins in Greece and higher labor costs.

Global Support Office

€ million	Q2 2019	Q2 2018	% change	% change constant rates	HY 2019	HY 2018	% change	% change constant rates
Underlying operating loss	(44)	(25)	72.3 %	76.0 %	(74)	(41)	78.2 %	83.1 %
Underlying operating loss excluding insurance results	(33)	(38)	(12.6)%	(13.7)%	(65)	(70)	(8.3)%	(9.7)%

Underlying Global Support Office costs were €44 million, which was €19 million higher than the prior year as a result of the negative impact of €24 million from insurance. Underlying costs excluding insurance results were €33 million compared to €38 million in Q2 2018. These insurance results mainly reflect the discounting impact to our insurance provision, driven by lower interest rates in the U.S.

Synergy savings

Ahold Delhaize has finalized the integration and we have reached our target to deliver gross synergies of €750 million[1] in 2019, resulting in €512 million net synergies from the integration of the two companies on a run-rate basis. These synergies were delivered in addition to savings generated by the Save for Our Customers programs in the brands.

In the second quarter of 2019, net synergies amounted to €128 million, an increase of €29 million compared to the same quarter last year. The increase is mainly driven by our buying activities across all parts of the group. The €128 million of net synergy savings in this quarter translate to €512 million net synergies on an annual basis.

In the second quarter of 2019, we delivered the following net synergy savings:

€ million	Q2 2019	Q2 2018	HY 2019	HY 2018
The United States	83	67	164	133
Europe	34	24	64	49
Global Support Office	12	8	23	17
Ahold Delhaize Group	**128**	**99**	**250**	**199**

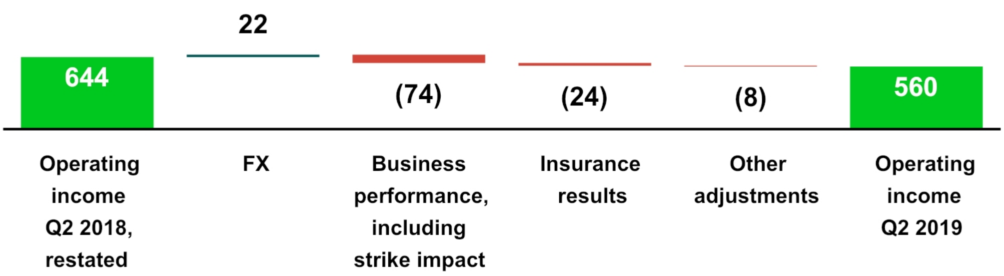
Operating income in the second quarter included €14 million of integration costs (Q2 2018: €26 million) and €7 million of brand-centric setup costs (Q2 2018: €1 million).

1. Amounts are based on HY1 2017 exchange rates.

Financial review

Second quarter 2019 (compared to second quarter 2018, restated)

Operating income decreased by €84 million to €560 million, which can be explained by:



Other adjustments to operating income compared to Q2 2018 represent the increase in impairments (€9 million), offset by the increase in gains on leases and the sale of assets (€1 million).

To arrive at an underlying operating income of €594 million (down €75 million over Q2 2018), operating income is adjusted for:

- Impairments of €13 million
- Gains on leases and the sale of assets of €7 million
- Restructuring and related charges of €27 million

The restructuring and related charges of €27 million included €14 million of integration costs and €7 million of brand-centric setup costs.

Income from continuing operations was €334 million, which was €74 million lower than last year. This follows mainly from the decrease in operating income of €84 million impacted by the strike at Stop & Shop, offset by lower income taxes of €3 million and higher income from joint ventures of €7 million.

Free cash flow, under the new definition following the implementation of IFRS 16, was €486 million, which represents a decrease of €162 million compared to Q2 2018, mainly driven by:

- Higher purchases of non-current assets of €205 million
- Higher income taxes paid of €32 million
- Higher repayments of lease liabilities of €84 million
- Partially offset by improvement in working capital of €120 million and higher divestments of assets of €35 million.

Net debt increased in Q2 2019 by €438 million to €11,958 million, which is mainly a result of the dividend payment of €784 million and share buyback of €325 million, partially offset by our free cash flow of €486 million.

Half year 2019 (compared to half year 2018, restated)

Operating income decreased by €32 million to €1,235 million. Recorded in operating income are:

- Impairments of €22 million (HY 2018: €7 million)
- Gains on leases and the sale of assets of €11 million (HY 2018: €5 million)
- Restructuring and related charges of €43 million (HY 2018: €51 million)

These total €54 million (HY 2018: €53 million) and are adjusted to arrive at underlying operating income of €1,288 million (HY 2018: €1,320 million).

Income from continuing operations was €770 million, which was €41 million lower than last year. This reflects the decrease in operating income of €32 million, higher income taxes of €11 million and higher net financial expenses of €4 million, partially offset by higher income from joint ventures of €7 million.

Free cash flow, under the new definition, was €351 million, or €695 million lower than last year. The decrease is mainly due to higher capital expenditures of €355 million, higher income taxes paid of €223 million and higher repayments of lease liabilities of €138 million.

As announced on May 8, 2019, Ahold Delhaize commits to semi-annual dividend payments. For 2019, the interim dividend is €0.30 per common share to be paid on August 29, 2019. The interim dividend is equal to 40% of the year-to-date underlying income per share from continuing operations (see section *Other financial and operating information* for a reconciliation of income from continuing operations to underlying income from continuing operations).

Outlook

We continue to anticipate that underlying operating margin for the group will be slightly lower in 2019 than 2018. Additionally, we continue to expect underlying earnings per share growth for the year to be in the low single digits, due to the effect of the strike. We reiterate group free cash flow of around €1.8 billion (IFRS 16 definition) for the full year 2019 due to the continued business strength of our U.S. and European brands.

Related party transactions

Ahold Delhaize has entered into arrangements with a number of its subsidiaries and affiliated companies in the course of its business. These arrangements relate to service transactions and financing agreements. Furthermore, Ahold Delhaize considers transactions with key management personnel to be related party transactions. As of the balance sheet date, June 30, 2019, there have been no significant changes in the related party transactions from those described in Ahold Delhaize's 2018 Annual Report.

Risks and uncertainties

Ahold Delhaize's enterprise risk management program provides executive management with a periodic and holistic understanding of Ahold Delhaize's key business risks and the management practices in place to mitigate these risks. Ahold Delhaize recognizes strategic, operational, financial and compliance / regulatory risk categories. The principal risks faced by Ahold Delhaize during the first half of the financial year were substantially the same as those disclosed within the 2018 Annual Report. The reported risks relating to Labor materialized within the Stop & Shop brand in April 2019. This matter and its impact on the business is discussed in further detail within this interim report. The updated integrated comprehensive analysis of the principal risks faced by Ahold Delhaize will be included in the 2019 Annual Report.

Changes to 2019 reporting

Ahold Delhaize adopted the IFRS 16 accounting standard on December 31, 2018 (the start of its 2019 financial year) and applied the full retrospective transition approach. In accordance with this, comparative figures for 2018 have been restated.

IFRS 16 introduces a single, on-balance sheet accounting model for leases. For most of our leases we recognized a right-of-use asset, representing our right to use the underlying asset, and a lease liability, representing our obligation to make future lease payments.

The implementation of IFRS 16 has no economic or cash impact on the Group or the way we manage our business, nor does it drive decisions on the allocation of capital. However, it does have a significant impact on our balance sheet and income statement, as well as the classification of cash flows relating to lease contracts.

See *Note 2* and section *Use of alternative performance measures* in this report for more information, and *Note 13* and section *Alternative performance measures: restatement of 2018 comparatives* for the related effects. See *Note 10* for the amendment to the credit facility.

Detailed information on the changes of IFRS 16 are provided in the published document "2018 Restatement for the adoption of IFRS 16," which can be accessed via this link: 2018 Restatement booklet IFRS 16.

All amounts disclosed are in millions of euros, unless otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided. The percentage change and margins are calculated based on the amounts in thousands (except per share data).

Independent auditor's involvement

The contents of this interim report have not been audited or reviewed by an independent external auditor.

Declarations

The members of Ahold Delhaize's Management Board 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 Ahold Delhaize's assets, liabilities, financial position and profit or loss, and the undertakings included in the consolidation taken as a whole, and the half-year management report included in this interim report includes a fair review of the information required pursuant to section 5:25d, subsections 8 and 9, of the FMSA.

Consolidated income statement

€ million, except per share data	Note	Q2 2019	Q2 2018 restated	HY 2019	HY 2018 restated
Net sales	4/5	16,315	15,531	32,193	30,464
Cost of sales	6	(11,944)	(11,369)	(23,433)	(22,259)
Gross profit		**4,371**	**4,162**	**8,759**	**8,205**
Selling expenses		(3,204)	(2,961)	(6,331)	(5,841)
General and administrative expenses		(607)	(557)	(1,193)	(1,097)
Total operating expenses	6	(3,811)	(3,518)	(7,525)	(6,938)
Operating income	4	**560**	**644**	**1,235**	**1,267**
Interest income		17	22	40	39
Interest expense		(48)	(51)	(97)	(99)
Net interest expense on defined benefit pension plans		(4)	(4)	(9)	(9)
Interest accretion to lease liability		(91)	(88)	(181)	(175)
Other financial expenses		(19)	(25)	(23)	(22)
Net financial expenses		(145)	(146)	(270)	(266)
Income before income taxes		**414**	**498**	**964**	**1,001**
Income taxes	7	(89)	(92)	(208)	(197)
Share in income of joint ventures		9	2	14	7
Income from continuing operations		**334**	**408**	**770**	**811**
Loss from discontinued operations		—	—	(1)	—
Net income attributable to common shareholders		**334**	**408**	**769**	**811**
Net income per share attributable to common shareholders					
Basic		0.30	0.34	0.69	0.67
Diluted		0.30	0.34	0.68	0.67
Income from continuing operations per share attributable to common shareholders					
Basic		0.30	0.34	0.69	0.67
Diluted		0.30	0.34	0.69	0.67
Weighted average number of common shares outstanding (in millions)					
Basic		1,112	1,192	1,118	1,203
Diluted		1,116	1,219	1,123	1,230
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.8902	0.8396	0.8853	0.8267

Consolidated statement of comprehensive income

€ million	Note	Q2 2019	Q2 2018 restated	HY 2019	HY 2018 restated
Net income		**334**	**408**	**769**	**811**
Remeasurements of defined benefit pension plans					
Remeasurements before taxes – income (loss)		(62)	41	(87)	61
Income taxes		14	(11)	19	(17)
Other comprehensive income (loss) that will not be reclassified to profit or loss		(49)	30	(68)	44
Currency translation differences in foreign interests:					
Currency translation differences before taxes from:					
Continuing operations		(129)	506	70	260
Income taxes		(2)	—	(2)	—
Cash flow hedges:					
Fair value result for the period		(5)	—	(5)	1
Transfers to net income		2	1	2	1
Income taxes		1	—	1	—
Other comprehensive income (loss) reclassifiable to profit or loss		(133)	507	66	262
Total other comprehensive income (loss)		**(182)**	**537**	**(2)**	**306**
Total comprehensive income attributable to common shareholders		**152**	**945**	**767**	**1,117**
Attributable to:					
Continuing operations		152	945	768	1,117
Discontinued operations		—	—	(1)	—
Total comprehensive income attributable to common shareholders		**152**	**945**	**767**	**1,117**

Consolidated balance sheet

€ million	Note	June 30, 2019	December 30, 2018 restated
Assets			
Property, plant and equipment		10,207	10,046
Investment property		930	963
Right-of-use asset		7,037	7,027
Intangible assets		11,865	11,813
Investments in joint ventures and associates		211	213
Other non-current financial assets		648	636
Deferred tax assets		180	166
Other non-current assets		48	48
Total non-current assets		**31,125**	**30,912**
Assets held for sale		24	23
Inventories		3,287	3,196
Receivables		1,783	1,846
Other current financial assets		309	461
Income taxes receivable		183	53
Prepaid expenses and other current assets		246	217
Cash and cash equivalents	9	3,156	3,122
Total current assets		**8,989**	**8,918**
Total assets		**40,114**	**39,830**
Equity and liabilities			
Equity attributable to common shareholders	8	**13,590**	**14,205**
Loans		3,865	3,683
Other non-current financial liabilities		8,449	8,946
Pensions and other post-employment benefits		657	532
Deferred tax liabilities		730	682
Provisions		763	751
Other non-current liabilities		80	88
Total non-current liabilities		**14,544**	**14,682**
Accounts payable		5,947	5,815
Other current financial liabilities		3,377	2,215
Income taxes payable		79	110
Provisions		317	312
Other current liabilities		2,260	2,491
Total current liabilities		**11,980**	**10,943**
Total equity and liabilities		**40,114**	**39,830**
Year-end U.S. dollar exchange rate (euro per U.S. dollar)		0.8793	0.8738

Consolidated statement of changes in equity

€ million	Note	Share capital	Additional paid-in capital	Currency translation reserve	Cash flow hedging reserve	Other reserves including retained earnings	Equity attributable to common shareholders
Balance as of January 1, 2018, as previously reported		**12**	**15,175**	**(555)**	**(4)**	**541**	**15,169**
Effect of change in accounting policy – IFRS 16		—	—	—	—	(578)	(578)
Balance as of January 1, 2018, restated		**12**	**15,175**	**(555)**	**(4)**	**(37)**	**14,591**
Net income attributable to common shareholders – restated		—	—	—	—	811	**811**
Other comprehensive income – restated		—	—	260	2	44	**306**
Total comprehensive income attributable to common shareholders – restated		—	—	260	2	855	**1,117**
Dividends		—	—	—	—	(757)	**(757)**
Share buyback		—	—	—	—	(955)	**(955)**
Share-based payments		—	—	—	—	31	**31**
Balance as of July 1, 2018, restated		**12**	**15,175**	**(295)**	**(2)**	**(863)**	**14,027**
Balance as of December 30, 2018, as previously reported		**12**	**13,999**	**(60)**	**(2)**	**867**	**14,816**
Effect of change in accounting policy – IFRS 16		—	—	(20)	—	(591)	**(611)**
Balance as of December 30, 2018, restated		**12**	**13,999**	**(80)**	**(2)**	**276**	**14,205**
Net income attributable to common shareholders		—	—	—	—	769	**769**
Other comprehensive income (loss)		—	—	68	(2)	(68)	**(2)**
Total comprehensive income attributable to common shareholders		—	—	68	(2)	701	**767**
Dividends	8	—	—	—	—	(784)	**(784)**
Share buyback	8	—	—	—	—	(632)	**(632)**
Share-based payments		—	—	—	—	33	**33**
Balance as of June 30, 2019		**12**	**13,999**	**(12)**	**(4)**	**(405)**	**13,590**

Consolidated statement of cash flow

€ million	Note	Q2 2019	Q2 2018 restated	HY 2019	HY 2018 restated
Income from continuing operations		334	408	770	811
Adjustments for:					
Net financial expenses		145	146	270	266
Income taxes		89	92	208	197
Share in income of joint ventures		(9)	(2)	(14)	(7)
Depreciation, amortization and impairments	6	689	655	1,365	1,303
(Gains) losses on leases and the sale of assets / disposal groups held for sale		(6)	(7)	(10)	(11)
Share-based compensation expenses		21	20	34	31
Operating cash flows before changes in operating assets and liabilities		1,264	1,312	2,624	2,590
Changes in working capital:					
Changes in inventories		(58)	(89)	(80)	(37)
Changes in receivables and other current assets		32	(1)	34	21
Changes in payables and other current liabilities		310	254	(63)	(19)
Changes in other non-current assets, other non-current liabilities and provisions		20	(37)	(4)	(36)
Cash generated from operations		1,568	1,439	2,511	2,519
Income taxes paid – net		(92)	(60)	(317)	(94)
Operating cash flows from continuing operations		1,476	1,379	2,193	2,425
Net cash from operating activities		**1,476**	**1,379**	**2,193**	**2,425**
Purchase of non-current assets		(569)	(364)	(1,022)	(667)
Divestments of assets / disposal groups held for sale		39	4	49	17
Acquisition of businesses, net of cash acquired	3	(14)	(10)	(19)	(10)
Divestment of businesses, net of cash divested		(1)	(1)	(9)	(2)
Changes in short-term deposits and similar instruments		(53)	(322)	165	(346)
Dividends received from joint ventures		16	16	16	16
Interest received		18	21	36	36
Lease payments received on lease receivables		23	20	49	40
Other		(1)	(5)	(2)	(8)
Investing cash flows from continuing operations		(542)	(641)	(736)	(924)
Net cash from investing activities		**(542)**	**(641)**	**(736)**	**(924)**
Proceeds from long-term debt		596	—	596	797
Interest paid		(84)	(80)	(122)	(110)
Repayments of loans		(597)	(5)	(609)	(18)
Changes in short-term loans		(479)	(872)	955	(124)
Repayment of lease liabilities		(432)	(348)	(849)	(711)
Dividends paid on common shares	8	(784)	(757)	(784)	(757)
Share buyback	8	(325)	(501)	(633)	(961)
Other cash flows from derivatives		(5)	(4)	(5)	(4)
Other		(4)	(2)	(4)	(3)
Financing cash flows from continuing operations		(2,115)	(2,569)	(1,455)	(1,891)
Financing cash flows from discontinued operations		—	(1)	—	(2)
Net cash from financing activities		**(2,115)**	**(2,570)**	**(1,455)**	**(1,893)**
Net cash from operating, investing and financing activities		**(1,181)**	**(1,832)**	**2**	**(392)**
Cash and cash equivalents at the beginning of the period (excluding restricted cash)		4,343	5,907	3,110	4,542
Effect of exchange rates on cash and cash equivalents		(19)	151	31	76
Cash and cash equivalents at the end of the period (excluding restricted cash)	9	**3,143**	**4,226**	**3,143**	**4,226**
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.8902	0.8396	0.8853	0.8267

Notes to the consolidated interim financial statements

1. The Company and its operations

The principal activity of Koninklijke Ahold Delhaize N.V. ("Ahold Delhaize" or the "Company" or "Group" or "Ahold Delhaize Group"), a public limited liability company with its registered seat and head office in Zaandam, the Netherlands, is the operation of retail food stores and eCommerce primarily in the United States and Europe.

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

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting.” The accounting policies applied in these financial statements are consistent with those applied in Ahold Delhaize’s 2018 Financial Statements, except as otherwise indicated below under "New and revised IFRSs effective in 2019."

Taxes on income in the interim periods are accrued for using the tax rate that is expected to be applicable to the total annual profit or loss.

These consolidated financial statements are presented in millions of euros (€), unless otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided.

Ahold Delhaize's reporting calendar in 2019 and 2018 is based on a 4/4/5-week calendar, with four equal quarters of 13 weeks, for a total of 52 weeks.

Segmentation

Ahold Delhaize’s operating segments are its retail operating companies that engage in business activities from which they earn revenues and incur expenses, and whose operating results are regularly reviewed by the Executive Committee to make decisions about resources to be allocated to the segments and to assess their performance. In establishing the reportable segments, certain operating segments with similar economic characteristics have been aggregated. As Ahold Delhaize’s operating segments offer similar products using complementary business models, and there is no discernible difference in customer bases, Ahold Delhaize’s policy on aggregating its operating segments into reportable segments is based on geography, functional currency and management oversight.

New and revised IFRSs effective in 2019

IFRS 16, “Leases”

Definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

The Company applies the recognition exemptions for short-term leases and leases of low-value items, defined by the Company to be below $5,000 per item. The payments for these exempted leases are recognized in the income statement on a straight-line basis over their lease terms.

As a lessee

The Company recognizes a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received. The right-of-use asset for acquired leases is adjusted for any favorable or unfavorable lease rights recognized as part of the purchase price allocation. The right-of-use asset is subsequently depreciated using the straight-line method over the shorter of the lease term or the useful life of the underlying asset. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Right-of-use assets are separately disclosed as a line in the balance sheet, but right-of-use assets that meet the definition of investment property are included in "Investment property," and separately disclosed in the notes.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company has elected to separate lease and non-lease components included in lease payments for all leases. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, which are initially measured using the index or rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee
- The exercise price of a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is included in "Other current financial liabilities" and "Other non-current financial liabilities."

In the cash flow statement, the Company has classified the principal portion of lease payments, as well as the interest portion, within financing activities. Lease payments are not split between interest and principal portions but are shown as one line "Repayment of lease liabilities" in the cash flow statement. Lease payments for short-term leases, lease payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified as cash flows from operating activities.

The Company applies judgment to determine the lease term for the lease contracts, in which it is a lessee, that include renewal and termination options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

As a lessor

Lessor accounting remains similar to the previous standard and the Company continues to classify leases as finance or operating leases at lease inception based upon whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset.

Leases classified as finance leases result in the recognition of a net investment in a lease representing the Company's right to receive rent payments. The value of the net investment in a lease is the value of the future rent payments to be received and the unguaranteed residual value of the underlying asset discounted using the rate implicit in the lease.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sublease as an operating lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of "Rent expenses and income – net."

The Company has classified cash flows from operating leases as operating activities. Cash flows representing the collection of principal and interest payments for finance lease receivables are classified as investing activities and disclosed using a single line in the cash flow statement, being "Lease payments received on lease receivables."

The adoption of IFRS 16 has resulted in restatements of Ahold Delhaize's 2018 comparative amounts (see *Note 13*).

Amendments to IAS 19, "Plan Amendments, Curtailment or Settlement"

The amendments to IAS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must (i) calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change; (ii) recognize any reduction in a surplus immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement; and (iii) separately recognize any changes in the asset ceiling through other comprehensive income. These amendments have no impact on the consolidated financial statements.

Amendments to IAS 28, "Long-term Interests in Associates and Joint Ventures"

The amendments to IAS 28 were made to clarify that IFRS 9, "Financial Instruments," applies to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. These amendments have no impact on the consolidated financial statements.

IFRIC 23, "Uncertainty over Income Tax Treatments"

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities, whilst also aiming to enhance transparency. The interpretation does not have an impact on the consolidated financial statements.

Annual improvements to IFRSs 2015-2017

A number of amendments were made to various IFRSs that do not have a significant effect on the consolidated financial statements.

3. Business combinations and goodwill

Ahold Delhaize completed various store acquisitions for a total purchase consideration of €19 million. The allocation of the fair values of the identifiable assets acquired, liabilities assumed and the goodwill arising from the acquisitions through Q2 2019 are as follows:

€ million	The United States	Other	Total acquisitions
Goodwill	—	10	10
Property, plant and equipment	9	1	10
Right-of-use asset	20	6	25
Lease liabilities	(17)	(6)	(23)
Fair value of assets and liabilities recognized	**12**	**11**	**22**
Gain on bargain purchase (negative goodwill)	(4)	—	(4)
Total purchase consideration	**8**	**11**	**19**
Acquisition of businesses, net of cash	**8**	**11**	**19**

A reconciliation of Ahold Delhaize's goodwill balance, which is presented within intangible assets, is as follows:

€ million	Goodwill
As of December 30, 2018	
At cost	7,102
Accumulated impairment losses	(8)
Opening carrying amount	**7,094**
Acquisitions through business combinations	10
Exchange rate differences	29
Closing carrying amount	**7,133**
As of June 30, 2019	
At cost	7,141
Accumulated impairment losses	(8)
Closing carrying amount	**7,133**

4. Segment reporting

Ahold Delhaize's retail operations are presented in four reportable segments. In addition, "Other retail," consisting of Ahold Delhaize's unconsolidated joint ventures JMR – Gestão de Empresas de Retalho, SGPS, S.A. ("JMR") and P.T. Lion Super Indo ("Super Indo"), as well as Ahold Delhaize's Global Support Office, are presented separately. The accounting policies used for the segments are the same as the accounting policies used for the Financial Statements as described in *Note 2*.

All reportable segments sell a wide range of perishable and non-perishable food and non-food consumer products.

Reportable segment	Operating segments included in the Reportable segment
The United States	Stop & Shop, Food Lion, Giant/Martin's, Hannaford, Giant Food and Peapod
The Netherlands	Albert Heijn (including the Netherlands and Belgium), Etos, Gall & Gall and bol.com (including the Netherlands and Belgium)
Belgium	Delhaize (including Belgium and Luxembourg)
Central and Southeastern Europe	Albert (Czech Republic), Alfa Beta (Greece), Mega Image (Romania), Delhaize Serbia (Republic of Serbia)

Other	Included in Other
Other retail	Unconsolidated joint ventures JMR (49%) and Super Indo (51%)
Global Support Office	Global Support Office staff (the Netherlands, Belgium, Switzerland and the United States)

Net sales

Net sales per segment are as follows:

	Q2 2019	Q2 2018	HY 2019	HY 2018
$ million				
The United States	10,986	10,963	21,967	21,823
Average U.S. dollar exchange rate (euro per U.S. dollar)	*0.8902*	*0.8396*	*0.8853*	*0.8267*
€ million				
The United States	9,780	9,211	19,446	18,050
The Netherlands	3,683	3,536	7,211	6,944
Belgium	1,286	1,286	2,503	2,531
Central and Southeastern Europe	1,567	1,498	3,032	2,939
Ahold Delhaize Group	**16,315**	**15,531**	**32,193**	**30,464**

Operating income

Operating income (loss) per segment is as follows:

	Q2 2019	Q2 2018 restated	HY 2019	HY 2018 restated
$ million				
The United States	369	460	893	945
Average U.S. dollar exchange rate (euro per U.S. dollar)	*0.8902*	*0.8396*	*0.8853*	*0.8267*
€ million				
The United States	329	388	789	782
The Netherlands	190	195	364	367
Belgium	31	35	59	61
Central and Southeastern Europe	62	64	109	117
Global Support Office	(52)	(38)	(86)	(60)
Ahold Delhaize Group	**560**	**644**	**1,235**	**1,267**

5. Net sales

Q2 2019

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Ahold Delhaize Group
Sales from owned stores	9,491	2,342	608	1,510	13,950
Sales to and fees from franchisees and affiliates	—	781	658	43	1,481
Online sales	221	554	14	4	794
Wholesale sales	37	—	3	9	49
Other sales	31	7	2	1	41
Net sales	**9,780**	**3,683**	**1,286**	**1,567**	**16,315**

Q2 2018

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Ahold Delhaize Group
Sales from owned stores	8,968	2,328	619	1,446	13,361
Sales to and fees from franchisees and affiliates	—	755	649	38	1,442
Online sales	182	445	12	4	643
Wholesale sales	34	—	4	9	47
Other sales	27	8	2	1	38
Net sales	**9,211**	**3,536**	**1,286**	**1,498**	**15,531**

Half year 2019

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Ahold Delhaize Group
Sales from owned stores	18,874	4,617	1,199	2,930	27,619
Sales and fees to franchisees / affiliates	—	1,505	1,264	76	2,845
Online sales	442	1,076	28	9	1,555
Wholesale sales	70	—	5	17	93
Other sales	60	13	6	1	80
Net sales	**19,446**	**7,211**	**2,503**	**3,032**	**32,193**

Half year 2018

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Ahold Delhaize Group
Sales from owned stores	17,571	4,582	1,239	2,846	26,238
Sales and fees to franchisees / affiliates	—	1,467	1,254	67	2,788
Online sales	363	879	24	8	1,274
Wholesale sales	64	—	8	17	89
Other sales	52	16	6	1	75
Net sales	**18,050**	**6,944**	**2,531**	**2,939**	**30,464**

6. Expenses by nature

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

€ million	Q2 2019	Q2 2018 restated	HY 2019	HY 2018 restated
Cost of product	11,398	10,878	22,371	21,297
Labor costs	2,397	2,245	4,732	4,407
Other operational expenses	1,310	1,147	2,561	2,256
Depreciation and amortization	676	651	1,344	1,296
Rent expenses and income – net	(32)	(32)	(60)	(61)
Impairment losses and reversals – net	13	4	22	7
(Gains) losses on leases and the sale of assets – net	(7)	(6)	(11)	(5)
Total expenses by nature	**15,756**	**14,887**	**30,958**	**29,197**

7. Income taxes

The increase in the effective tax rate for Q2 2019 and HY 2019 is mainly caused by one-time events in Q2 2018 and HY 2018.

8. Equity attributable to common shareholders

Dividend on common shares

On April 10, 2019, the General Meeting of Shareholders approved the dividend over 2018 of €0.70 per common share. The dividend was paid on April 25, 2019.

Share buyback 2019

On January 2, 2019, the Company commenced the €1 billion share buyback program that was announced on November 13, 2018. In the first half of 2019, 28,945,828 of the Company's own shares were repurchased at an average price of €21.80 per share. The program is expected to be completed before the end of 2019.

The number of outstanding common shares as of June 30, 2019, was 1,104,629,439 (December 30, 2018: 1,130,200,138).

9. Cash

The following table presents the reconciliation between the cash and cash equivalents as presented in the statement of cash flows and on the balance sheet:

€ million	June 30, 2019	December 30, 2018
Cash and cash equivalents as presented in the statement of cash flows	3,143	3,110
Restricted cash	13	12
Cash and cash equivalents as presented on the balance sheet[1]	**3,156**	**3,122**

1. *Cash and cash equivalents include an amount held under a notional cash pooling arrangement of €1,083 million (December 30, 2018: €695 million), which is offset by an identical amount included under Other current financial liabilities.*

10. Financial instruments

Fair values of financial instruments

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

	June 30, 2019		December 30, 2018, restated	
€ million	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortized cost				
Loans receivable	63	69	69	72
Trade and other (non-)current receivables	1,697	1,697	1,756	1,756
Lease receivable	437	450	453	454
Cash and cash equivalents	3,156	3,156	3,122	3,122
Short-term deposits and similar instruments	101	101	266	266
	5,454	5,472	5,666	5,670
Financial assets at fair value through profit or loss (FVPL)				
Reinsurance assets	236	236	218	218
Investments in debt instruments	136	136	128	128
	372	372	346	346
Derivative financial instruments				
Derivatives	—	—	1	1
Total financial assets	**5,827**	**5,845**	**6,014**	**6,017**

€ million	June 30, 2019 Carrying amount	June 30, 2019 Fair value	December 30, 2018 restated Carrying amount	December 30, 2018 restated Fair value
Financial liabilities at amortized cost				
Notes	(3,947)	(4,134)	(3,476)	(3,500)
Other loans	(3)	(3)	(3)	(3)
Financing obligations	(269)	(227)	(277)	(235)
Mortgages payable	(89)	(101)	(89)	(103)
Cumulative preferred financing shares	—	—	(455)	(481)
Dividend cumulative preferred financing shares	—	—	(17)	(17)
Accounts payable	(5,947)	(5,947)	(5,815)	(5,815)
Short-term borrowings	(1,714)	(1,714)	(753)	(753)
Interest payable	(31)	(31)	(38)	(38)
Other	(92)	(96)	(93)	(95)
	(12,092)	(12,255)	(11,016)	(11,040)
Financial liabilities at fair value through profit or loss				
Reinsurance liabilities	(241)	(241)	(223)	(223)
Total financial liabilities excluding lease liabilities	**(12,333)**	**(12,496)**	**(11,239)**	**(11,263)**
Lease liabilities	(9,318)	n/a	(9,432)	n/a
Total financial liabilities	**(21,652)**	**n/a**	**(20,671)**	**n/a**

Issuance of Sustainability Bond

On June 19, 2019, Ahold Delhaize announced that it successfully issued its first Sustainability Bond, amounting to €600 million with a term of six years, maturing on June 26, 2025. The issuance is priced at 99.272% and carries an annual coupon of 0.250%.

Redemption of the cumulative preferred financing shares

On April 10, 2019, the General Meeting of Shareholders authorized the Management Board to acquire all cumulative preferred financing shares in the Company. On May 10, 2019, Ahold Delhaize acquired all 223,415,103 cumulative preferred financing shares at a redemption value of €477 million. Net financial expenses include transaction results from the cumulative preferred shares redemption, resulting in a one-off cost of €22 million. The cumulative preferred financing shares were cancelled on July 16, 2019.

Credit facilities

Ahold Delhaize has access to a €1.0 billion committed credit facility that contains customary covenants and is subject to a financial covenant that requires Ahold Delhaize, in the event that its corporate rating from Standard & Poor's and Moody's is lower than BBB / Baa2, respectively, not to exceed a specified maximum leverage ratio. On May 3, 2019, the lenders agreed to amend the maximum leverage ratio from 4.0:1 to 5.5:1 as a result of the implementation of IFRS 16.

Financial assets and liabilities measured at fair value on the balance sheet

Of Ahold Delhaize's categories of financial instruments, only derivatives, investments in debt instruments and reinsurance assets (liabilities) 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 measured by using either a market or income approach (mainly present value techniques). Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates that match the maturity of the contracts. Interest rate swaps are measured at the present value of expected future cash flows. Expected future cash flows are discounted by using the applicable yield curves derived from quoted interest rates.

To the extent that no cash collateral is contractually required, the valuation of Ahold Delhaize's derivative instruments is adjusted for the credit risk of the counterparty, called Credit Valuation Adjustment (CVA), and adjusted for Ahold Delhaize's own credit risk, called Debit Valuation Adjustment (DVA). The valuation technique for the CVA / DVA calculation is based on relevant observable market inputs.

No CVA / DVA adjustments are made to the valuation of certain derivative instruments, for which both Ahold Delhaize and its counterparties are required to post or redeem cash collaterals if the value of a derivative exceeds a threshold defined in the contractual provisions. Such cash collaterals materially reduce the impact of both the counterparties' and Ahold Delhaize's own non-performance risk on the value of the instrument. The portion of outstanding derivatives that was collateralized as of June 30, 2019, is nil (December 30, 2018: nil).

The carrying amount of trade and other (non-)current receivables, cash and cash equivalents, accounts payable, short-term deposits and similar instruments, and other current financial assets and liabilities approximate their fair values because of the short-term nature of these instruments and, for receivables, because any expected recoverability loss is reflected in an impairment loss. The fair values of quoted borrowings for which an active market exists are based on quoted prices at the end of the reporting period. The fair value of other non-derivative financial assets and liabilities that are not traded in an active market are estimated using discounted cash flow analyses based on prevailing market rates.

11. Commitments and contingencies

A comprehensive overview of commitments and contingencies as of December 30, 2018, is included in *Note 34* of Ahold Delhaize's 2018 Financial Statements, as included in the 2018 Annual Report, published on February 27, 2019.

12. Subsequent events

There have been no significant subsequent events.

13. Changes in accounting policies – effect of IFRS 16 adoption

The Company adopted IFRS 16 on December 31, 2018, and applied the full retrospective transition approach, and, therefore, the comparative figures for the 2018 financial year have been restated, as presented below.

IFRS 16 introduced a single, on-balance sheet lease accounting model for lessees. As a result, the Company, as a lessee, has recognized right-of-use assets, representing its rights to use the underlying assets, and lease liabilities, representing its obligation to make lease payments.

For the income statement, the nature of expenses related to leases, where the Company leases an asset (lessee), has changed as IFRS 16 replaces the operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

On its transition to IFRS 16, the Company determined whether an arrangement contains a lease. When performing this assessment, the Company could choose whether to apply the IFRS 16 definition of a lease to all its contracts or apply the practical expedient allowed under IFRS 16 and not reassess whether a contract is, or contains, a lease. The Company chose to apply the practical expedient to grandfather the definition of a lease upon transition. This means that it applied IFRS 16 to all contracts entered into before December 31, 2018, and identified as leases in accordance with IAS 17 and IFRIC 4.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16. However, subleases under IFRS 16 are classified with reference to the right-of-use asset, not with reference to the underlying asset, as per IAS 17. As a result, more leases have been classified as finance leases.

€ million	Q2 2018 as reported	Effect of IFRS 16 adoption	Q2 2018 restated
Consolidated income statement			
Net sales	15,531	—	15,531
Cost of sales	(11,370)	1	(11,369)
Gross profit	**4,161**	**1**	**4,162**
Selling expenses	(3,013)	52	(2,961)
General and administrative expenses	(566)	9	(557)
Total operating expenses	(3,579)	61	(3,518)
Operating income	**582**	**62**	**644**
Interest income	18	4	22
Interest expense	(76)	25	(51)
Net interest expense on defined benefit pension plans	(4)	—	(4)
Interest accretion to lease liability	—	(88)	(88)
Other financial income (expense)	(20)	(5)	(25)
Net financial expenses	(82)	(64)	(146)
Income before income taxes	**500**	**(2)**	**498**
Income taxes	(92)	—	(92)
Share in income of joint ventures	2	—	2
Income from continuing operations	**410**	**(2)**	**408**
Income (loss) from discontinued operations	—	—	—
Net income attributable to common shareholders	**410**	**(2)**	**408**

€ million	Q2 2018 as reported	Effect of IFRS 16 adoption	Q2 2018 restated
Consolidated statement of comprehensive income			
Net income	410	(2)	408
Remeasurements of defined benefit pension plans			
Remeasurements before taxes – income (loss)	41	—	41
Income taxes	(11)	—	(11)
Other comprehensive income (loss) that will not be reclassified to profit or loss	30	—	30
Currency translation differences in foreign interests	527	(21)	506
Cash flow hedges:			
Fair value result for the period	—	—	—
Transfers to net income	—	1	1
Other comprehensive income (loss) reclassifiable to profit or loss	527	(20)	507
Total other comprehensive income (loss)	**557**	**(20)**	**537**
Total comprehensive income attributable to common shareholders	**967**	**(22)**	**945**
Attributable to:			
Continuing operations	967	(22)	945
Discontinued operations	—	—	—
Total comprehensive income attributable to common shareholders	**967**	**(22)**	**945**

€ million	December 30, 2018 as reported	Effect of IFRS 16 adoption	December 30, 2018 restated
Consolidated balance sheet			
Assets			
Property, plant and equipment	11,147	(1,101)	10,046
Investment property	629	334	963
Right-of-use asset	—	7,027	7,027
Intangible assets	12,013	(200)	11,813
Investments in joint ventures and associates	236	(23)	213
Other non-current financial assets	238	398	636
Deferred tax assets	149	17	166
Other non-current assets	77	(29)	48
Total non-current assets	**24,489**	**6,423**	**30,912**
Assets held for sale	23	—	23
Inventories	3,196	—	3,196
Receivables	1,759	87	1,846
Other current financial assets	461	—	461
Income taxes receivable	53	—	53
Prepaid expenses and other current assets	228	(11)	217
Cash and cash equivalents	3,122	—	3,122
Total current assets	**8,842**	**76**	**8,918**
Total assets	**33,331**	**6,499**	**39,830**
Equity and liabilities			
Equity attributable to common shareholders	**14,816**	**(611)**	**14,205**
Loans	3,683	—	3,683
Other non-current financial liabilities	2,055	6,891	8,946
Pensions and other post-employment benefits	532	—	532
Deferred tax liabilities	864	(182)	682
Provisions	794	(43)	751
Other non-current liabilities	566	(478)	88
Total non-current liabilities	**8,494**	**6,188**	**14,682**
Accounts payable	5,816	(1)	5,815
Other current financial liabilities	1,232	983	2,215
Income taxes payable	110	—	110
Provisions	326	(14)	312
Other current liabilities	2,537	(46)	2,491
Total current liabilities	**10,021**	**922**	**10,943**
Total equity and liabilities	**33,331**	**6,499**	**39,830**

€ million	January 1, 2018 as reported	Effect of IFRS 16 adoption	January 1, 2018 restated
Consolidated balance sheet on transition (Opening balance sheet)			
Assets			
Property, plant and equipment	10,689	(1,132)	9,557
Investment property	650	366	1,016
Right-of-use asset	—	6,970	6,970
Intangible assets	11,634	(224)	11,410
Investments in joint ventures and associates	230	(25)	205
Other non-current financial assets	192	404	596
Deferred tax assets	436	31	467
Other non-current assets	70	(26)	44
Total non-current assets	**23,901**	**6,364**	**30,265**
Assets held for sale	14	—	14
Inventories	3,077	—	3,077
Receivables	1,605	78	1,683
Other current financial assets	238	—	238
Income taxes receivable	154	—	154
Prepaid expenses and other current assets	300	(43)	257
Cash and cash equivalents	4,581	—	4,581
Total current assets	**9,969**	**35**	**10,004**
Total assets	**33,870**	**6,399**	**40,269**
Equity and liabilities			
Equity attributable to common shareholders	**15,169**	**(578)**	**14,591**
Loans	3,289	—	3,289
Other non-current financial liabilities	2,098	6,823	8,921
Pensions and other post-employment benefits	567	—	567
Deferred tax liabilities	1,105	(162)	943
Provisions	808	(60)	748
Other non-current liabilities	529	(472)	57
Total non-current liabilities	**8,396**	**6,129**	**14,525**
Accounts payable	5,277	(1)	5,276
Other current financial liabilities	2,210	912	3,122
Income taxes payable	136	—	136
Provisions	355	(18)	337
Other current liabilities	2,327	(45)	2,282
Total current liabilities	**10,305**	**848**	**11,153**
Total equity and liabilities	**33,870**	**6,399**	**40,269**

€ million	Q2 2018 as reported	Effect of IFRS 16 adoption	Q2 2018 restated
Consolidated statement of cash flow			
Income from continuing operations	410	(2)	408
Adjustments for:			
Net financial expenses	82	64	146
Income taxes	92	—	92
Share in income of joint ventures	(2)	—	(2)
Depreciation, amortization and impairments	450	205	655
Gains on leases and the sale of assets / disposal groups held for sale	(1)	(6)	(7)
Share-based compensation expenses	20	—	20
Operating cash flows before changes in operating assets and liabilities	1,051	261	1,312
Changes in working capital:			
Changes in inventories	(89)	—	(89)
Changes in receivables and other current assets	(3)	2	(1)
Changes in payables and other current liabilities	254	—	254
Changes in other non-current assets, other non-current liabilities and provisions	(33)	(4)	(37)
Cash generated from operations	1,180	259	1,439
Income taxes paid – net	(60)	—	(60)
Operating cash flows from continuing operations	1,120	259	1,379
Operating cash flows from discontinued operations	(1)	1	—
Net cash from operating activities	**1,119**	**260**	**1,379**
Purchase of non-current assets	(364)	—	(364)
Divestments of assets / disposal groups held for sale	4	—	4
Acquisition of businesses, net of cash acquired	(10)	—	(10)
Divestment of businesses, net of cash divested	(1)	—	(1)
Changes in short-term deposits and similar instruments	(322)	—	(322)
Dividends received from joint ventures	16	—	16
Interest received	21	—	21
Lease payments received on lease receivables	—	20	20
Other	(5)	—	(5)
Investing cash flows from continuing operations	(661)	20	(641)
Net cash from investing activities	**(661)**	**20**	**(641)**
Interest paid	(104)	24	(80)
Repayments of loans	(5)	—	(5)
Changes in short-term loans	(872)	—	(872)
Repayment of lease liabilities	(45)	(303)	(348)
Dividends paid on common shares	(757)	—	(757)
Share buyback	(501)	—	(501)
Other cash flows from derivatives	(4)	—	(4)
Other	(2)	—	(2)
Financing cash flows from continuing operations	(2,290)	(279)	(2,569)
Financing cash flows from discontinued operations	—	(1)	(1)
Net cash from financing activities	**(2,290)**	**(280)**	**(2,570)**
Net cash from operating, investing and financing activities	**(1,832)**	**—**	**(1,832)**
Cash and cash equivalents at the beginning of the period (excluding restricted cash)	5,907	—	5,907
Effect of exchange rates on cash and cash equivalents	151	—	151
Cash and cash equivalents at the end of the period (excluding restricted cash)	**4,226**	**—**	**4,226**

€ million	Q2 2018 as reported	Effect of IFRS 16 adoption	Q2 2018 restated
Note 6. Expenses by nature			
Cost of product	10,878	—	10,878
Labor costs	2,245	—	2,245
Other operational expenses	1,148	(1)	1,147
Depreciation and amortization	443	208	651
Rent expenses and income – net	228	(260)	(32)
Impairment losses and reversals – net	7	(3)	4
(Gains) losses on leases and the sale of assets – net	—	(6)	(6)
Total expenses by nature	**14,949**	**(62)**	**14,887**

Zaandam, the Netherlands, August 6, 2019

Management Board
Frans Muller (President and Chief Executive Officer)
Jeff Carr (Chief Financial Officer)
Kevin Holt (Chief Executive Officer Ahold Delhaize USA)
Wouter Kolk (Chief Executive Officer Ahold Delhaize Europe and Indonesia)

Other financial and operating information

Free cash flow[1]

€ million	Q2 2019	Q2 2018 restated	HY 2019	HY 2018 restated
Operating cash flows from continuing operations before changes in working capital and income taxes paid	1,284	1,275	2,619	2,554
Changes in working capital	284	164	(109)	(35)
Income taxes paid – net	(92)	(60)	(317)	(94)
Purchase of non-current assets	(569)	(364)	(1,022)	(667)
Divestments of assets / disposal groups held for sale	39	4	49	17
Dividends received from joint ventures	16	16	16	16
Interest received	18	21	36	36
Interest paid	(84)	(80)	(122)	(110)
Lease payments received on lease receivables	23	20	49	40
Repayment of lease liabilities	(432)	(348)	(849)	(711)
Free cash flow	**486**	**648**	**351**	**1,046**

1. *Free cash flow is an alternative performance measure. For a description of this alternative performance measure refer to section* Use of alternative performance measures *at the end of this report.*

Net debt[1]

€ million	June 30, 2019	March 31, 2019	December 30, 2018 restated
Loans	3,865	3,302	3,683
Lease liabilities	8,217	8,370	8,270
Cumulative preferred financing shares	—	455	455
Non-current portion of long-term debt	12,083	12,126	12,408
Short-term borrowings and current portion of long-term debt	3,258	3,921	2,077
Gross debt	15,341	16,048	14,485
Less: Cash, cash equivalents, short-term deposits and similar instruments and short-term portion of investments in debt instruments[2, 3, 4, 5]	3,383	4,528	3,507
Net debt	**11,958**	**11,520**	**10,978**

1. *Net debt is an alternative performance measure. For a description of this alternative performance measure refer to section* Use of alternative performance measures *at the end of this report.*
2. *Short-term deposits and similar instruments include investments with a maturity of between three and 12 months. The balance of these instruments at June 30, 2019, was €101 million (December 30, 2018: €266 million) and is presented within Other current financial assets in the consolidated balance sheet.*
3. *Included in the short-term portion of investments in debt instruments is a U.S. treasury investment fund in the amount of €126 million (December 30, 2018: €119 million).*
4. *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. This balance at June 30, 2019, was €248 million (December 30, 2018: €292 million).*
5. *Cash and cash equivalents include an amount held under a notional cash pooling arrangement of €1,083 million (December 30, 2018: €695 million). This cash amount is fully offset by an identical amount included under Short-term borrowings and current portion of long-term debt.*

Underlying operating income[1]

Underlying operating income per segment is as follows:

Q2 2019

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Global Support Office	Ahold Delhaize Group
Operating income (loss)	**329**	**190**	**31**	**62**	**(52)**	**560**
Impairments	13	—	—	1	—	13
(Gains) losses on leases and the sale of assets	(6)	(3)	4	(1)	—	(7)
Restructuring and related charges and other	12	4	3	—	8	27
Adjustments to operating income	*18*	*1*	*6*	—	*8*	*34*
Underlying operating income (loss)	**347**	**191**	**37**	**62**	**(44)**	**594**

1. *Underlying operating income is an alternative performance measure. For a description of this alternative performance measure refer to section* Use of alternative performance measures *at the end of this report.*

Underlying operating income in local currency for Q2 2019 was $390 million for the United States.

Q2 2018, restated

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Global Support Office	Ahold Delhaize Group
Operating income (loss)	**388**	**195**	**35**	**64**	**(38)**	**644**
Impairments	3	1	—	—	—	4
(Gains) losses on leases and the sale of assets	(2)	(2)	(1)	(1)	—	(6)
Restructuring and related charges and other	12	1	1	—	13	27
Adjustments to operating income	*13*	—	—	*(1)*	*13*	*25*
Underlying operating income (loss)	**401**	**195**	**35**	**63**	**(25)**	**669**

Restated underlying operating income in local currency for Q2 2018 was $475 million for the United States.

Half year 2019

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Global Support Office	Ahold Delhaize Group
Operating income (loss)	**789**	**364**	**59**	**109**	**(86)**	**1,235**
Impairments	19	1	—	2	—	22
(Gains) losses on leases and the sale of assets	(10)	(3)	4	(2)	—	(11)
Restructuring and related charges and other	23	4	3	—	13	43
Adjustments to operating income	*33*	*2*	*7*	—	*12*	*54*
Underlying operating income (loss)	**822**	**366**	**66**	**109**	**(74)**	**1,288**

Underlying operating income in local currency for half year 2019 was $929 million for the United States.

Half year 2018, restated

€ million	The United States	The Netherlands	Belgium	Central and Southeastern Europe	Global Support Office	Ahold Delhaize Group
Operating income (loss)	**782**	**367**	**61**	**117**	**(60)**	**1,267**
Impairments	3	3	—	1	—	7
(Gains) losses on leases and the sale of assets	(1)	(2)	(1)	(1)	—	(5)
Restructuring and related charges and other	25	3	4	—	19	51
Adjustments to operating income	*27*	*4*	*3*	—	*19*	*53*
Underlying operating income (loss)	**809**	**371**	**64**	**117**	**(41)**	**1,320**

Restated underlying operating income in local currency for half year 2018 was $977 million for the United States.

Underlying EBITDA[1]

€ million	Q2 2019	Q2 2018 restated	HY 2019	HY 2018 restated
Underlying operating income	**594**	**669**	**1,288**	**1,320**
Depreciation and amortization[2]	674	651	1,335	1,296
Underlying EBITDA	**1,267**	**1,320**	**2,623**	**2,616**

1. *Underlying EBITDA is an alternative performance measure. For a description of this alternative performance measure refer to section* Use of alternative performance measures *at the end of this report.*
2. *The difference between the total amount of depreciation and amortization for Q2 2019 of €676 million (HY 2019: €1,344 million) and the €674 million (HY 2019: €1,335 million) mentioned here relates to an item that was excluded from underlying operating income.*

Underlying income from continuing operations[1]

€ million, except per share data	Q2 2019	Q2 2018 restated	HY 2019	HY 2018 restated
Income from continuing operations	**334**	**408**	**770**	**811**
Adjustments to operating income	34	25	54	53
Unusual items in net financial expenses	24	22	24	22
Tax effect on unusual items and unusual tax items	(8)	(22)	(14)	(29)
Underlying income from continuing operations	**384**	**433**	**834**	**857**
Basic income per share from continuing operations[2]	0.30	0.34	0.69	0.67
Underlying income per share from continuing operations[2]	0.35	0.36	0.75	0.71

1. *Underlying income from continuing operations is an alternative performance measure. For a description of this alternative performance measure refer to section* Use of alternative performance measures *at the end of this report.*
2. *Basic and underlying earnings per share from continuing operations are calculated by dividing the (underlying) income from continuing operations attributable to equity holders by the average numbers of shares outstanding. The weighted average number of shares used for calculating the basic and underlying earnings per share for Q2 2019 is 1,112 million (Q2 2018: 1,192 million).*

Store portfolio (including franchise and affiliate stores)

	End of 2018	Opened / acquired	Closed / sold	End of Q2 2019
The United States	1,961	10	—	1,971
The Netherlands[1]	2,151	9	(11)	2,149
Belgium	777	13	(2)	788
Central and Southeastern Europe	1,880	56	(6)	1,930
Total	**6,769**	**88**	**(19)**	**6,838**

1. *The number of stores at the end of Q2 2019 includes 1,133 specialty stores (Etos and Gall & Gall); (end of 2018: 1,139).*

Use of alternative performance measures

This interim report includes alternative performance measures (also known as non-GAAP measures). The descriptions of the alternative performance measures are included on pages 50 and 51 of Ahold Delhaize's 2018 Annual Report.

Due to the implementation of IFRS 16, Ahold Delhaize has updated some of its definitions of alternative performance measures. The updated definitions are provided below.

Free cash flow

Following the adoption of IFRS 16, Ahold Delhaize defines free cash flow as operating cash flows from continuing operations minus net capital expenditures, net repayment of lease liabilities and receivables (both interest and principal portions) and net interest paid plus dividends received.

Previously, Ahold Delhaize did not include the repayment of finance lease liabilities under IAS 17 in free cash flow. In addition, Ahold Delhaize did not previously have lease receivables and all rent income was included in operating cash flows from continuing operations. However, after the adoption of IFRS 16, some lessor contracts were classified as finance leases, resulting in the recognition of lease receivables. Rent payments received on such lease receivables continue to be included in free cash flow.

Underlying operating income and margin

Underlying operating income is defined as total operating income, adjusted for impairments of non-current assets, gains and losses on the sale of assets, gains and losses on leases and subleases, restructuring and related charges, and other items considered not to be directly related to the underlying operating performance.

Prior to the adoption of IFRS 16, gains and losses on leases and subleases were not adjusted for when determining underlying operating income, but the amounts were not significant.

Underlying income from continuing operations

Ahold Delhaize defines underlying income from continuing operations as income from continuing operations adjusted for impairments of non-current assets, gains and losses on the sale of assets, gains and losses on leases and subleases, restructuring and related charges, and other items considered not to be directly related to the underlying operating performance, as well as material non-recurring finance costs and income tax expense, and the potential effect of income tax on all these items.

Prior to the adoption of IFRS 16, gains and losses on leases and subleases were not adjusted for when determining underlying income from continuing operations, but amounts were not significant.

The adoption of IFRS 16 has resulted in restatements of Ahold Delhaize's 2018 comparative amounts for the alternative performance measures, as presented in the section *Alternative performance measures: restatement of 2018 comparatives*.

Alternative performance measures: restatement of 2018 comparatives

Following the update of some definitions of alternative performance measures, as mentioned above, the comparative figures for the 2018 financial year have been restated.

Free cash flow

€ million	Q2 2018 as reported	Effect of IFRS 16 adoption	Q2 2018 restated
Operating cash flows from continuing operations before changes in working capital and income taxes paid	1,018	257	1,275
Changes in working capital	162	2	164
Income taxes paid – net	(60)	—	(60)
Purchase of non-current assets	(364)	—	(364)
Divestments of assets / disposal groups held for sale	4	—	4
Dividends received from joint ventures	16	—	16
Interest received	21	—	21
Interest paid	(104)	24	(80)
Free cash flow – old definition	**693**	**283**	**976**
Lease payments received on lease receivables	—	20	20
Repayment of lease liabilities	(45)	(303)	(348)
Free cash flow – new definition	**648**	**—**	**648**

Underlying operating income

€ million	Q2 2018 as reported	Effect of IFRS 16 adoption	Q2 2018 restated
Operating income	**582**	**62**	**644**
Impairments	7	(3)	4
(Gains) losses on leases and the sale of assets	—	(6)	(6)
Restructuring and related charges and other	27	—	27
Adjustments to operating income	*34*	*(9)*	*25*
Underlying operating income	**616**	**53**	**669**

Underlying EBITDA

€ million	Q2 2018 as reported	Effect of IFRS 16 adoption	Q2 2018 restated
Underlying operating income	**616**	**53**	**669**
Depreciation and amortization	443	208	651
Underlying EBITDA	**1,059**	**261**	**1,320**

Underlying income from continuing operations

€ million, except per share data	Q2 2018 as reported	Effect of IFRS 16 adoption	Q2 2018 restated
Income from continuing operations	**410**	**(2)**	**408**
Adjustments to operating income	34	(9)	25
Unusual items in net financial expenses	22	—	22
Tax effect of unusual items and unusual tax items	(23)	1	(22)
Underlying income from continuing operations	**443**	**(10)**	**433**
Basic income per share from continuing operations[1]	0.34	—	0.34
Underlying income per share from continuing operations[1]	0.37	(0.01)	0.36

1. *Basic and underlying earnings per share from continuing operations are calculated by dividing the (underlying) income from continuing operations attributable to equity holders by the average numbers of shares outstanding. The weighted average number of shares used for calculating the basic and underlying earnings per share for Q2 2018 is 1,192 million.*

Financial calendar

Ahold Delhaize's financial year consists of 52 or 53 weeks and ends on the Sunday nearest to December 31.

Ahold Delhaize's 2019 financial year consists of 52 weeks and ends on December 29, 2019. The quarters in 2019 are:

First quarter	December 31, 2018 through March 31, 2019
Second quarter	April 1 through June 30, 2019
Third quarter	July 1 through September 29, 2019
Fourth quarter	September 30 through December 29, 2019

Cautionary notice

This press release contains information that qualifies as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Words and expressions such as continue to see, expect, remain confident, strategy, commitment, target, well underway, (2019) outlook, will, estimated, to be, remain committed, strengthening its commitment, on track, planned, anticipate, continue to expect, future, expected to be, 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 the 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 the Company’s inability to successfully implement its strategy, manage the growth of its business or realize the anticipated benefits of acquisitions; risks relating to competition and pressure on profit margins in the food retail industry; the impact of economic conditions on consumer spending; turbulence in the global capital markets; natural disasters and geopolitical events; climate change; raw material scarcity and human rights developments in the supply chain; disruption of operations and other factors negatively affecting the Company’s suppliers; the unsuccessful operation of the Company’s franchised and affiliated stores; changes in supplier terms and the inability to pass on cost increases to prices; risks related to corporate responsibility and sustainable retailing; food safety issues resulting in product liability claims and adverse publicity; environmental liabilities associated with the properties that the Company owns or leases; competitive labor markets, changes in labor conditions and labor disruptions; increases in costs associated with the Company’s defined benefit pension plans; the failure or breach of security of IT systems; the Company’s inability to successfully complete divestitures and the effect of contingent liabilities arising from completed divestitures; antitrust and similar legislation; unexpected outcomes in the Company’s legal proceedings; additional expenses or capital expenditures associated with compliance with federal, regional, state and local laws and regulations; unexpected outcomes with respect to tax audits; the impact of the Company’s outstanding financial debt; the Company’s ability to generate positive cash flows; fluctuation in interest rates; the change in reference interest rate; the impact of downgrades of the Company’s credit ratings and the associated increase in the Company’s cost of borrowing; exchange rate fluctuations; inherent limitations in the Company’s control systems; changes in accounting standards; adverse results arising from the Company’s claims against its self-insurance program; the Company’s inability to locate appropriate real estate or enter into real estate leases on commercially acceptable terms; 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.

For more information:

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YouTube: @AholdDelhaize
LinkedIn: @Ahold-Delhaize

Ahold Delhaize is one of the world's largest food retail groups and a leader in both supermarkets and eCommerce. Its family of great, local brands serves more than 50 million customers each week in Europe, the United States, and Indonesia. Together, these brands employ more than 372,000 associates in more than 6,700 grocery and specialty stores and include the top online retailer in the Benelux and the leading online grocers in the Benelux and the United States. Ahold Delhaize brands are at the forefront of sustainable retailing, sourcing responsibly, supporting local communities and helping customers make healthier choices. Headquartered in Zaandam, the Netherlands, Ahold Delhaize is listed on the Euronext Amsterdam and Brussels stock exchanges (ticker: AD) and its American Depositary Receipts are traded on the over-the-counter market in the U.S. and quoted on the OTCQX International marketplace (ticker: ADRNY). For more information, please visit www.aholddelhaize.com.

Proud companies of Ahold Delhaize