Ahold

Second quarter and half year 2009
August 20, 2009

Interim Report

Highlights

- Sales up 11% to € 6.4 billion (up 4% at constant exchange rates)
- Operating income up 26% to € 295 million
- Net income € 195 million
- Stop & Shop/Giant-Landover operating income up 60% to $ 200 million

Amsterdam, the Netherlands – Ahold today published its interim report for the second quarter and half year 2009. CEO John Rishton said: "We had a strong second quarter with operating income up 26% despite the challenging economic environment. Stop & Shop/Giant-Landover operating income was up 60% to $ 200 million and Albert Heijn operating income was up 9% to € 150 million from last year.

"We remain well positioned in an increasingly competitive environment to deliver our strategy for profitable growth and manage the balance between sales and margins."

(€ million)	Q2 2009	Q2 2008*	% change	HY 2009	HY 2008*	% change
Net sales	6,430	5,769	11.5%**	15,084	13,283	13.6%**
Operating income	295	235	25.5%	691	571	21.0%
Income from continuing operations	192	177	8.5%	445	398	11.8%
Net income	195	338	(42.3)%	391	599	(34.7)%

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

** At constant exchange rates, net sales increased by 3.9% in Q2 2009 (HY 2009: 5.2%).

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Group performance

Second quarter 2009

Net sales were € 6.4 billion, up 11.5%. At constant exchange rates, net sales increased by 3.9%.

Operating income was € 295 million, up 25.5%. Retail operating income was € 306 million, a retail operating margin of 4.8% compared to 4.3% last year. Underlying retail operating margin (excluding impairments, gains on the sale of assets and restructuring and related charges) was 4.9% compared to 4.4% last year. Corporate Center costs were € 11 million for the quarter, down € 1 million.

Income from continuing operations was up 8.5% to € 192 million, reflecting a higher operating income partly offset by higher net financial expense and lower share in income of joint ventures. Net income was € 195 million, down € 143 million compared to last year, which included a € 162 million gain related to the divestment of Schuitema.

Cash flow before financing activities was € 471 million, € 164 million lower than in the same quarter last year, which included net proceeds from divestments, primarily Schuitema. In the second quarter of 2009, € 513 million of debt was repaid (Q2 2008: € 952 million).

Half year 2009

Net sales were € 15.1 billion, up 13.6%. At constant exchange rates, net sales increased by 5.2%.

Operating income was € 691 million, up 21.0%. Retail operating income was € 720 million, a retail operating margin of 4.8% compared to 4.6% last year. Underlying retail operating margin (excluding impairments, gains on the sale of assets and restructuring and related charges) was 4.9% compared to 4.7% last year. Corporate Center costs were € 29 million, down € 17 million, positively impacted by changes in the discount rate applied to the Company's self-insurance provision.

Income from continuing operations was up 11.8% to € 445 million, reflecting a higher operating income partly offset by higher net financial expense, income taxes and lower share in income of joint ventures. Net income of € 391 million was down € 208 million, impacted significantly by discontinued operations. Discontinued operations in the first half of 2009 included a net provision of € 65 million, representing Ahold's estimate of obligations under the lease guarantees of its former subsidiaries BI-LO and Bruno's, whereas for the half year 2008 it included a € 162 million gain related to the divestment of Schuitema.

Cash flow before financing activities was € 687 million, € 219 million lower than last year, which included net proceeds from divestments, primarily Schuitema.

Performance by segment

Stop & Shop/Giant-Landover

For the second quarter, net sales were $ 4.1 billion, up 2.8%. Identical sales were up 1.7% at Stop & Shop (3.4% excluding gasoline) and up 3.7% at Giant-Landover (3.5% excluding gasoline). Operating income was $ 200 million (or 4.9% of net sales), up $ 75 million. Operating income included impairments of $ 7 million, mainly related to the closing of a number of in-store Starbucks locations. Operating income in Q2 2008 included restructuring, severance and related charges of $ 37 million and impairments of $ 7 million, partly offset by gains on the sale of assets of $ 22 million.

For the first half, net sales were $ 9.4 billion, up 3.2%. Identical sales were up 2.5% at Stop & Shop (4.2% excluding gasoline) and up 3.7% at Giant-Landover (3.5% excluding gasoline). Operating income was $ 442 million (or 4.7% of net sales), up $ 115 million and included a non-recurring rent charge of $ 15 million and impairments of $ 7 million. For the first half of last year, restructuring, severance and related charges were $ 43 million, impairments were $ 10 million and gains on the sale of assets were $ 29 million.

Giant-Carlisle

For the second quarter, net sales decreased 0.4% to $ 1.1 billion. Identical sales decreased 1.8% (increased 2.0% excluding gasoline). Operating income was $ 48 million (or 4.3% of net sales), down $ 3 million compared to the same period last year. Operating income in Q2 2008 included restructuring, severance and related charges of $ 8 million.

For the first half, net sales were $ 2.6 billion, up 1.7%. Identical sales decreased 0.2% (increased 3.3% excluding gasoline). Operating income was $ 119 million (or 4.6% of net sales), down $ 4 million compared to the same period last year.

Albert Heijn

For the second quarter, net sales were € 2.2 billion, up 7.8%. Net sales at Albert Heijn supermarkets were € 2.1 billion, up 7.9%, primarily due to the conversion of 56 former Schuitema stores into the Albert Heijn format in the second half of 2008 and early 2009. Identical sales at Albert Heijn supermarkets increased 0.4% compared to Q2 2008. Operating income of € 150 million (or 6.7% of net sales), was up € 12 million from last year, despite € 16 million higher pension costs. Operating income included gains on the sale of assets of € 10 million in Q2 2008.

For the first half, net sales were € 5.2 billion, up 10.4%. Net sales at Albert Heijn supermarkets were € 4.8 billion, up 10.6%, partly due to the conversion of former Schuitema stores into the Albert Heijn format. Identical sales at Albert Heijn supermarkets increased 2.8%. Operating income was € 339 million (or 6.5% of net sales), up € 12 million compared to last year, despite € 37 million higher pension costs. Operating income included gains on the sale of assets of € 15 million in the first half of 2008.

Albert/Hypernova (Czech Republic and Slovakia)

For the second quarter, net sales decreased 6.8% to € 383 million. At constant exchange rates, net sales decreased 0.7%, impacted by store closures as part of our restructuring program. Identical sales decreased 1.6% (1.5% excluding gasoline). Operating loss for the quarter was € 25 million, compared to a loss of € 4 million last year. Impairments and restructuring and related charges, mainly for the closure of underperforming stores in the Czech Republic were € 5 million for the quarter. Furthermore, operating income for the quarter included one-off net costs of € 8 million related to the rebranding of Hypernova hypermarkets to the Albert brand. We expect further charges this year related to our restructuring activities.

For the first half, net sales decreased 5.2% to € 874 million (increased 0.5% at constant exchange rates). Identical sales decreased 0.2% (increased 0.5% excluding gasoline). Operating loss for the first half year was € 39 million, compared to a loss of € 5 million last year. Impairments and restructuring and related charges, mainly for the closure of underperforming stores in the Czech Republic were € 18 million.

Unconsolidated joint ventures

For the second quarter, Ahold's share in income of joint ventures decreased 56.8% to € 16 million. For the first half, Ahold's share in income of joint ventures was down 56.0% to € 22 million. The decrease was primarily due to lower gains on the sale of assets, higher impairment charges and higher income taxes at ICA.

Sales and operating margins are summarized as follows:

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

	Q2 2009 identical	Q2 2009 identical excluding gasoline	Q2 2009 comparable	HY 2009 identical	HY 2009 identical excluding gasoline	HY 2009 comparable
Stop & Shop	1.7%	3.4%	2.3%	2.5%	4.2%	3.1%
Giant-Landover	3.7%	3.5%	4.2%	3.7%	3.5%	4.1%
Giant-Carlisle	(1.8)%	2.0%	(0.9)%	(0.2)%	3.3%	0.6%
Albert Heijn[3]	0.4%	0.4%		2.8%	2.8%	
Albert/Hypernova	(1.6)%	(1.5)%		(0.2)%	0.5%	

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

Operating margin

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

	Q2 2009	Q2 2008*	HY 2009	HY 2008*
Stop & Shop/Giant-Landover	4.9%	3.1%	4.7%	3.6%
Giant-Carlisle	4.3%	4.6%	4.6%	4.9%
Albert Heijn	6.7%	6.6%	6.5%	6.9%
Albert/Hypernova	(6.5)%	(1.0)%	(4.5)%	(0.5)%
Total retail	**4.8%**	**4.3%**	**4.8%**	**4.6%**

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

Other financial and operating information

Store portfolio[1]

	End of 2008	Opened/ acquired	Closed/ sold	End of Q2 2009	End of Q2 2008
Stop & Shop/Giant-Landover	563	2	(1)	564	561
Giant-Carlisle	148	1	-	149	147
Albert Heijn[2]	1,861	25	(13)	1,873	1,776
Albert/Hypernova	325	4	(22)	307	310
Total retail	**2,897**	**32**	**(36)**	**2,893**	**2,794**

1. Including franchise stores.
2. Number of stores at the end of Q2 2009 includes 1,045 specialty stores (Etos and Gall & Gall).

EBITDA

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

(€ million)	Q2 2009	Q2 2008	% change	HY 2009	HY 2008	% change
Stop & Shop/Giant-Landover	237	158	50.0%	547	398	37.4%
Giant-Carlisle	58	53	9.4%	145	126	15.1%
Ahold USA	295	211	39.8%	692	524	32.1%
Albert Heijn	194	176	10.2%	441	411	7.3%
Albert/Hypernova	(13)	8	(262.5)%	(12)	22	(154.5)%
Ahold Europe	181	184	(1.6)%	429	433	(0.9)%
Corporate Center	(11)	(12)	8.3%	(29)	(45)	35.6%
	465	383	21.4%	1,092	912	19.7%
Share in income of joint ventures	16	37	(56.8)%	22	50	(56.0)%
Income (loss) from discontinued operations	3	161	(98.1)%	(54)	201	(126.9)%
Total EBITDA	**484**	**581**	**(16.7)%**	**1,060**	**1,163**	**(8.9)%**

Net debt

(€ million)	July 12, 2009	April 19, 2009	December 28, 2008
Loans	2,157	2,370	2,260
Finance lease liabilities	1,014	1,076	1,025
Cumulative preferred financing shares	497	497	497
Non-current portion of long-term debt	3,668	3,943	3,782
Short-term borrowings and current portion of long term debt	130	546	459
Gross debt	3,798	4,489	4,241
Less: cash and cash equivalents[1]	2,642	3,124	2,863
Net debt	**1,156**	**1,365**	**1,378**

1. Book overdrafts, representing the excess of total issued checks over available cash balances within the Group cash concentration structure, are classified in accounts payable and do not form part of net debt. These balances amounted to € 127 million, € 145 million and € 195 million as of July 12, 2009, April 19, 2009 and December 28, 2008, respectively.

Related party transactions

Ahold 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. There have been no significant changes in the related party transactions described in the last annual report, except that the Company is no longer purchasing from A.M.S. Coffee Trading AG effective April 2009.

Risks and uncertainties

Ahold's enterprise risk management program provides executive management with a periodic and holistic understanding of Ahold's key business risks and the management practices in place to mitigate these risks. Ahold recognizes strategic, operational, financial and compliance and regulatory risk categories. The principal risks faced by the Company during the first half of the financial year were the same as those identified at year end 2008 and management does not presently anticipate any material changes to the nature of the risks affecting Ahold's business over the second half of the financial year. A description of Ahold's risk management practices, our principal risks and how they impact Ahold's business is provided in our 2008 Annual Report.

Auditors' involvement

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

Declarations

The members of the Corporate Executive Board of Ahold 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 Ahold, 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 Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*).

Corporate Executive Board

John Rishton (CEO)

Kimberly Ross (CFO)

Lawrence Benjamin

Dick Boer

Peter Wakkie

Consolidated interim income statement

(unaudited)

(€ million, except per share data)	Note	Q2 2009	Q2 2008*	HY 2009	HY 2008*
Net sales	*3*	**6,430**	**5,769**	**15,084**	**13,283**
Cost of sales	*6*	(4,682)	(4,278)	(10,973)	(9,790)
Gross profit		1,748	1,491	4,111	3,493
Selling expenses		(1,267)	(1,091)	(2,983)	(2,532)
General and administrative expenses	*4,5*	(186)	(165)	(437)	(390)
Total operating expenses	*6*	(1,453)	(1,256)	(3,420)	(2,922)
Operating income	*3*	**295**	**235**	**691**	**571**
Interest income		4	25	18	65
Interest expense		(72)	(73)	(180)	(185)
Other financial income (expense)		(5)	1	6	(7)
Net financial expense		(73)	(47)	(156)	(127)
Income before income taxes		**222**	**188**	**535**	**444**
Income taxes		(46)	(48)	(112)	(96)
Share in income of joint ventures	*7*	16	37	22	50
Income from continuing operations		**192**	**177**	**445**	**398**
Income (loss) from discontinued operations	*8*	3	161	(54)	201
Net income		**195**	**338**	**391**	**599**
Attributable to:					
Common shareholders		195	336	391	594
Non-controlling interests		-	2	-	5
Net income		**195**	**338**	**391**	**599**
Net income per share:					
basic		0.17	0.29	0.33	0.51
diluted		0.16	0.28	0.33	0.49
Income from continuing operations per share:					
basic		0.16	0.15	0.38	0.34
diluted		0.16	0.15	0.37	0.33
Weighted average number of common shares outstanding (in millions):					
basic		1,180	1,174	1,179	1,173
diluted		1,249	1,242	1,249	1,242
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.7277	0.6403	0.7474	0.6526

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

Consolidated interim statement of comprehensive income

(unaudited)

(€ million)	Q2 2009	Q2 2008	HY 2009	HY 2008
Net income	**195**	**338**	**391**	**599**
Currency translation differences in foreign interests:				
Currency translation differences before tax	(145)	(4)	25	(111)
Income taxes	-	-	-	(1)
Cash flow hedges:				
Cash flow hedges before tax	6	4	20	(1)
Income taxes	(2)	(2)	(5)	(1)
Share of other comprehensive income of joint ventures, net of income tax	(11)	8	17	(1)
Other comprehensive income (loss)	(152)	6	57	(115)
Total comprehensive income	**43**	**344**	**448**	**484**
Attributable to:				
Common shareholders	43	342	448	479
Non-controlling interests	-	2	-	5
Total comprehensive income	**43**	**344**	**448**	**484**

Consolidated interim balance sheet

(unaudited)

(€ million)	Note	July 12, 2009	December 28, 2008*
Assets			
Property, plant and equipment		5,495	5,526
Investment property		504	501
Intangible assets		616	598
Investments in joint ventures		796	802
Other non-current financial assets		584	485
Deferred tax assets		387	358
Other non-current assets		27	26
Total non-current assets		8,409	8,296
Assets held for sale		170	179
Inventories		1,229	1,319
Receivables		648	744
Other current financial assets		13	18
Income taxes receivable		10	66
Other current assets		144	107
Cash and cash equivalents	*11*	2,642	2,863
Total current assets		4,856	5,296
Total assets		**13,265**	**13,592**
Quarter-end U.S. dollar exchange rate (euro per U.S. dollar)		0.7177	0.7111

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

Consolidated interim balance sheet – *continued*

(unaudited)

(€ million)	Note	July 12, 2009	December 28, 2008*
Equity and liabilities			
Equity attributable to common shareholders	*9*	4,929	4,676
Loans	*10*	2,157	2,260
Other non-current financial liabilities		1,666	1,664
Pensions and other post-employment benefits		126	113
Deferred tax liabilities		140	115
Provisions		580	442
Other non-current liabilities		199	184
Total non-current liabilities		4,868	4,778
Accounts payable		2,060	2,284
Other current financial liabilities	*10*	202	578
Income taxes payable		139	101
Provisions		142	170
Other current liabilities		925	1,005
Total current liabilities		3,468	4,138
Total equity and liabilities		**13,265**	**13,592**
Quarter-end U.S. dollar exchange rate (euro per U.S. dollar)		0.7177	0.7111

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

Consolidated interim statement of changes in equity

(unaudited)

(€ million)	Share capital	Additional paid-in capital	Legal reserves: Currency translation reserve	Legal reserves: Cash flow hedging reserve	Legal reserves: Other legal reserves	Accumulated deficit	Equity attributable to common shareholders
Balance as of December 30, 2007	**381**	**10,699**	**(635)**	**(39)**	**327**	**(6,923)**	**3,810**
Dividends	-	-	-	-	-	(188)	(188)
Total comprehensive income	-	-	(114)	(1)	-	594	479
Retirement of treasury shares	(23)	(779)	-	-	-	802	-
Share-based payments	-	-	-	-	-	26	26
Change in other legal reserves	-	-	-	-	(20)	20	-
Acquisition of non-controlling interest	-	-	-	-	-	(55)	(55)
Other	-	(4)	-	(2)	-	11	5
Balance as of July 13, 2008	**358**	**9,916**	**(749)**	**(42)**	**307**	**(5,713)**	**4,077**
Balance as of December 28, 2008	**358**	**9,916**	**(643)**	**(63)**	**368**	**(5,260)**	**4,676**
Dividends	-	-	-	-	-	(212)	(212)
Total comprehensive income	-	-	46	12	(1)	391	448
Share-based payments	-	-	-	-	-	17	17
Change in other legal reserves	-	-	-	-	(30)	30	-
Balance as of July 12, 2009	**358**	**9,916**	**(597)**	**(51)**	**337**	**(5,034)**	**4,929**

Consolidated interim statement of cash flows

(unaudited)

(€ million)	Note	Q2 2009	Q2 2008	HY 2009	HY 2008
Operating income		295	235	691	571
Adjustments for:					
Depreciation, amortization and impairments		178	152	419	347
Gains on the sale of assets/disposal groups held for sale		-	(26)	(4)	(36)
Other		6	7	14	16
Operating cash flows before changes in working capital		479	368	1,120	898
Changes in inventories		43	11	100	54
Changes in receivables and other current assets		40	(28)	63	28
Changes in payables and other current liabilities		38	101	(284)	(90)
Changes in non-current assets and liabilities		(14)	20	(23)	(18)
Cash generated from operations		586	472	976	872
Income taxes (paid) received - net		(24)	(19)	13	(88)
Operating cash flows from continuing operations		562	453	989	784
Operating cash flows from discontinued operations		(2)	(18)	(6)	24
Net cash from operating activities		***560***	***435***	***983***	***808***
Purchase of non-current assets		(151)	(240)	(387)	(434)
Divestments of assets/disposal groups held for sale		1	55	8	69
Acquisition of businesses, net of cash acquired		(2)	(1)	(4)	(8)
Divestment of businesses, net of cash divested		(4)	342	(4)	342
Dividends from joint ventures		53	70	54	70
Interest received		11	24	25	67
Other		1	(46)	(2)	(7)
Investing cash flows from continuing operations		(91)	204	(310)	99
Investing cash flows from discontinued operations		2	(4)	14	(1)
Net cash from investing activities		***(89)***	***200***	***(296)***	***98***
Interest paid		(113)	(129)	(200)	(209)
Repayments of loans	*10*	(513)	(952)	(519)	(961)
Repayments of finance lease liabilities		(11)	(10)	(25)	(23)
Dividends paid on common shares	*9*	(212)	(188)	(212)	(188)
Other		(25)	(23)	20	(7)
Financing cash flows from continuing operations		(874)	(1,302)	(936)	(1,388)
Financing cash flows from discontinued operations		(1)	4	(2)	(30)
Net cash from financing activities		***(875)***	***(1,298)***	***(938)***	***(1,418)***
Net cash from operating, investing and financing activities	*11*	**(404)**	**(663)**	**(251)**	**(512)**
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.7277	0.6403	0.7474	0.6526

For the reconciliation between net cash from operating, investing and financing activities and cash and cash equivalents as presented in the balance sheet see note 11.

Notes to the condensed consolidated interim financial statements

1. The Company and its operations

The principal activity of Koninklijke Ahold N.V. ("Ahold" or the "Company"), a public limited liability company with its registered seat in Zaandam, the Netherlands and its head office in Amsterdam, the Netherlands, is the operation of retail food stores in the United States and Europe through subsidiaries and joint ventures. In addition, some subsidiaries finance, develop and manage store sites and shopping centers, primarily to support retail operations. The activities of Ahold are, to some extent, subject to seasonal influences. Ahold's retail business generally experiences an increase in net sales in the fourth quarter of each year, resulting mainly from holiday sales.

2. Accounting policies

Basis of preparation

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

Ahold's reporting calendar is based on 13 periods of four weeks, with 2009 comprising 53 weeks and 2008 comprising 52 weeks. The second quarter and first half of 2009 and 2008 each comprise 12 weeks and 28 weeks, respectively. The financial year of Ahold's unconsolidated joint venture ICA AB ("ICA") corresponds to the calendar year. Any significant transactions and/or events between ICA's quarter-end and Ahold's quarter-end are taken into account in the preparation of Ahold's interim financial statements.

Changes in accounting policies

As of 2009, Ahold has applied IFRIC 13 "Customer Loyalty Programs", which addresses accounting by entities that grant customer loyalty award credits to their customers. The adoption of IFRIC 13, which Ahold has applied retrospectively, resulted in an increase of cost of sales of € 1 million and a decrease of general and administrative expenses of € 1 million in Q2 2008. For half year 2008, the adoption of IFRIC 13 resulted in a decrease of net sales of € 7 million, a decrease of cost of sales of € 5 million and a decrease of general and administrative expenses of € 2 million. The 2008 year-end balances have also been changed accordingly, with the effect that other current financial liabilities decreased by € 1 million and other current liabilities increased by the same amount.

As of 2009, rent income earned by certain real estate subsidiaries is netted against the related expense, whereas previously it was included in net sales. Comparative information has been changed accordingly, with the effect that in Q2 2008 net sales decreased by € 14 million (HY 2008: € 31 million), selling expenses decreased by € 11 million (HY 2008: € 25 million) and cost of sales decreased by € 3 million (HY 2008: € 6 million).

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

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

Income statement reclassification

Comparative information in the consolidated interim income statement has been changed to present certain intercompany eliminations on the same line item. This resulted in an increase of Q2 2008 selling expenses by € 3 million (HY 2008: € 9 million) and a decrease of general and administrative expenses by € 3 million (HY 2008: € 9 million), with no impact to operating income.

3. Segment reporting

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

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

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

Net sales

Net sales per segment are as follows:

(€ million)	Q2 2009	Q2 2008*	% change	HY 2009	HY 2008*	% change
Stop & Shop/Giant-Landover	2,998	2,566	16.8%	7,054	5,969	18.2%
Giant-Carlisle	810	715	13.3%	1,924	1,651	16.5%
Ahold USA	3,808	3,281	16.1%	8,978	7,620	17.8%
Albert Heijn	2,239	2,077	7.8%	5,232	4,741	10.4%
Albert/Hypernova	383	411	(6.8)%	874	922	(5.2)%
Ahold Europe	2,622	2,488	5.4%	6,106	5,663	7.8%
Ahold Group	**6,430**	**5,769**	**11.5%**	**15,084**	**13,283**	**13.6%**

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

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

(million)	Q2 2009	Q2 2008*	% change	HY 2009	HY 2008*	% change
Stop & Shop/Giant-Landover	4,120	4,008	2.8%	9,443	9,147	3.2%
Giant-Carlisle	1,113	1,117	(0.4)%	2,575	2,531	1.7%
Net sales of U.S. segments in U.S. dollars	5,233	5,125	2.1%	12,018	11,678	2.9%
Average U.S. dollar exchange	*0.7277*	*0.6403*	*13.6%*	*0.7474*	*0.6526*	*14.5%*
Net sales of U.S. segments in euros	3,808	3,281	16.1%	8,978	7,620	17.8%

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

Net sales of Ahold's unconsolidated joint venture ICA amounted to € 2,230 million and € 2,433 million for Q2 2009 and Q2 2008, respectively (HY 2009: € 4,292 million and HY 2008: € 4,699 million).

Operating income

Operating income (loss) per segment is as follows:

(€ million)	Q2 2009	Q2 2008	% change	HY 2009	HY 2008	% change
Stop & Shop/Giant-Landover	146	80	82.5%	331	214	54.7%
Giant-Carlisle	35	33	6.1%	89	81	9.9%
Ahold USA	181	113	60.2%	420	295	42.4%
Albert Heijn	150	138	8.7%	339	327	3.7%
Albert/Hypernova	(25)	(4)	n/m	(39)	(5)	n/m
Ahold Europe	125	134	(6.7)%	300	322	(6.8)%
Corporate Center	(11)	(12)	8.3%	(29)	(46)	37.0%
Ahold Group	**295**	**235**	**25.5%**	**691**	**571**	**21.0%**

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

(million)	Q2 2009	Q2 2008	% change	HY 2009	HY 2008	% change
Stop & Shop/Giant-Landover	200	125	60.0%	442	327	35.2%
Giant-Carlisle	48	51	(5.9)%	119	123	(3.3)%
Operating income of U.S. segments in U.S. dollars	248	176	40.9%	561	450	24.7%
Average U.S. dollar exchange rate	*0.7277*	*0.6403*	*13.6%*	*0.7474*	*0.6526*	*14.5%*
Operating income of U.S. segments in euros	181	113	60.2%	420	295	42.4%

Stop & Shop/Giant-Landover

Operating income in Q2 2009 included impairments of $ 7 million (€ 5 million), mainly related to the closing of a number of in-store Starbucks locations. Operating income in Q1 2009 included expenses of $ 15 million (€ 11 million) resulting from an adjustment of step rents on operating leases related to the years 2006 to 2008.

Operating income in Q2 2008 included restructuring, severance and related charges of $ 37 million (€ 23 million) and impairments of $ 7 million (€ 4 million), mainly resulting from the lease termination of an office building used by Ahold USA's IT organization and store closures. Furthermore, Q2 2008 included gains on the sale of assets of $ 22 million (€ 14 million), mainly related to the sale of a shopping center. Operating income in Q1 2008 included restructuring charges of $ 6 million (€ 4 million), consisting primarily of lease termination charges, gains on the sale of assets of $ 7 million (€ 5 million) and impairment losses of $ 3 million (€ 2 million).

Giant-Carlisle

Operating income in Q2 2008 included restructuring related charges of $ 8 million (€ 5 million), mainly resulting from the lease termination of an office building used by Ahold USA's IT organization.

Albert Heijn

Operating income in Q2 2009 reflects higher costs from the Company's defined benefit pension plans compared to Q2 2008 of € 16 million (HY: € 37 million).

Q2 2008 operating income included gains on the sale of assets of € 10 million, mainly related to the sale of two stores. Furthermore, operating income in Q1 2008 included gains on the sale of assets of € 5 million.

Albert/Hypernova

Operating income in Q2 2009 included restructuring and related charges of € 5 million (HY: € 10 million), mainly for the closure of underperforming stores in the Czech Republic. Furthermore, Q2 2009 included one-off net rebranding costs of € 8 million. Impairment losses of € 8 million for half year 2009 included impairments of € 3 million related to stores closed under the restructuring program.

Corporate Center

Corporate Center costs for half year 2009 were down € 17 million compared to same period last year. Of this reduction, € 11 million related to self-insurance activities and was mainly as a result of changes in the discount rate.

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

4. Impairment of assets

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

(€ million)	Q2 2009	Q2 2008	HY 2009	HY 2008
Stop & Shop/Giant-Landover	(5)	(4)	(6)	(6)
Giant-Carlisle	-	-	-	-
Ahold USA	(5)	(4)	(6)	(6)
Albert Heijn	(2)	-	(4)	-
Albert/Hypernova	(1)	-	(8)	-
Ahold Europe	(3)	-	(12)	-
Corporate Center	-	-	-	-
Ahold Group	**(8)**	**(4)**	**(18)**	**(6)**

For a discussion of significant impairments, see note 3.

5. Gains on the sale of assets

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

(€ million)	Q2 2009	Q2 2008	HY 2009	HY 2008
Stop & Shop/Giant-Landover	-	14	-	19
Giant-Carlisle	-	-	-	-
Ahold USA	-	14	-	19
Albert Heijn	-	10	4	15
Albert/Hypernova	-	2	-	2
Ahold Europe	-	12	4	17
Corporate Center	-	-	-	-
Ahold Group	**-**	**26**	**4**	**36**

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

6. Expenses by nature

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

(€ million)	Q2 2009	Q2 2008*	HY 2009	HY 2008*
Cost of product	4,464	4,076	10,459	9,326
Employee benefit expenses	878	748	2,060	1,747
Other store expenses	391	369	909	837
Depreciation and amortization	170	148	401	341
Rent (income) expenses - net	106	98	266	230
Impairment losses and reversals - net	8	4	18	6
Gains on the sale of assets - net	-	(26)	(4)	(36)
Other expenses	118	117	284	261
Total	**6,135**	**5,534**	**14,393**	**12,712**

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

7. Share in income of joint ventures

The Company's share in income of joint ventures is net of income taxes and is specified as follows:

(€ million)	Q2 2009	Q2 2008	HY 2009	HY 2008
ICA	17	34	22	46
Other	(1)	3	-	4
Total	**16**	**37**	**22**	**50**

Ahold's share in ICA's net income included gains on the sale of assets of € 1 million and € 9 million for Q2 2009 and Q2 2008, respectively (HY 2009: € 3 million and HY 2008: € 11 million).

8. Assets held for sale and discontinued operations

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

Segments	Discontinued operations	Q2 2009	Q2 2008	HY 2009	HY 2008
(€ million)					
Schuitema	Schuitema	-	6	-	17
Other retail	JMR	3	-	15	13
Results from discontinued operations		3	6	15	30
BI-LO/Bruno's	BI-LO and Bruno's	1	-	(65)	-
Schuitema	Schuitema	-	162	-	162
Various*	Various	(1)	(7)	(4)	9
Results on divestments		-	155	(69)	171
Income (loss) from discontinued operations, net of income taxes		**3**	**161**	**(54)**	**201**

* Includes adjustments to the result of prior years divestments (mainly U.S. Foodservice, Tops and Poland).

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

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

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

The following table presents a reconciliation between the cash received and the results on divestments of discontinued operations:

(€ million)	HY 2009	HY 2008*
Cash (paid)/received (net of cash divested of € 16 million in HY 2008)	(4)	342
Net assets divested	-	(184)
Changes in accounts receivable/payable - net	(110)	(2)
Income taxes	45	15
Results on divestments	**(69)**	**171**

*The comparative information was changed to conform to the current year presentation.

9. Equity attributable to common shareholders

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

10. Loans

Repayments of loans amounted to € 513 million for Q2 2009 (HY 2009: € 519 million). The repayments included an early repayment through open market purchases of $ 187 million (€ 134 million) of the notes with an original principal amount of $ 700 million. The one time loss of $ 10 million (€ 7 million) incurred on the buyback of these notes is reported in the income statement as other financial expense. In addition, notes with a principal amount $ 500 million (€ 376 million) were redeemed on maturity in May 2009. The loans were repaid from the Company’s cash balances.

On June 24, 2009, Standard & Poor’s Corporate revised its credit rating on Ahold from BBB- to BBB (with a stable outlook).

11. Cash flow

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

(€ million)	HY 2009	HY 2008
Cash and cash equivalents of continuing operations at the beginning of the year	2,863	3,263
Restricted cash	(19)	(21)
Cash and cash equivalents beginning of the year, excluding restricted cash	2,844	3,242
Net cash from operating, investing and financing activities	(251)	(512)
Effect of exchange rate differences on cash and cash equivalents	29	(84)
Restricted cash	20	16
Cash and cash equivalents of continuing operations at the end of the quarter	**2,642**	**2,662**

12. Commitments and contingencies

ICA tax claims

The Swedish tax authorities have denied interest deductions made by ICA for interest on borrowings from an Irish subsidiary of nearly SEK 1.8 billion (€ 166 million) for the period 2001-2003. The Swedish tax authorities' claim amounts to SEK 747 million (€ 69 million), including penalties and interest. The Irish subsidiary's operations were wound up in 2003. The County Administrative Court confirmed the tax authorities' decision in December 2008. ICA believes that the deductions were in compliance with tax rules and is contesting the claim and penalties and has appealed the Court's ruling to the Administrative Court of Appeal. ICA paid the disputed amount in February 2009 and recorded a receivable for the paid amount.

In a separate case, the Swedish tax authorities have also denied interest deductions made by ICA for payments of interest to a Dutch subsidiary for the period 2004-2007. The tax authorities' claim amounts to SEK 1.1 billion (€ 101 million), including penalties and interest. ICA believes that the deductions were in compliance with tax rules. ICA is contesting the claim and penalties and has appealed the ruling to the County Administrative Court.

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

Use of non-GAAP financial measures

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

- Net sales at constant exchange rates. Net sales at constant exchange rates exclude the impact of using different currency exchange rates to translate the financial information of Ahold subsidiaries or joint ventures to euros. Ahold's management believes this measure provides a better insight into the operating performance of Ahold's foreign subsidiaries or joint ventures.
- Net sales in local currency. In certain instances, net sales are presented in local currency. Ahold's management believes this measure provides a better insight into the operating performance of Ahold's foreign subsidiaries.
- Identical sales, excluding gasoline net sales. Because gasoline prices have experienced greater volatility than food prices, Ahold's management believes that by excluding gasoline net sales, this measure provides a better insight into the growth of its identical store sales.
- Underlying retail operating income. Total retail operating income, adjusted for impairment of non-current assets, gains and losses on the sale of assets and restructuring and related charges. Ahold's management believes this measure provides better insight into underlying operating performance of Ahold's retail operations.
- Operating income in local currency. In certain instances operating income is presented in local currency. Ahold's management believes this measure provides better insight into the operating performance of Ahold's foreign subsidiaries.
- Earnings before interest, taxes, depreciation and amortization. EBITDA is net income before net financial expense, income taxes, depreciation and amortization. EBITDA is commonly used by investors to analyze profitability between companies and industries by eliminating the effects of financing (i.e., net financial expense) and capital investments (i.e., depreciation and amortization).

  The reconciliation from EBITDA per segment to operating income per segment is as follows for Q2 2009 and Q2 2008 and for the first half of 2009 and 2008, respectively:

(€ million)	EBITDA Q2 2009	Depreciation and amortization	Operating income Q2 2009	EBITDA Q2 2008	Depreciation and amortization	Operating income Q2 2008
Stop & Shop/Giant-Landover	237	(91)	146	158	(78)	80
Giant-Carlisle	58	(23)	35	53	(20)	33
Ahold USA	295	(114)	181	211	(98)	113
Albert Heijn	194	(44)	150	176	(38)	138
Albert/Hypernova	(13)	(12)	(25)	8	(12)	(4)
Ahold Europe	181	(56)	125	184	(50)	134
Corporate Center	(11)	-	(11)	(12)	-	(12)
Total	**465**	**(170)**	**295**	**383**	**(148)**	**235**

(€ million)	EBITDA HY 2009	Depreciation and amortization	Operating income HY 2009	EBITDA HY 2008	Depreciation and amortization	Operating income HY 2008
Stop & Shop/Giant-Landover	547	(216)	331	398	(184)	214
Giant-Carlisle	145	(56)	89	126	(45)	81
Ahold USA	692	(272)	420	524	(229)	295
Albert Heijn	441	(102)	339	411	(84)	327
Albert/Hypernova	(12)	(27)	(39)	22	(27)	(5)
Ahold Europe	429	(129)	300	433	(111)	322
Corporate Center	(29)	-	(29)	(45)	(1)	(46)
Total	**1,092**	**(401)**	**691**	**912**	**(341)**	**571**

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

Management believes that these non-GAAP financial measures allow for a better understanding of Ahold's operating and financial performance. These non-GAAP financial measures should be considered in addition to, but not as substitutes for, the most directly comparable IFRS measures.

Financial calendar

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

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

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

Ahold Finance U.S.A., LLC

The interim report half year 2009 of Ahold’s wholly owned subsidiary Ahold Finance U.S.A., LLC is available at www.ahold.com.

Ahold Interim Report

This Ahold 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.

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 Ahold’s strategy for profitable growth, the balance between sales and margins, restructuring activities in the Czech Republic and Slovakia and further charges related thereto and Ahold’s contingent liability related to BI-LO and Bruno´s leases and ICA tax claims. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Ahold’s ability to control or estimate precisely, such as the effect of general economic or political conditions, fluctuations in exchange rates or interest rates, increases or changes in competition, Ahold’s ability to implement and complete successfully its plans and strategies, the benefits from and resources generated by Ahold’s plans and strategies being less than or different from those anticipated, changes in Ahold’s liquidity needs, the actions of competitors and third parties and other factors discussed in Ahold’s public filings. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this interim report. Neither Koninklijke Ahold N.V. nor Ahold Finance U.S.A., LLC 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 securities laws. Outside the Netherlands, Koninklijke Ahold N.V., being its registered name, presents itself under the name of “Royal Ahold” or simply “Ahold”.